

**Members of the public may address the City Council on any item shown on the agenda or matter of the Council's authority after completion of "Request to Address the Council Form" available in the lobby of the Council Chambers or in the City Clerk's office. This form must be completed 15 minutes prior to the scheduled meeting time. Pursuant to Section 54957.5 of the California Government Code, Any writings (Except for those writings which are exempt from disclosure) which are distributed to all or a majority of the members of the City Council are available for public inspection in the lobby of the City Council Chambers and in the office of the City Clerk during regular business hours.**

**COMPTON CITY COUNCIL  
AGENDA  
03/19/2019  
5:30 PM**

**4: 30 P.M. - CLOSED SESSIONS**

**CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION  
Bradford v. City of Compton, LASC Case No. TC026769  
Pursuant to California Government Code Section 54956.9(a)**

**CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION  
One (1) Potential Case  
Pursuant to California Government Code Section 54956.9(b)**

**PUBLIC EMPLOYEE PERFORMANCE EVALUATION  
Title: City Manager, City Controller  
Pursuant to California Government Code Section 54957**

**HEARING(S)**

**6:00 P.M. - PUBLIC HEARING - AUTHORIZING THE CITY MANAGER TO ENTER INTO A PURCHASE SALE AGREEMENT OF CERTAIN CITY OWNED PROPERTY LOCATED AT 930 WEST COMPTON BOULEVARD WITH CITY VENTURES LLC. TO DEVELOP 24 SINGLE FAMILY DETACHED TOWNHOMES (Item #6)**

## **OPENING**

### **MOMENT OF SILENCE**

### **PLEDGE OF ALLEGIANCE**

### **ROLL CALL**

### **INTRODUCTION OF SPECIAL GUESTS**

### **PUBLIC COMMENTS ON AGENDA ITEMS AND NON-AGENDA MATTERS**

## **CONSENT AGENDA**

Consent items are routine and expected to be non-controversial. They will be acted upon by the Council at one time without discussion unless a Council Member requests an item be removed or discussed.

### **APPROVAL OF MINUTES**

1. FEBRUARY 26, 2019

### **CITY MANAGER/CITY ATTORNEY/CITY CONTROLLER/CITY TREASURER REPORTS**

2. INVESTMENT REPORT - JANUARY 31, 2019 (RECEIVE/FILE)

### **HUMAN RESOURCES**

3. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ENTER INTO PROFESSIONAL SERVICES AGREEMENTS WITH CALIFORNIA LABOR SOLUTIONS LLC AND THE LAW FIRM OF LIEBERT CASSIDY WHITMORE FOR PROVISION OF ADMINISTRATIVE INVESTIGATION SERVICES ON AN "AS-NEEDED" BASIS FOR THE REMAINDER OF FISCAL YEAR 2018-2019

## **REGULAR AGENDA**

### **CITY MANAGER'S REPORT**

4. REQUEST TO SCHEDULE A JOINT PUBLIC HEARING-HOUSING AUTHORITY 2019 PHA ANNUAL PLAN (May 7, 2019 at 5:50 p.m.)
5. PRESENTATION - TYPHUS EDUCATION - DR. JEFFERY GUNZENHAUSER, DEPARTMENT OF PUBLIC HEALTH MEDICAL DIRECTOR

**NEW BUSINESS**

6. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON MAKING CERTAIN FINDINGS, APPROVING A PURCHASE AND SALE AGREEMENT BETWEEN THE CITY OF COMPTON (ACTING AS SUCCESSOR TO THE HOUSING ASSETS OF THE FORMER COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON), AS SELLER, AND CITY VENTURES HOMEBUILDING, LLC, AS BUYER, FOR THE SALE OF PROPERTY LOCATED IN THE CITY OF COMPTON AT 930 WEST COMPTON BOULEVARD, AND THE DEVELOPMENT OF A HOUSING PROJECT THEREON, INCLUDING AFFORDABLE HOUSING, AND FINDING THE PROJECT EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT
7. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON TO AMEND THE 2018-2019 FISCAL YEAR BUDGET TO TRANSFER FUNDS AND AUTHORIZE THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH MCWIL SPORT SURFACE, INC FOR REPLACEMENT OF BASKETBALL COURT FLOORING AT WILSON PARK GYMNASIUM (\$89,855.00)
8. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AMENDING THE 2018-2019 FISCAL YEAR BUDGET TO TRANSFER FUNDS AND AUTHORIZING THE CITY MANAGER TO ESTABLISH PURCHASE ORDERS TO VENDORS LISTED IN "APPENDIX A" FOR THE PROCUREMENT OF MATERIALS AND SUPPLIES ON AN "AS NEEDED" BASIS DURING FISCAL YEAR 2018-2019 FOR THE PARKS AND RECREATION DEPARTMENT (\$39,500.00)
9. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO AMEND THE OFFICE OF THE CITY CONTROLLER'S 2018-2019 FISCAL YEAR BUDGET TO MODIFY CURRENT AUTHORIZED STAFFING
10. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO AMEND THE PROFESSIONAL SERVICES AGREEMENT WITH DUDEK TO PERFORM ADDITIONAL CORRECTIVE ACTION SERVICES IN ACCORDANCE WITH DIRECTIVES OF THE LOS ANGELES REGIONAL WATER QUALITY CONTROL BOARD REGARDING REMEDIATION AT COMPTON FIRE STATION NO. 1 (\$260,000)
11. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON ACCEPTING THE PROPOSAL OF AKM CONSULTING ENGINEERS AND ESTABLISHING A PURCHASE ORDER AND ENTERING INTO A CONTRACT FOR ENGINEERING SERVICES FOR THE PREPARATION OF THE WATER SYSTEM MASTER PLAN UPDATE (\$115,440.00)
12. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COPTON AUTHORIZING THE CITY MANAGER TO EXECUTE A RIGHT OF ENTRY AND ACCESS AGREEMENT FOR PROPERTY LOCATED AT 620 WEST COMPTON BOULEVARD BETWEEN THE CITY OF COMPTON AND AF PROPERTIES 2015 LLC

13. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AMENDING THE 2018-2019 FISCAL YEAR BUDGET AND AUTHORIZING THE CITY MANAGER TO ISSUE A PURCHASE ORDER FOR ENTERPRISE CAR RENTAL (EAN SERVICES LLC) FOR PROVIDING CAR RENTAL SERVICES IN TIMES OF DISASTER TO THE COMPTON FIRE DEPARTMENT (\$5,634.02)

**COUNCIL COMMENTS**

**ADJOURNMENT**

*NEXT REGULAR MEETING: 3/26/2019 @ 5:30 PM*

*Visit our website at <http://www.comptoncity.org>*



## **FEBRUARY 26, 2019**

The Closed Session Compton City Council meeting was called to order at 4:47 p.m. in the City Hall Council Chambers by Mayor Aja Brown. The Pledge of Allegiance and Moment of silence ceremonies were also led by Mayor Aja Brown.

### **ROLL CALL**

**Council Members Present – Zurita, McCoy, Brown**

**Council Members Absent – Galvan** (Entered the meeting at 6:29 p.m.), **Sharif**

**Other Officials Present: C. Cornwell, V. McDaniel, C. Rhambo, Jr.**

### **CLOSED SESSION AGENDA ITEMS**

#### **CONFERENCE WITH REAL PROPERTY NEGOTIATION**

**Property Negotiators: 1105 South Alameda Street, Compton, CA Negotiating parties: City Manager/Assistant City Manager and Katheman Company**

**Under Negotiation: Price and Terms**

**Pursuant to California Government Code Section 54956.8**

#### **CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION**

**Bradford v. City of Compton, LASC Case Nos. TC026769 and 18STCV01367 Pursuant to California Government Code Section 54956.9(a)**

#### **CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION One (1) Potential Case**

**Pursuant to California Government Code Section 54956.9(b)**

**City Attorney Craig Cornwell** requested a closed session to discuss matters pursuant to California Government Code Sections 54956.8, 54956.9(a) and 54956.9(b).

On motion by McCoy, seconded by Zurita, the closed session was approved by the following vote on roll call:

**AYES: Council Members - Zurita, McCoy, Brown**

**NOES: Council Members - None**

**ABSENT: Council Members - Galvan, Sharif**

### **WORKSHOP**

#### **5:35 P.M. – PUBLIC RELATIONS WORKSHOP – (Rescheduled)**

#### **AUDIENCE COMMENTS ON THE CLOSED SESSION ITEMS**

**Robert Ray** inquired about the plan for the property located at 1105 South Alameda.

**City Manager Cecil Rhambo** replied that the proposal is for a warehouse facility.

On motion by McCoy, seconded by Zurita, the Council recess to closed session at 4:53 p.m. by the following vote on roll call:

**AYES: Council Members - Zurita, McCoy, Brown**

**NOES: Council Members - None**

**ABSENT: Council Members - Galvan, Sharif**

### **RECONVENED TO OPEN SESSION**

On motion by Zurita, seconded by Mayor Brown (who stepped from the Chair), the meeting was reconvened at 6:11 p.m.

## ROLL CALL

**Councilmembers Present:** Zurita, McCoy, Brown

**Councilmembers Absent:** Galvan, Sharif

## REPORT OUT OF CLOSED SESSION

**City Attorney Craig Cornwell** reported out that the entire City Council was present in closed session, with the exception of Councilperson Sharif, and further stated that with regard to **conference with legal counsel real property negotiations: 1105 S. Alameda, Compton**, the City Council voted to continue with negotiations and indicated that Councilpersons Zurita, Galvan and McCoy voting in the affirmative with Mayor Brown voting ‘No.’

City Attorney Cornwell went on to report that in the matter of **conference with legal counsel-existing litigation-Bradford v. City of Compton, LASC Case Nos. TC026769 and 18STCV01367--** no reportable action taken in this matter. In the matter of **conference with legal counsel-anticipated litigation of one (1) potential case**—no reportable action taken in this matter. Attorney Cornwell then indicated that these matters were discussed pursuant to California Government Code Sections 54956.8, 54956.9(a) and 54956.9(b).

## PUBLIC COMMENTS ON AGENDA ITEMS AND NON-AGENDA MATTERS

**Robert Ray**, Compton resident, requested that the Council conduct themselves with decorum and further offered his opinion that the best location to hold the candidate’s forum is the City Council Chambers, adding that this will afford all of the residents an opportunity to view the forum live. Mr. Ray mentioned Section 602 of the Compton City Charter which governs how the city is supposed to operate, and further urged the City Council to follow the rules and regulation of the Charter.

**Miesha McCoy**, Compton resident, detailed an incident that took place approximately 2 years ago in the area of the Compton Courthouse and further stated that she had requested a copy of the video footage capturing the incident. Ms. McCoy went on to state that she was informed that the video monitoring system was not functioning and further questioned the reason.

**Ruben Moore**, Compton resident, raised concerns regarding the urgent need for street repairs. Mr. Moore also stated that the water bills are extremely high.

**Michael Douglas**, Compton resident, stated that he represents several businesses, one of which is Johnson’s Roofing Service. Mr. Douglas mention that each time a company request a permit for a trash bin, they are required to provide a \$1,000 deposit. He also stated that after performing several jobs in the city, there is over \$15,000 in the coffers of Building and Safety Department. Mr. Douglas requested that the city look into the matter of expediting the refund of the deposits once the jobs have been completed.

**Emily Hart-Holifield**, Compton resident, indicated that the candidate’s forum should be held at the Dollarhide Community Center. Ms. Hart-Holifield felt that the Dollarhide Center is best suited for the forum, adding that it is neutral ground and offers plenty of parking and it was designed for events such as the candidate’s forum. Ms. Hart-Holifield concluded by thanking Councilman Galvan for requesting that the item be brought back before the Council for re-consideration.

**Connie Halbig**, Compton resident, noted that the residents on her street have experienced problems finding street parking and requested parking permits for her street, adding that some residents have even begun to park in her handicapped parking stall. Ms. Halbig then detailed an incident this past weekend near the area of 129<sup>th</sup> Street and San Pedro, whereby families attending a repass where ordered to disburse and, subsequently, experienced bean bags shot at them and subjected to tear gas by the Sheriff’s Department. Ms. Halbig further indicated that babies and small children were exposed to the tear gas and bean bags and expressed disdain and disgust for the actions of the Sherriff’s Department and requested that the city investigate the incident.

**Mayor Brown** reported that this incident occurred within the jurisdiction of Los Angeles County, and not the city. Mayor Brown then asserted that the city would investigate the matter.

**Sandra Clark**, Compton resident, mentioned the recently paved streets that were improperly repaired. She further stated that the current street repairs are inadequate and a waste of time and materials. Ms. Clark stated that she is a cancer patient as has experienced difficulty obtaining financial assistance and also paying her rent.

**Patricia Lawrence**, Compton resident, spoke regarding relocating the candidate's forum to the Dollarhide Community Center, indicating that the citizens must elect representatives that have the best interest of the residents and care for the community. Ms. Lawrence asserted that the City Manager and City Attorney must set aside a date and time to address the concerns of the citizens. Ms. Lawrence concluded by urging the City Council to clean up the city.

**Bob Adams**, Representative of American Federation of State, County and Municipal Employees) AFSCME, requested that agenda item Number 3 (contract for on-call engineering services) be pulled from the consent agenda for discussion. Mr. Adams pointed out that Staff did meet and confer regarding subcontracting duties that belong to city employees, noting that the contract will be reviewed on an annual basis until the position can be morphed back into city employee duties. Mr. Adams then noted that the language of the Staff report and the resolution for this item is inconsistent with the contract.

**Benjamin Holifield**, President/Founder-Compton Business Chamber of Commerce, thanked Councilman Galvan for re-considering item Number 7 (candidate's forum). Mr. Holifield noted that there is insufficient parking for the residents attending Council Chamber events and the area is unsafe, further indicating that the Dollarhide Community Center is the perfect spot for the forum. Mr. Holifield then informed the Council that there is a problem with communication, indicating that when residents call city hall they do not receive answers, as the switchboard operator has been removed. Mr. Holifield emphasized that the Council must clean up the main thoroughfares, most importantly Compton Boulevard which represents all four Council districts.

**Maria Villarreal**, Latino Chamber of Commerce, invited the community to the grand re-opening of the Latino Chamber of Commerce at 510 West Compton Boulevard on March 5, 2019 from 1 to 2:30 p.m. There will be free food, drinks and live music. Ms. Villarreal then noted that there is a substantial amount of trash and debris on the property adjacent to the Chamber and requested that the city contact the property owner and require them to clean the lot.

**Marjorie Shipp**, Compton resident, stated that the City Council Chambers belongs to the people of the community. Ms. Shipp then stated the Council Chambers is the best location to view the candidate's forum. She urged the Council to maintain professionalism and work cohesively together as Body to address the issues and concerns facing the community and improve the city.

**Bishop L. J. Guillory**, Ombudsman International, addressed the issue of streets and questioned why certain individuals are calling the media and casting a negative shadow over the city. Mr. Guillory stated that people say they love the city, however, they are not working to improve the city. Mr. Guillory was in favor of the candidate's forum being held at the Dollarhide Community Center.

**Lynn Boone**, Compton resident, stated that she loves the city and the people of Compton. Ms. Boone then noted that outsiders come in to use our resources and the residents are excluded from those same resources. Ms. Boone further noted that Measure 'P' was not needed, because the city could have utilized lease revenue bonds to restore and improve the city.

Ms. Boone concluded by stating that the Measure 'P' funds should be placed in a separate account and not in the General Fund.

**Gilda Blueford**, Compton resident, indicated that Council recently voted to hold the candidate's forum in the Council Chambers; however, to her dismay, the item is being re-considered on today's agenda. Ms. Blueford noted that the Council Chambers belongs to the residents of Compton and should be used for the candidate's forum as the Chambers possesses the television cameras and equipment for internet live streaming. She further stated that if the Council moved

the forum to a building that does not have television access, the decision would essentially disenfranchise the Seniors, the homebound and the disabled residents.

**Craig Henry**, Compton resident, stated he is a champion for the City of Compton and urged every citizen to support the Council in their endeavors to improve the city. Mr. Henry then highlighted the many social services programs provided to the residents of the community such as Shields for Families, Volunteers of America, etc., and invited those requesting services to visit 600 North Alameda Street, to discover the many wonderful resources available to the residents.

**LeMeika Pope**, Compton resident, stated that it would be a conflict of interest for the Compton Chamber of Commerce to host the candidate's forum since the Chamber is affiliated with some of the candidates for the upcoming election. She indicated that the Councilmembers are the 'gatekeepers' of the city and the voters must make wise choices. Ms. Pope also addressed the issue of the potholes and offered her assistance in expediting street repairs.

**F. Hernandez**, Compton resident, stated that 90% of the streets are undriveable, and further added that the youth of the community are not able to safely play outside because of the poor condition of the streets and sidewalks. He noted that tiny progress has been made, however, it is not enough and the community is outraged. Mr. Hernandez then questioned why the streets are in such disrepair, indicating that there are Measure 'P' funds available for street repairs. Mr. Hernandez suggested that the Council institute underground utilities and repair the sewer system in conjunction with the street repairs.

**Janice Jackson**, Compton resident, noted that the online viewing of the City Council meeting is now operational; however, she urged the city to offer the videos of the past City Council meetings. Ms. Jackson also noted man cannot send you to Heaven or Hell, emphasizing that only Jesus can save us.

**Jamila Ali**, Compton resident, stated that she does not enjoy driving through the city ducking and dodging potholes. Ms. Ali urged the Council not to just simply perform patch work, but completely re-pave the streets.

## **CONSENT AGENDA**

### **APPROVAL OF MINUTES**

1. FEBRUARY 2, 2019 – (*Approved*)

### **CITY FIRE DEPARTMENT**

2. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMTON AUTHORIZING THE CITY MANAGER TO ENTER INTO A REPAIR SERVICE AGREEMENT WITH AND ISSUE A PURCHASE ORDER FOR AIR EXCHANGE TO REPAIR PLYMOVENT SERVICE EQUIPMENT LOCATED AT COMPOTN FIRE DEPARTMENT STATIONS 1 AND 3 (\$7,106.95)

**(Approved Resolution Number 24,948)**

4. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ISSUE A PURCHASE ORDER TO SELECTRON FOR THE ANNUAL MAINTENANCE OF THE INTER-ACTIVE VOICE RESPONSE SOLUTION (IVR) FOR THE WATER DEPARTMENT

On motion by Zurita, seconded by McCoy, the above items were approved by the following vote on roll call:

**AYES:** Council Members - Zurita, Galvan, McCoy, Brown  
**NOES:** Council Members - None  
**ABSENT:** Council Members - Sharif

## **WATER DEPARTMENT**

3. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON ACCEPTING THE PROPOSAL OF CIVILTEC ENGINEERING INC. AND ESTABLISHING A PURCHASE ORDER AND ENTERING INTO A CONTRACT FOR ON-CALL ENGINEERING SERVICES FOR FISCAL YEARS 2018-2019, 2019-2020 AND 2020-2021 (\$50,000.00)

It was moved by Zurita, seconded by McCoy, that the resolution be adopted.

There was discussion among the Councilmembers regarding the terms of the contract.

**City Manager Rhambo** explained that the position was previously held by a full-time employee that is no longer employed with the city. Presently, there is not enough work to hire a full-time employee for this position. Staff met and conferred with the union and it was agreed that this contract position would be evaluated on an annual basis.

There was discussion among the Councilmembers regarding the terms of the contract.

**City Attorney Cornwell** recommended that the contract be revised to effectuate a one-year agreement and further suggested that the meet and confer process continue until there is an impasse in discussion.

**Mayor Brown** stepped from the Chair to make an amending motion to accept the City Attorney's recommendation to keep the contract length consistent with the funding that will be provided, as indicated by city management. The motion was seconded by Zurita and approved by the following vote on roll call:

**AYES:** Council Members - Zurita, Galvan, McCoy, Brown  
**NOES:** Council Members - None  
**ABSENT:** Council Members - Sharif

## **REGULAR AGENDA**

### **CITY MANAGER'S REPORT**

#### **5. PRESENTATION - STREET IMPROVEMENT PROJECTS - PUBLIC WORKS DEPARTMENT**

**Public Works Director Wendell Johnson** presented a power point presentation on the update of street rehabilitation projects. Mr. Johnson indicated that the city streets are in very poor condition, as the streets are suffering from deferred maintenance and has experienced decades of neglect as a result of a lack of funds. He further noted that during the last year, the city has approved 26 contracts for street repairs and the city has developed a comprehensive strategy to greatly improve the infrastructure of the city.

Mr. Johnson noted Staff and the City Council is committed to moving forward to expeditiously repair the streets of the city. Mr. Johnson then presented a comprehensive list of residential streets under design for scheduled rehabilitation. The complete power point presentation is on file and available for review in the City Clerk's Office.

*(Councilmember McCoy exited the meeting at 6:50 p.m. and returned at 6:52 p.m.)*

#### **6. PRESENTATION - EMERGENCY PREPAREDNESS - FIRE DEPARTMENT**

**Fire Chief Roderick Simpson**, presented the Emergency Preparedness and Response and the Standardized Emergency Management System (SEMS). Chief Simpson indicated that the City of Compton is fully prepared for any disaster that may take place, adding that the city is part of several cities that work in collaboration with other cities in what has been designated as 'Area E' of the Disaster Management Team of Office of the Los Angeles County.

The Standardized Emergency Management System (SEMS) is the cornerstone of California emergency management. The SEMS unifies all elements of an integrated system with designated levels and responsibilities, and integrates multi and inter-agency coordination, mutual aid requests, and the operational area. All incidents are managed at the local level at the Emergency Operations Center (EOC). Chief Simpson further indicated that the City Council is needed to approve emergency proclamations or emergency ordinance changes, brief constituents with response updates and collect information from their constituents.

**David Ashman**, Disaster Management Coordinator for Area E, also presented a power point presentation regarding emergency preparedness.

**City Attorney Craig Cornwell** informed the Council that in accordance with CMC Section 2-4.11, each member of the City Council is required to select a standby member of their respective Council district to act in their stead in the event the Councilmember is not available during an emergency.

The complete power point presentation is on file and available for review in the City Clerk's Office.

7. REQUEST THE USE OF THE CITY COUNCIL CHAMBERS FOR A CANDIDATE'S FORUM FOR THE APRIL 16, 2019 ELECTION HOSTED BY THE COMPTON CHAMBER OF COMMERCE (March 16, 2019 – 10 am-4 pm) –  
(RECONSIDERATION REQUESTED BY COUNCILMAN ISAAC GALVAN)

It was moved by McCoy, seconded by Galvan to reconsider the candidate's forum location site.

**Councilman Galvan** moved to hold the forum at the Dollarhide Community Center. The motion was seconded by McCoy.

**Councilmember Zurita** commented that it should be noted that the Compton Chamber of Commerce has made candidate endorsements for the upcoming election.

The motion to move the Candidate's forum to the Dollarhide Community Center on March 16, 2019 was approved by the following vote on roll call:

**AYES:** Council Members - Zurita, Galvan, McCoy  
**NOES:** Council Members - Brown  
**ABSENT:** Council Members - Sharif

## **NEW BUSINESS**

8. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON APPROVING FINAL PARCEL MAP NO. 75002 TO SUBDIVIDE AN EXISTING 2.491-ACRE LOT INTO THREE SEPARATE SMALLER PARCELS FOR FUTURE DEVELOPMENT AS A RETAIL COMMERCIAL CENTER FOR A PROPERTY LOCATED AT 2200 WEST ARTESIA BOULEVARD (ASSESSOR'S PARCEL NUMBER 7319-003-102)

On motion by Zurita, seconded by McCoy, **Resolution Number 24,951** entitled 'A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON APPROVING FINAL PARCEL MAP NO. 75002 TO SUBDIVIDE AN EXISTING 2.491-ACRE LOT INTO THREE SEPARATE SMALLER PARCELS FOR FUTURE DEVELOPMENT AS A RETAIL COMMERCIAL CENTER FOR A PROPERTY LOCATED AT 2200 WEST ARTESIA BOULEVARD (ASSESSOR'S PARCEL NUMBER 7319-003-102)' was adopted by the following vote on roll call:

**AYES:** Council Members - Zurita, Galvan, McCoy, Brown  
**NOES:** Council Members - None  
**ABSENT:** Council Members - Sharif

9. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON ACCEPTING THE BID OF AND AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONSTRUCTION CONTRACT WITH AND ESTABLISH A PURCHASE ORDER FOR RE SCHULTZ CONSTRUCTION, INC. FOR THE BURRELL MAC DONALD PARK IMPROVEMENT PROJECT (\$271,678)

On motion by Galvan, seconded by McCoy, **Resolution Number 24,952** entitled ‘**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON ACCEPTING THE BID OF AND AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONSTRUCTION CONTRACT WITH AND ESTABLISH A PURCHASE ORDER FOR RE SCHULTZ CONSTRUCTION, INC. FOR THE BURRELL MAC DONALD PARK IMPROVEMENT PROJECT**’ was adopted by the following vote on roll call:

**AYES:** Council Members - **Zurita, Galvan, McCoy, Brown**

**NOES:** Council Members - **None**

**ABSENT:** Council Members - **Sharif**

### **COUNCIL COMMENTS**

**City Attorney Cornwell** requested that the meeting be adjourned in memory of **Attorney Felipe Plascencia**, former Deputy City Attorney from 1999 to 2006, prominent civil rights attorney and President of the Mexican American Bar Association Political Action Committee, who recently perished in a plane crash. City Attorney Cornwell praised and honored Attorney Placentia for his many outstanding contributions to the residents as well as the entire legal community.

**Councilperson Galvan offered the following communications/announcements:**

- Commended Attorney Felipe Placentia for his outstanding service he provided to the city, county and state. Councilman Galvan noted that **Attorney Plascencia** was a champion for civil and equal right and often taught seminars in various universities and communities free of charge.

**Councilperson Zurita offered the following communications/announcements:**

- Invited the community to attend her Town Hall meeting at Gonzales park, 1001 W. Cressey Street on March 6, 2019 from 6 to 8 p.m. to discuss the rehabilitation of Gonzales park and community involvement.
- Requested that the meeting be adjourned in memory of **Grace Duncan, Joseph Holmes, Jr. and Jariah Armstead.**

**Councilperson McCoy offered the following communications/announcements:**

- Provided the City Manager with a list denoting the streets where the street signs were removed by Southern California Edison, and must be replaced as soon as possible.
- Commented on the successful 3<sup>rd</sup> Annual Black History Paint and Play Party on February 22, 2019 and noted that the children of the community enjoyed the wonderful event.
- Announced that on March 9, 2019 she will be hosting a Mothers with Sons Symposium to assist Mothers coping with the loss of their sons, as well as Mothers raising gifted and special needs son on March 9, 2019 from 10 a.m. to 2 p.m. at 2516 W. Alondra Boulevard, Compton.

**ADJOURNMENT**

On motion by Zurita, seconded by McCoy, the meeting was adjourned at 8:43 p.m., in memory of **Attorney Felipe Plascencia, Grace Duncan, Joseph Holmes, Jr. and Jariah Armstead**, by the following vote on roll call:

- AYES:** Council Members - Zurita, McCoy, Brown
- NOES:** Council Members - None
- ABSENT:** Council Members - Galvan, Sharif

\_\_\_\_\_  
CITY CLERK OF THE CITY OF COMPTON

\_\_\_\_\_  
MAYOR OF THE CITY OF COMPTON

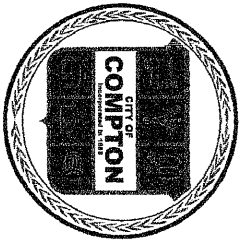


MARCH 19, 2019

TO: MAYOR AND COUNCIL MEMBERS  
FROM: CITY TREASURER  
SUBJECT: INVESTMENT REPORTS

IN ORDER TO COMPLY WITH STATE LAW AND THE CITY'S INVESTMENT POLICY, THE ATTACHED REPORT ACCURATELY REFLECTS ALL POOLED INVESTMENTS HELD ON BEHALF OF THE CITY AND THE SUCCESSOR AGENCY AS OF JANUARY 31, 2019.

DOUGLAS SANDERS  
CITY TREASURER



# CITY OF COMPTON Portfolio Management Portfolio Summary January 31, 2019

City of Compton  
205 S. Willowbrook Ave.  
Compton, CA 90220  
(310)605-5515

| Investments                         | Par Value            | Market Value         | Book Value           | % of Portfolio | Term     | Days to Maturity | YTM 360 Equiv. | YTM 365 Equiv. |
|-------------------------------------|----------------------|----------------------|----------------------|----------------|----------|------------------|----------------|----------------|
| Passbook/Checking Accounts -2       | 454,510.79           | 454,510.79           | 454,510.79           | 0.62           | 1        | 1                | 0.089          | 0.090          |
| Local Agency Investment Funds       | 73,085,072.20        | 73,085,072.20        | 73,085,072.20        | 99.21          | 1        | 1                | 2.367          | 2.400          |
| Managed Pool & Money Market Account | 124,886.92           | 124,886.92           | 124,886.92           | 0.17           | 1        | 1                | 0.098          | 0.100          |
| <b>Investments</b>                  | <b>73,664,469.91</b> | <b>73,664,469.91</b> | <b>73,664,469.91</b> | <b>100.00%</b> | <b>1</b> | <b>1</b>         | <b>2.349</b>   | <b>2.382</b>   |

|                                 |                                |
|---------------------------------|--------------------------------|
| <b>Total Earnings</b>           | <b>January 31 Month Ending</b> |
| Current Year                    | 128,735.75                     |
| <b>Average Daily Balance</b>    | <b>66,748,552.29</b>           |
| <b>Effective Rate of Return</b> | <b>2.27%</b>                   |

This report reflects all pooled investments in conformity with the Investment Policy adopted by the City Council Gov Code 53646(b) (3). The monthly investment report must state the ability of the agency to meet its expenditure requirements for the next six months or provide an explanation as to why sufficient cash funds may or may not be available. The investment program should provide sufficient cash to meet six months of estimated expenditures. As of January 31, 2019 the 7th month of the Fiscal Year 2018/2019, the General City Bank account and the LAIF accounts had an estimated total of \$36.8 million. At the time of this reporting period there was approximately \$1,053,433.72 million in large outstanding warrants paid to vendors. On December 20, 2018 and January 20, 2019, the City received its portion of Property Tax revenue of \$11,267,354.02, of that portion \$6,991,329.34 goes toward PERS. Also, the City received DMV fees of \$8,525,206.44, which some portion goes towards PERS. In addition, the Successor Agency received its property tax revenue, ROPS, on January 2, 2019 of \$8,560,501.00, and \$4,294,443.98 in the General account that goes toward PERS. Our PERS balance is approximately \$25.5 million as of the date of this reporting period. The FOMC increased interest rates 25 bases points or 1/4 point in December 2018, and FOMC members will adjust another rate hike in 2019. Yields continue to rise in less risky investment vehicles. Feds are anticipating future recession in the economy and higher inflation. The City chose not to do any TRANS for 2018/2019 fiscal years. In the months of February and March 2019, the City has major bond debt payments. There are other major bond payments in Water & Sewer Bonds and CRA/Title Successor Agency Bonds in September 2019. In spring and summer of 2019, Compton begins a large road construction program, which requires large use of cash expenditures during the projects.

The pricing of securities is done by Union Bank and Interactive Data Services. Moody Investor Service rates the State Pool Accounts AAA

Treasury Rates as of 1/31/19

3 month T-Bill @ 2.3910%  
6 month T-Bill @ 2.4570%  
1 year T-Bill @ 2.5690%

DOUGLAS SANDERS, CITY TREASURER

3-12-19

Reporting period 01/01/2019-01/31/2019

Run Date: 03/12/2019 - 17:16

No fiscal year history available

**CITY OF COMPTON**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**January 31, 2019**

Page 1

| CUSIP                                          | Investment # | Issuer                         | Average Balance      | Purchase Date | Par Value            | Market Value         | Book Value   | Stated Rate  | YTM 360      | YTM 365 | Days to Maturity |
|------------------------------------------------|--------------|--------------------------------|----------------------|---------------|----------------------|----------------------|--------------|--------------|--------------|---------|------------------|
| <b>Passbook/Checking Accounts -2</b>           |              |                                |                      |               |                      |                      |              |              |              |         |                  |
| 5007                                           | 5007         | Family Self Sufficiency        | 147,354.15           |               | 147,354.15           | 147,354.15           | 0.070        | 0.069        | 0.070        |         | 1                |
| 4000                                           | 4000         | Neighborhood Improvement       | 307,156.64           |               | 307,156.64           | 307,156.64           | 0.100        | 0.099        | 0.100        |         | 1                |
| <b>Subtotal and Average</b>                    |              |                                | <b>454,477.06</b>    |               | <b>454,510.79</b>    | <b>454,510.79</b>    | <b>0.089</b> | <b>0.089</b> | <b>0.090</b> |         | <b>1</b>         |
| <b>Local Agency Investment Funds</b>           |              |                                |                      |               |                      |                      |              |              |              |         |                  |
| 6000                                           | 6000         | General City                   | 22,795,246.11        |               | 22,795,246.11        | 22,795,246.11        | 2.400        | 2.367        | 2.400        |         | 1                |
| 6011                                           | 6011         | SA Low Cost Housing            | 0.00                 |               | 0.00                 | 0.00                 | 0.000        | 0.000        | 0.000        |         | 1                |
| 6029                                           | 6029         | Measure R                      | 1,847,688.88         |               | 1,847,688.88         | 1,847,688.88         | 2.400        | 2.367        | 2.400        |         | 1                |
| 6019                                           | 6019         | EDA Revolving Loan             | 70,533.45            |               | 70,533.45            | 70,533.45            | 2.400        | 2.367        | 2.400        |         | 1                |
| 6002                                           | 6002         | Prop C                         | 1,570,108.34         |               | 1,570,108.34         | 1,570,108.34         | 2.400        | 2.367        | 2.400        |         | 1                |
| 6030                                           | 6030         | PROP A                         | 3,085,094.93         |               | 3,085,094.93         | 3,085,094.93         | 2.400        | 2.367        | 2.400        |         | 1                |
| 6027                                           | 6027         | River Mountain Conservancy     | 12,231.20            |               | 12,231.20            | 12,231.20            | 2.400        | 2.367        | 2.400        |         | 1                |
| 6007                                           | 6007         | Successor Agency General       | 14,290,200.96        |               | 14,290,200.96        | 14,290,200.96        | 2.400        | 2.367        | 2.400        |         | 1                |
| 6003                                           | 6003         | Sewer Bond Proceeds            | 861,952.20           |               | 861,952.20           | 861,952.20           | 2.400        | 2.367        | 2.400        |         | 1                |
| SYS10128                                       | 10128        | Measure M                      | 1,502,968.15         | 10/03/2018    | 1,502,968.15         | 1,502,968.15         | 2.400        | 2.367        | 2.400        |         | 1                |
| 6022                                           | 6022         | Regional Park                  | 2,851,293.05         |               | 2,851,293.05         | 2,851,293.05         | 2.400        | 2.367        | 2.400        |         | 1                |
| 2100                                           | 6021         | Retirement Fund                | 24,197,764.93        |               | 24,197,764.93        | 24,197,764.93        | 2.400        | 2.367        | 2.400        |         | 1                |
| <b>Subtotal and Average</b>                    |              |                                | <b>66,169,198.54</b> |               | <b>73,085,072.20</b> | <b>73,085,072.20</b> | <b>2.367</b> | <b>2.400</b> |              |         | <b>1</b>         |
| <b>Managed Pool &amp; Money Market Account</b> |              |                                |                      |               |                      |                      |              |              |              |         |                  |
| 5004                                           | 5004         | Formal Assurance Prg Money Mkt | 124,353.07           |               | 124,353.07           | 124,353.07           | 0.100        | 0.099        | 0.100        |         | 1                |
| 5005                                           | 5005         | Rental Rehab Prg Money Market  | 203.42               |               | 203.42               | 203.42               | 0.060        | 0.059        | 0.060        |         | 1                |
| 5003                                           | 5003         | Residential Rehab Money Market | 330.43               |               | 330.43               | 330.43               | 0.040        | 0.039        | 0.040        |         | 1                |
| <b>Subtotal and Average</b>                    |              |                                | <b>124,876.88</b>    |               | <b>124,886.92</b>    | <b>124,886.92</b>    | <b>0.098</b> | <b>0.100</b> |              |         | <b>1</b>         |
| <b>Total and Average</b>                       |              |                                | <b>66,748,552.29</b> |               | <b>73,664,469.91</b> | <b>73,664,469.91</b> | <b>2.349</b> | <b>2.382</b> |              |         | <b>1</b>         |

**CITY OF COMPTON  
BANK ACCOUNT BALANCES AS OF  
JANUARY 31, 2019**

| <b>FUND #</b> | <b>NAME OF ACCOUNT</b>          | <b>BANK NAME</b> | <b>BALANCE</b> |
|---------------|---------------------------------|------------------|----------------|
| 101           | PAYROLL                         | WELLS FARGO BANK | 392,909.87     |
| 1001          | GENERAL CITY ACCOUNT            | BANK OF THE WEST | 16,057,056.61  |
| 1520          | MEASURE R                       | BANK OF THE WEST | 102,250.28     |
| 2000          | PROP A                          | BANK OF THE WEST | 576,309.51     |
| 4000          | SA GENERAL                      | BANK OF THE WEST | 18,587,617.46  |
| 1203          | SA LOW COST HOUSING             | BANK OF THE WEST | 6,012,117.13   |
| 2100          | PERS                            | BANK OF THE WEST | 1,333,368.34   |
| 1528          | MEASURE M                       | BANK OF THE WEST | 267,069.80     |
| 9203          | PUBLIC FINANCE AUTHORITY        | BANK OF THE WEST | 179,145.40     |
| 2820          | FAMILY SELF SUFFICIENCY         | BANK OF THE WEST | 147,354.15     |
| 2754-84-85    | JTPA - CAREERLINK               | BANK OF THE WEST | 467,335.10     |
| 2805          | HOME LOAN PROGRAM               | BANK OF THE WEST | 1,465,304.92   |
| 2818          | SECTION 108 - HUD FUND          | BANK OF THE WEST | 2,273,134.73   |
| 1022          | POLICE DRUG PROPERTY FORFEITURE | BANK OF THE WEST | 8,805.90       |
| 5116          | BOND SEWER CONSTRUCTION FUND    | BANK OF THE WEST | 8,328.40       |
| 6400          | LIABILITY                       | BANK OF THE WEST | 89,221.83      |

**CITY OF COMPTON  
BANK ACCOUNT BALANCES AS OF  
JANUARY 31, 2019**

| <b>FUND #</b> | <b>NAME OF ACCOUNT</b>         | <b>BANK NAME</b> | <b>BALANCE</b> |
|---------------|--------------------------------|------------------|----------------|
| 1001          | COC - CHANGE FUND              | BANK OF THE WEST | 15.00          |
| 1900          | PROP C                         | BANK OF THE WEST | 506,761.09     |
| 6300          | WORKERS COMP                   | BANK OF THE WEST | 160,110.72     |
| 2820          | HOUSING AUTHORITY              | BANK OF THE WEST | 8.62           |
| 1001          | EMERGENCY MEDICAL SERVICES COC | BANK OF THE WEST | 161,430.43     |
| 1061          | COPS GRANT WEED AND SEED       | BANK OF THE WEST | 3,996.70       |
| 1001          | COC PARKING VIOLATIONS         | BANK OF THE WEST | 662,253.30     |
| 5000          | COC UTILITIES BILLINGS         | BANK OF THE WEST | 2,835,159.10   |

March 19, 2019

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: CITY MANAGER

**SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ENTER INTO PROFESSIONAL SERVICES AGREEMENTS WITH CALIFORNIA LABOR SOLUTIONS LLC AND THE LAW FIRM OF LIEBERT CASSIDY WHITMORE FOR PROVISION OF ADMINISTRATIVE INVESTIGATION SERVICES ON AN “AS-NEEDED” BASIS FOR THE REMAINDER OF FISCAL YEAR 2018-2019.**

### **SUMMARY**

Adoption of this resolution will authorize the City Manager to enter into professional services agreements with California Labor Solutions LLC and the Law Firm of Liebert Cassidy Whitmore to provide expert impartial fact-finding administrative investigations for the City on an “as-needed” basis for the remainder of Fiscal Year 2018-2019.

### **BACKGROUND**

Depending on the nature and complexity of the claim or matter to be investigated, the City may have staff conduct the investigation or employ an outside/external investigator.

The Human Resources Department (“Department”) desires to secure a panel of experienced, qualified firms to assist the Department with administrative investigations on an “as-needed” basis, to be utilized for investigations wherein it would be appropriate to hire an external investigator.

Department staff solicited proposal/quotes for provision of administrative investigation services and received proposals from California Labor Solutions LLC and the Law Firm of Liebert Cassidy Whitmore.

### **STATEMENT OF ISSUE**

There is a need to secure a panel of outside investigative services experts to assist the Department with certain administrative investigations. Both California Labor Solutions LLC and the Law Firm of Liebert Cassidy Whitmore offer specialized administrative and workplace investigations; thus staff recommends contracting with both of these firms and the selection of a particular firm will be based on availability and degree of complexity of the issues involved. Investigative services will be provided and billed on an hourly basis with the hourly rate not to exceed Three Hundred Seventy Dollars (\$370.00).

**FISCAL IMPACT**

Funds for these services, if and when utilized, are available in the 2018-2019 Fiscal Year budget, in Account No. 1001 560 000 4262.

**RECOMMENDATION**

Staff recommends that the City Council adopt the attached Resolution.

**CECIL W. RHAMBO, JR.  
CITY MANAGER**

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON  
AUTHORIZING THE CITY MANAGER TO ENTER INTO PROFESSIONAL  
SERVICES AGREEMENTS WITH CALIFORNIA LABOR SOLUTIONS LLC  
AND THE LAW FIRM OF LIEBERT CASSIDY WHITMORE FOR PROVISION  
OF ADMINISTRATIVE INVESTIGATION SERVICES ON AN “AS-NEEDED”  
BASIS FOR THE REMAINDER OF FISCAL YEAR 2018-2019.**

**WHEREAS**, the Human Resources Department (“Department”) is often tasked with the responsibility to cause administrative investigations to be conducted; and

**WHEREAS**, depending on the nature and complexity of the claim or matter to be investigated, the City may have staff conduct the investigation or employ an outside/external investigator; and

**WHEREAS**, the Department desires to secure a panel of experienced, qualified firms to assist the Department with administrative investigations on an “as-needed” basis, to be utilized for investigations wherein it would be appropriate to hire an external investigator; and

**WHEREAS**, Department staff solicited proposal/quotes for provision of administrative investigation services and received proposals from California Labor Solutions LLC and the Law Firm of Liebert Cassidy Whitmore; and

**WHEREAS**, both California Labor Solutions LLC and the Law Firm of Liebert Cassidy Whitmore offer specialized administrative and workplace investigations; thus staff recommends contracting with both of these firms and the selection of a particular firm will be based on availability and degree of complexity of the issues involved; and

**WHEREAS**, funds for these services, if and when utilized, are available in the 2018-2019 Fiscal Year budget.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMPTON DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** That the City Manager, on the advice and approval of the City Attorney is hereby authorized to enter into professional services agreements with California Labor Solutions LLC and the Law Firm of Liebert Cassidy Whitmore to provide expert impartial fact-finding administrative investigations for the City on an “as-needed” basis for the remainder of Fiscal Year 2018-2019.

**SECTION 2.** That investigative services will be provided and billed on an hourly basis with the hourly rate not to exceed Three Hundred Seventy Dollars (\$370.00).

**SECTION 3.** That funds for these services, if and when utilized, are available in the 2018-2019 Fiscal Year budget, in Account No. 1001 560 000 4262.

**SECTION 4.** That a copy of this Resolution shall be filed in the offices of the City Clerk, City Manager, City Attorney, Human Resources and City Controller.

**SECTION 5.** That the Mayor shall sign and the City Clerk shall attest to the adoption of this Resolution.

**ADOPTED** this \_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
**MAYOR OF THE CITY OF COMPTON**



ATTEST:

\_\_\_\_\_  
CITY CLERK OF THE CITY OF COMPTON

STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES  
CITY OF COMPTON: ss

I, Alita Godwin, City Clerk of the City of Compton, hereby certify that the forgoing Resolution was adopted by the City Council, signed by the Mayor and attested by the City Clerk at a regular meeting thereof held on the \_\_\_\_ day of \_\_\_\_\_, 2019.

That said Resolution was adopted by the following vote, to wit:

|                 |                         |
|-----------------|-------------------------|
| <b>AYES:</b>    | <b>COUNCIL MEMBERS-</b> |
| <b>NOES:</b>    | <b>COUNCIL MEMBERS-</b> |
| <b>ABSENT:</b>  | <b>COUNCIL MEMBERS-</b> |
| <b>ABSTAIN:</b> | <b>COUNCIL MEMBERS-</b> |

\_\_\_\_\_  
CITY CLERK OF THE CITY OF COMPTON

**PROFESSIONAL SERVICES AGREEMENT  
BETWEEN  
CITY OF COMPTON  
AND  
LIEBERT CASSIDY WHITMORE**

This **AGREEMENT** is entered by and between the **CITY OF COMPTON**, a municipal corporation of the State of California (hereinafter referred to as “**CLIENT**” or “**CITY**”), located at 205 South Willowbrook Avenue, Compton, California 90220, and **LIEBERT CASSIDY WHITMORE** (hereinafter referred to as “**LAW FIRM**” or “**CONSULTANT**”), located at 6033 West Century Boulevard, Suite 500, Los Angeles, California 90045, collectively referred to as “Parties.” This Agreement is entered into pursuant to Resolution No. \_\_\_\_\_, adopted by the City Council on \_\_\_\_\_, 2019.

**AGREEMENT:**

**I. SCOPE OF SERVICES**

Client desires to retain and engage Law Firm to perform, on an “as-needed basis,” impartial, fact-finding administrative and workplace investigations. Prior to commencement of services on an assigned investigation, Law Firm shall provide the Client with a proposed “Scope of Investigation” for approval by the Client.

Law Firm’s general process for assigned investigations (which may be modified dependent on the specific investigation) shall consist of the following:

- Meet with Client’s authorized representative(s) to finalize the scope of the investigations assigned and periodically communicate with Client’s designated contact person(s) with updates/progress and other important issues;
- Obtain all relevant documents; including, but not limited to complaints, written statements of witnesses, video recordings and reports prepared by the Client or others;
- Obtain copies of Client’s policies regarding issues contained in the scope of the investigation;
- Interview, digitally record and transcribe recordings of the complainant(s), witnesses and subject(s) of the investigation;
- Conduct additional interviews and collect other relevant documents, if necessary; and
- Prepare and present to Client comprehensive fact-finding written report containing an executive summary of the findings, the methodology used, discussion of the evidence obtained, how credibility issues were resolved and detailed findings of the investigation based on an impartial and professional evaluation of the evidence.

Any assigned investigation shall be coordinated under the direction of the City Manager or his/her authorized designee.

Law Firm acknowledges that in entering into this Agreement the Client is relying on Law Firm's special skills and experience to do and perform the services in accordance with best standards of professional practice. While performing the services, Law Firm agrees to perform all the said work and furnish all the necessary materials at its own cost and expense (except as otherwise expressly agreed to be furnished by the Client), necessary to complete said services in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances and to the reasonable satisfaction of the Client.

Law Firm's services hereunder shall be performed in good, workmanlike and professional manner. Law Firm shall be responsible for correcting and completing all errors and omissions related to the services provided by Law Firm for this Agreement at no additional cost to the Client. "Errors" and "Omissions" for purposes of this paragraph are defined to mean a failure by Law Firm to meet the standards of its profession as set forth in the preceding paragraph. The acceptance of the services by Client does not release Law Firm from these obligations.

Law Firm will be responsible for employing or engaging all persons Law Firm determines that are necessary, if any, to perform the services required by this Agreement. All of Law Firm's staff and sub-consultants shall be qualified by training and experience to perform their assigned tasks.

## **II. TERMS AND CONDITIONS**

### **A. Fees for Services**

1. Law Firm fee schedule rates, billable on a time and material basis are as follows:

|                |                          |
|----------------|--------------------------|
| Partners       | \$ 370.00 p/hour         |
| Senior Counsel | \$ 320.00 p/hour         |
| Associates     | \$240.00 – 295.00 p/hour |
| Paralegals     | \$130.00 p/hour          |

Other services (e.g., expenses, cost-recovery) See Section 2, below

### **2. Costs and Expenses**

In addition to the charges specified above, Law Firm shall be reimbursed for expenses and costs actually and reasonably incurred for postage, outgoing facsimile transmissions at fifty cents (\$0.50) per page, copying at fifteen cents (\$0.15) per page, additional prints, postage and special deliveries (i.e. Fed-Ex, UPS, DHL, messenger service, etc.) at request of the Client will also be billed to Client and travel time. The costs and expenses incurred pursuant to this section shall be separately billed to the Client.

The monthly billing statements for fees and costs shall indicate the basis of the fees, including a detailed and auditable breakdown of the hours worked, billable rates charged and description of the services performed.

a. Billing Practices

A detailed description of the services performed and the costs and expenses advanced by Law Firm will be prepared on a monthly basis as of the last day of the month and mailed or delivered to Client the following month, unless other arrangements are made. Payment of the full amount due, as reflected on the monthly statement will be due to Law Firm within thirty (30) days, or as promptly as fiscal procedures may permit, following delivery of the statement, except for those specific items on the statement which are contested or questioned by Client and are returned by Client, with a written explanation of the question or contest, within fifteen (15) days of receipt of the statement.

B. Possible Third Party Conflicts

Law Firm represents it has no present or contemplated employment which is adverse to the Client. Law Firm agrees that it shall not represent clients in matters, either litigation or non-litigation, against the Client. However, Law Firm may have past and present clients or may have future clients, which, from time to time, may have interests adverse to the Client, and Law Firm reserves the right to represent such clients in matters not connected with its representation of the Client.

If a potential conflict of interest arises in Law Firm's representation of two clients, and if such conflict is only speculative or minor, Law Firm shall seek waivers from each client with regards to such representation. However, if real conflicts exist, Law Firm shall withdraw from representing either client in the matter.

C. Independent Contractor Status

Law Firm, its employees, sub-consultants, agents and volunteers (collectively hereinafter the "Law Firm"), will perform the services in Law Firm's own way and pursuant to this Agreement as an independent contractor and in pursuit of Law Firm's independent calling, and not as an employee of Client. The persons used by Law Firm to provide the services under this Agreement will not be considered employees of Client for any purposes. Neither the Client nor any of its officers, employees, agents or volunteers shall have any control over the conduct of Law Firm, except as expressly set forth in this Agreement. Law Firm expressly warrants that while engaged in carrying out and complying with any terms and conditions of this Agreement that Law Firm shall not at any time or in any manner, represent that Law Firm is in any manner officers, employees, agents or volunteers of the Client. Law Firm shall obtain no rights to retirement, health care or any other benefit that accrue to Client's officials, officers, or employees. Law Firm expressly waives any claim to such rights.

If Law Firm subcontracts any of the services, Law Firm will be fully responsible to the Client for the acts, errors and omissions of Law Firm's sub-consultant and of the persons either directly or indirectly employed by the sub-consultant, as Law Firm is for the acts and omissions of persons directly employed by Law Firm. Nothing contained in this Agreement will create any contractual relationship between any sub-consultant of Law Firm and Client. Law Firm will be responsible for payment of sub-consultants. Law Firm will bind every sub-consultant by the terms of this Agreement applicable to Law Firm's work unless specifically noted to the contrary in the subcontract and approved in writing by the Client.

The payment(s) made to Law Firm pursuant to the Agreement will be the full and complete compensation to which Law Firm is entitled. Client will not make any federal or state tax withholdings on behalf of Law Firm or its agents, employees or sub-Law Firms. Client will not pay any workers' compensation insurance, retirement contributions or unemployment contributions on behalf of Law Firm or its employees or sub-consultants. Law Firm agrees to indemnify and pay Client within thirty (30) days for any tax, retirement contribution, social security, overtime payment, unemployment payment or workers' compensation payment which Client may be required to make on behalf of Law Firm or any agent, employee, or sub-consultant of Law Firm for work done under this Agreement. At the Client's election, Client may deduct the amounts paid pursuant to this section, from any balance owing to Law Firm.

**D. Nondiscriminatory Employment Practices**

During the performance of this Agreement, Law Firm agrees not to discriminate against any employee or applicant for employment because of race, sex, creed, color, religion, age, sexual orientation, marital status, national origin, political affiliation, handicap or belief in accordance with requirements of City, State or Federal laws and regulations. Law Firm will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, sex, creed, color, religion, age, sexual orientation, marital status, national origin, political affiliation, handicap or belief in accordance with requirements of City, State or Federal laws and regulations. Such actions shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoffs or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

**E. Client Cooperation**

Client understands and agrees that, in order for Law Firm to represent Client effectively, it is necessary for Client to assist and cooperate with Law Firm during this engagement. Client agrees to: (1) make its employees and officers available to discuss issues as they arise; (2) attend and participate in meetings, preparation sessions, review drafts of documents and perform other activities necessary and in connection with Law Firm's representation of Client pursuant to this Agreement; and (3) provide complete and accurate information and documents to Law Firm on a timely basis.

**F. Protection of Client Confidences**

All documents, reports, information, data, and exhibits prepared or assembled by Law Firm in connection with the performance of the services pursuant to the Agreement are confidential until released by the Client to the public, and Law Firm will not make any of these documents or information available to any individual or organization not employed by Law Firm or the Client without the written consent of the Client before any such release.

Law Firm is aware of its important obligation to preserve the secrets and confidences of its clients which it holds in trust for them. To that end, it is important that Client and Law Firm agree from the outset of this Agreement what kinds of communication technology that Law Firm should employ in the course of representing Client. For example, the exchange of documents and other information using email or other types of electronic communications involves some risk that information may be retrieved by third parties with no right to see it. Even the use of facsimile machines may cause problems if documents are sent to numbers where the documents sit in open view. Therefore, Client should only provide Law Firm with cellular

numbers, facsimile numbers and email addresses which are acceptable to Client for receiving confidential communications from Law Firm.

G. Document Ownership

All product produced by Law Firm or its agents, employees and sub-consultants pursuant to this Agreement (the "Work Product") is the property of Client. After the file on the matters for which Law Firm has been retained to perform pursuant to this Agreement is closed, either due to completion of the services or termination of this Agreement, all Work Product (the entire contents of the file) produced by Law Firm or its agents, employees and sub-consultants pursuant to this Agreement shall be delivered to the Client.

H. Indemnification

Law Firm shall indemnify and save harmless the Client, its officials, officers, employees, agents and volunteers (collectively hereinafter the "Client"), against any and all damages to property or injuries to or death of any person or persons, including property and employees or agents of the Client and shall indemnify and save the Client from any and all liability and expense including reimbursement of reasonable defense costs and legal fees, and claims, demands, suits, actions or proceedings of any kind or nature, including Workers' Compensation claims, of or by anyone whomsoever to the extent resulting from or arising out of the negligent, reckless or willful misconduct for Law Firm, its officers, employees, sub-consultants or agents in the performance of the duties undertaken by Law Firm pursuant to this Agreement.

This indemnification and hold harmless obligation does not extend to claims arising out of the negligence or willful misconduct of the Client.

I. Insurance

Law Firm shall procure and maintain throughout the term of performing the services pursuant to this Agreement, at its own cost and expense, errors and omissions insurance coverage appropriate to Law Firm's profession with limits of not less than \$1,000,000 per claim. The coverage shall also provide an extended two (2) year reporting period commencing upon termination or cancellation of this Agreement. ***Prior to Client's execution of this Agreement, Law Firm will furnish proof of required insurance to City.***

J. Arbitration; Waiver of Jury Trial

The Parties agree that all disputes which arise between the Client and Law Firm, whether financial or otherwise, regarding the client relationship shall be resolved by binding arbitration. Each side shall share in the cost of the arbitration but shall bear their own costs and attorneys' fees. The Parties agree to waive their right to a jury trial.

K. Termination of Services

Client has the right, at any time, either with or without cause, to discharge Law Firm and terminate this Agreement. In the event of such discharge and termination of Law Firm by the Client, any unpaid fees and costs owing for services performed up to the date of discharge and termination shall be due and payable. Law Firm shall deliver all documents and records of the Client to the Client and assist to the fullest extent possible, if so requested by Client, in the orderly transition of any pending matters to the Client's new Law Firm and/or investigator.

L. Notices

Any notices required or permitted under this Agreement shall be effective when delivered in person; and effective one (1) business day after delivery by facsimile transmission; and effective five (5) days after mailing by U.S. Mail, postage prepaid and properly addressed as follows:

|               |                                                                                                                                                                       |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| To Law Firm:  | Liebert Cassidy Whitmore<br>6033 West Century Boulevard, Suite 500<br>Los Angeles, California 90045<br>Attn:<br>(310) 981-2000<br>(310) 337-0837                      |
| To Client:    | City of Compton<br>205 South Willowbrook Avenue<br>Compton, California 90220<br>Attn: Director, Human Resources Department<br>(310) 605-5535<br>(310) 605-5536 – fax. |
| With copy to: | City of Compton<br>205 South Willowbrook Avenue<br>Compton, California 90220<br>Attn: City Manager<br>(310) 605-5585<br>(310) 631-0322 – fax.                         |

In the event of any change of address, the moving party is obligated to notify the other party of the change of address in writing. Each party may amend, supplement and update the notice list to add, delete or replace any listed individuals; however, the amendment must be in writing.

M. Miscellaneous

1. It is understood that this Agreement creates an attorney-client relationship between the Law Firm and the Client and Law Firm will use their employment law and investigation expertise to assist the Client in determining the issues to be investigated and conduct impartial fact-finding. The investigation shall be subject to the attorney-client privilege until the Client waives the privilege or a court determines that some or all of the investigation is not subject to the privilege. It is further understood that in this engagement of Law Firm's services Law Firm shall not render legal advice as to what action to take as a result of the findings of the investigation. It shall be the responsibility of the Client's City Attorney for providing the Client legal advice relating to findings of any investigations, including the legal implications and actions the Client should take based on the results of the investigations.

2. The waiver by either Party of any breach or violation of any term, covenant, or condition of this Agreement or of any applicable law will not be deemed to be a waiver of such term, covenant, condition or law or of any subsequent breach or violation of same or of any other term, covenant, condition or law. The acceptance by either Party of any fee or other payment which may become due under this Agreement will not be deemed to be a waiver of any preceding breach or violation by the other Party of any term, covenant, or condition of this Agreement or any applicable law. This Agreement will be governed by the laws of the State of California.

3. This Agreement, together with any other written document referred to or contemplated by it embody the entire Agreement and understanding between the Parties relating to the subject matter of it. The City Manager is authorized, in consultation with the City Attorney, to agree to non-material amendments to this Agreement. Neither this Agreement nor any of its provisions may be amended, modified, waived or discharged except in a writing signed by both parties.

### **III. DURATION**

This Agreement shall commence on execution by the Parties and proceed on an “as needed” basis for services assigned for investigation. The client relationship between Law Firm and Client has been authorized for the Client’s 2018-2019 Fiscal Year, unless terminated sooner as provided herein.

**IN WITNESS WHEREOF, LAW FIRM** has executed this Agreement, and the **CITY**, by its City Manager, who is authorized to do so, has executed this Agreement.

**LIEBERT CASSIDY WHITMORE  
LAW FIRM**

**Dated:** \_\_\_\_\_

**By** \_\_\_\_\_

**CITY OF COMPTON**

**Approved by:**

**Dated:** \_\_\_\_\_

**By** \_\_\_\_\_  
**Cecil W. Rhambo, Jr., City Manager**



**Approved as to form:**

**By** \_\_\_\_\_  
**Craig J. Cornwell, City Attorney**

**Dated:** \_\_\_\_\_

**ATTEST:**

**Dated:** \_\_\_\_\_

**By** \_\_\_\_\_  
**Alita Godwin, City Clerk**

**PROFESSIONAL SERVICES AGREEMENT  
BETWEEN  
CITY OF COMPTON  
AND  
CALIFORNIA LABOR SOLUTIONS LLC**

This **AGREEMENT** is entered by and between the **CITY OF COMPTON**, a municipal corporation of the State of California (hereinafter referred to as “**CLIENT**” or “**CITY**”), located at 205 South Willowbrook Avenue, Compton, California 90220, and **CALIFORNIA LABOR SOLUTIONS LLC** (hereinafter referred to as “**CONSULTANT**”), located at 30262 Crown Valley Parkway, Suite B470, Laguna Niguel, California 92677, collectively referred to as “Parties.” This Agreement is entered into pursuant to Resolution No. \_\_\_\_\_, adopted by the City Council on \_\_\_\_\_, 2019.

**AGREEMENT:**

**I. SCOPE OF SERVICES**

Client desires to retain and engage Consultant to perform, on an “as-needed basis,” impartial, fact-finding administrative and workplace investigations. Prior to commencement of services on an assigned investigation, Consultant shall provide the Client with a proposed “Scope of Investigation” for approval by the Client.

Consultant’s general process for assigned investigations (which may be modified dependent on the specific investigation) shall consist of the following:

- Meet with Client’s authorized representative(s) to finalize the scope of the investigations assigned and periodically communicate with Client’s designated contact person(s) with updates/progress and other important issues;
- Obtain all relevant documents; including, but not limited to complaints, written statements of witnesses, video recordings and reports prepared by the Client or others;
- Obtain copies of Client’s policies regarding issues contained in the scope of the investigation;
- Interview, digitally record and transcribe recordings of the complainant(s), witnesses and subject(s) of the investigation;
- Conduct additional interviews and collect other relevant documents, if necessary; and
- Prepare and present to Client comprehensive fact-finding written report containing an executive summary of the findings, the methodology used, discussion of the evidence obtained, how credibility issues were resolved and detailed findings of the investigation based on an impartial and professional evaluation of the evidence.

Any assigned investigation shall be coordinated under the direction of the City Manager or his/her authorized designee.

Consultant acknowledges that in entering into this Agreement the Client is relying on Consultant's special skills and experience to do and perform the services in accordance with best standards of professional practice. While performing the services, Consultant agrees to perform all the said work and furnish all the necessary materials at its own cost and expense (except as otherwise expressly agreed to be furnished by the Client), necessary to complete said services in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances and to the reasonable satisfaction of the Client.

Consultant's services hereunder shall be performed in good, workmanlike and professional manner. Consultant shall be responsible for correcting and completing all errors and omissions related to the services provided by Consultant for this Agreement at no additional cost to the Client. "Errors" and "Omissions" for purposes of this paragraph are defined to mean a failure by Consultant to meet the standards of its profession as set forth in the preceding paragraph. The acceptance of the services by Client does not release Consultant from these obligations.

Consultant will be responsible for employing or engaging all persons Consultant determines that are necessary, if any, to perform the services required by this Agreement. All of Consultant's staff and sub-consultants shall be qualified by training and experience to perform their assigned tasks.

## **II. TERMS AND CONDITIONS**

### **A. Fees for Services**

#### **1. Hourly Rate Services**

Consultant agrees to provide standard Investigative Services at the hourly rate of One Hundred Fifty Dollars (\$150.00).

Other services (e.g., cost-recovery)

See Section 2, below

#### **2. Costs and Expenses**

In addition to the hourly time charges specified above, Consultant shall be reimbursed for expenses and costs actually and reasonably incurred, included, but not limited to photocopying, overnight courier services, postage and transcription (if applicable). The costs and expenses incurred pursuant to this Section shall be separately billed to the Client.

The monthly billing statements for fees and costs shall indicate the basis of the fees, including a detailed and auditable breakdown of the hours worked, billable rates charged and description of the services performed.

a. Billing Practices

A detailed description of the services performed and the costs and expenses advanced by Consultant will be prepared on a monthly basis as of the last day of the month and mailed or delivered to Client the following month, unless other arrangements are made. Payment of the full amount due, as reflected on the monthly statement will be due to Consultant within thirty (30) days, or as promptly as fiscal procedures may permit, following delivery of the statement, except for those specific items on the statement which are contested or questioned by Client and are returned by Client, with a written explanation of the question or contest, within fifteen (15) days of receipt of the statement.

B. Possible Third Party Conflicts

Consultant represents it has no present or contemplated employment which is adverse to the Client. Consultant agrees that it shall not represent clients in matters, either litigation or non-litigation, against the Client. However, Consultant may have past and present clients or may have future clients, which, from time to time, may have interests adverse to the Client, and Consultant reserves the right to represent such clients in matters not connected with its representation of the Client.

If a potential conflict of interest arises in Consultant's representation of two clients, and if such conflict is only speculative or minor, Consultant shall seek waivers from each client with regards to such representation. However, if real conflicts exist, Consultant shall withdraw from representing either client in the matter.

C. Independent Contractor Status

Consultant, its employees, sub-consultants, agents and volunteers (collectively hereinafter the "Consultant"), will perform the services in Consultant's own way and pursuant to this Agreement as an independent contractor and in pursuit of Consultant's independent calling, and not as an employee of Client. The persons used by Consultant to provide the services under this Agreement will not be considered employees of Client for any purposes. Neither the Client nor any of its officers, employees, agents or volunteers shall have any control over the conduct of Consultant, except as expressly set forth in this Agreement. Consultant expressly warrants that while engaged in carrying out and complying with any terms and conditions of this Agreement that Consultant shall not at any time or in any manner, represent that Consultant is in any manner officers, employees, agents or volunteers of the Client. Consultant shall obtain no rights to retirement, health care or any other benefit that accrue to Client's officials, officers, or employees. Consultant expressly waives any claim to such rights.

If Consultant subcontracts any of the services, Consultant will be fully responsible to the Client for the acts, errors and omissions of Consultant's sub-consultant and of the persons either directly or indirectly employed by the sub-consultant, as Consultant is for the acts and omissions of persons directly employed by Consultant. Nothing contained in this Agreement will create any contractual relationship between any sub-consultant of Consultant and Client. Consultant will be responsible for payment of sub-consultant. Consultant will bind every sub-consultant by the terms of this Agreement applicable to Consultant's work unless specifically noted to the contrary in the subcontract and approved in writing by the Client.

The payment(s) made to Consultant pursuant to the Agreement will be the full and complete compensation to which Consultant is entitled. Client will not make any federal or state

tax withholdings on behalf of Consultant or its agents, employees or sub-consultants. Client will not pay any workers' compensation insurance, retirement contributions or unemployment contributions on behalf of Consultant or its employees or sub-consultants. Consultant agrees to indemnify and pay Client within thirty (30) days for any tax, retirement contribution, social security, overtime payment, unemployment payment or workers' compensation payment which Client may be required to make on behalf of Consultant or any agent, employee, or sub-consultant of Consultant for work done under this Agreement. At the Client's election, Client may deduct the amounts paid pursuant to this section, from any balance owing to Consultant.

D. Nondiscriminatory Employment Practices

During the performance of this Agreement, Consultant agrees not to discriminate against any employee or applicant for employment because of race, sex, creed, color, religion, age, sexual orientation, marital status, national origin, political affiliation, handicap or belief in accordance with requirements of City, State or Federal laws and regulations. Consultant will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, sex, creed, color, religion, age, sexual orientation, marital status, national origin, political affiliation, handicap or belief in accordance with requirements of City, State or Federal laws and regulations. Such actions shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoffs or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

E. Client Cooperation

Client understands and agrees that, in order for Consultant to represent Client effectively, it is necessary for Client to assist and cooperate with Consultant during this engagement. Client agrees to: (1) make its employees and officers available to discuss issues as they arise; (2) attend and participate in meetings, preparation sessions, review drafts of documents and perform other activities necessary and in connection with Consultant's representation of Client pursuant to this Agreement; and (3) provide complete and accurate information and documents to Consultant on a timely basis.

F. Protection of Client Confidences

All documents, reports, information, data, and exhibits prepared or assembled by Consultant in connection with the performance of the services pursuant to the Agreement are confidential until released by the Client to the public, and Consultant will not make any of these documents or information available to any individual or organization not employed by Consultant or the Client without the written consent of the Client before any such release.

Consultant is aware of its important obligation to preserve the secrets and confidences of its clients which it holds in trust for them. To that end, it is important that Client and Consultant agree from the outset of this Agreement what kinds of communication technology that Consultant should employ in the course of representing Client. For example, the exchange of documents and other information using email or other types of electronic communications involves some risk that information may be retrieved by third parties with no right to see it. Even the use of facsimile machines may cause problems if documents are sent to numbers where the documents sit in open view. Therefore, Client should only provide Consultant with cellular numbers, facsimile numbers and email addresses which are acceptable to Client for receiving confidential communications from Consultant.

#### G. Document Ownership

All product produced by Consultant or its agents, employees and sub-consultants pursuant to this Agreement (the "Work Product") is the property of Client. After the file on the matters for which Consultant has been retained to perform pursuant to this Agreement is closed, either due to completion of the services or termination of this Agreement, all Work Product (the entire contents of the file) produced by Consultant or its agents, employees and sub-consultants pursuant to this Agreement shall be delivered to the Client.

#### H. Indemnification

Consultant shall indemnify and save harmless the Client, its officials, officers, employees, agents and volunteers (collectively hereinafter the "Client"), against any and all damages to property or injuries to or death of any person or persons, including property and employees or agents of the Client and shall indemnify and save the Client from any and all liability and expense including reimbursement of reasonable defense costs and legal fees, and claims, demands, suits, actions or proceedings of any kind or nature, including Workers' Compensation claims, of or by anyone whomsoever to the extent resulting from or arising out of the negligent, reckless or willful misconduct for Consultant, its officers, employees, sub-consultants or agents in the performance of the duties undertaken by Consultant pursuant to this Agreement.

This indemnification and hold harmless obligation does not extend to claims arising out of the negligence or willful misconduct of the Client.

#### I. Insurance

Consultant shall procure and maintain throughout the term of performing the services pursuant to this Agreement, at its own cost and expense, errors and omissions insurance coverage appropriate to Consultant's profession with limits of not less than \$1,000,000 per claim. The coverage shall also provide an extended two (2) year reporting period commencing upon termination or cancellation of this Agreement. ***Prior to Client's execution of this Agreement, Consultant will furnish proof of required insurance to City.***

#### J. Arbitration; Waiver of Jury Trial

The Parties agree that all disputes which arise between the Client and Consultant, whether financial or otherwise, regarding the client relationship shall be resolved by binding arbitration. Each side shall share in the cost of the arbitration but shall bear their own costs and attorneys' fees. The Parties agree to waive their right to a jury trial.

#### K. Termination of Services

Client has the right, at any time, either with or without cause, to discharge Consultant and terminate this Agreement. In the event of such discharge and termination of Consultant by the Client, any unpaid fees and costs owing for services performed up to the date of discharge and termination shall be due and payable. Consultant shall deliver all documents and records of the Client to the Client and assist to the fullest extent possible, if so requested by Client, in the orderly transition of any pending matters to the Client's new consultant and/or investigator.

L. Notices

Any notices required or permitted under this Agreement shall be effective when delivered in person; and effective one (1) business day after delivery by facsimile transmission; and effective five (5) days after mailing by U.S. Mail, postage prepaid and properly addressed as follows:

|                |                                                                                                                                                                           |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| To Consultant: | California Labor Solutions LLC<br>30262 Crown Valley Parkway, Suite B470<br>Laguna Niguel, California 92677<br>Attn: Shawn Larry, CEO<br>(800) 949-2049<br>(     ) – fax. |
| To Client:     | City of Compton<br>205 South Willowbrook Avenue<br>Compton, California 90220<br>Attn: Director, Human Resources Department<br>(310) 605-5535<br>(310) 605-5536 – fax.     |
| With copy to:  | City of Compton<br>205 South Willowbrook Avenue<br>Compton, California 90220<br>Attn: City Manager<br>(310) 605-5585<br>(310) 631-0322 – fax.                             |

In the event of any change of address, the moving party is obligated to notify the other party of the change of address in writing. Each party may amend, supplement and update the notice list to add, delete or replace any listed individuals; however, the amendment must be in writing.

M. Miscellaneous

1. It is understood that this Agreement creates a confidential relationship between the Consultant and the Client and Consultant will use their employment law and investigation expertise to assist the Client in determining the issues to be investigated and conduct impartial fact-finding. It is understood that in this engagement of Consultant's services Consultant shall not draw or reach legal conclusions or provide legal analysis and/or advice or recommendations regarding discipline or potential actions resulting from the investigation.

2. The waiver by either Party of any breach or violation of any term, covenant, or condition of this Agreement or of any applicable law will not be deemed to be a waiver of such term, covenant, condition or law or of any subsequent breach or violation of same or of any other term, covenant, condition or law. The acceptance by either Party of any fee or other payment which may become due under this Agreement will not be deemed to be a waiver of any preceding breach or violation by the other Party of any term, covenant, or condition of this Agreement or any applicable law. This Agreement will be governed by the laws of the State of California.

3. This Agreement, together with any other written document referred to or contemplated by it embody the entire Agreement and understanding between the Parties relating to the subject matter of it. The City Manager is authorized, in consultation with the City Attorney, to agree to non-material amendments to this Agreement. Neither this Agreement nor any of its provisions may be amended, modified, waived or discharged except in a writing signed by both parties.

### III. DURATION

This Agreement shall commence on execution by the Parties and proceed on an “as needed” basis for services assigned for investigation. The client relationship between Consultant and Client has been authorized for the Client’s 2018-2019 Fiscal Year, unless terminated sooner as provided herein.

**IN WITNESS WHEREOF, CONSULTANT** has executed this Agreement, and the **CITY**, by its City Manager, who is authorized to do so, has executed this Agreement.

**CALIFORNIA LABOR SOLUTIONS LLC  
CONSULTANT**

Dated: \_\_\_\_\_

By \_\_\_\_\_  
**Shawn Larry, CEO**

**CITY OF COMPTON**

Approved by:

Dated: \_\_\_\_\_

By \_\_\_\_\_  
**Cecil W. Rhambo, Jr., City Manager**

Approved as to form:

By \_\_\_\_\_  
**Craig J. Cornwell, City Attorney**

Dated: \_\_\_\_\_

**ATTEST:**

Dated: \_\_\_\_\_

By \_\_\_\_\_  
**Alita Godwin, City Clerk**





**March 19, 2019**

**To: HONORABLE MAYOR AND COUNCIL MEMBERS**

**From: CITY MANAGER**

**SUBJECT: REQUEST TO SCHEDULE A JOINT PUBLIC HEARING –  
HOUSING AUTHORITY 2019 PHA ANNUAL PLAN**

By mandate of the United States Department of Housing and Urban Development (HUD), Housing Authorities nationwide are required to develop and implement an Annual Plan. The Annual Plan provides details about the PHA's immediate operations, programs and services and notifies HUD of changes that were not included in the Five Year Plan.

The information that the Public Housing Agency (PHA) must submit to HUD under the Annual Plan, are the discretionary policies of the various plan components or elements (i.e., programs, operations, and strategies for meeting local housing needs and goals) and not the statutory or regulatory requirements that govern these components. The PHA's Annual Plan also provides the plans and procedures to be met in order to be consistent with the goals and objectives of the PHA's Five Year Plan.

The Housing Authority is requesting that the public hearing be scheduled for Tuesday, May 7, 2019, at 5:50 p.m. in the Council Chambers at the Urban Community Development Commission Meeting located at 205 South Willowbrook Avenue, Compton.

**DELMONSHA GREEN, HOUSING DIRECTOR  
COMPTON LOCAL HOUSING AUTHORITY**

**APPROVED FOR FORWARDING:**

**CECIL W. RHAMBO, JR.  
CITY MANAGER**

March 19, 2019

**TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS**

**FROM: CECIL W. RHAMBO, JR., CITY MANAGER  
OFFICE OF THE CITY MANAGER**

**SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON MAKING CERTAIN FINDINGS, APPROVING A PURCHASE AND SALE AGREEMENT BETWEEN THE CITY OF COMPTON (ACTING AS SUCCESSOR TO THE HOUSING ASSETS OF THE FORMER COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON), AS SELLER, AND CITY VENTURES HOMEBUILDING, LLC, AS BUYER, FOR THE SALE OF PROPERTY LOCATED IN THE CITY OF COMPTON AT 930 WEST COMPTON BOULEVARD, AND THE DEVELOPMENT OF A HOUSING PROJECT THEREON, INCLUDING AFFORDABLE HOUSING, AND FINDING THE PROJECT EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.**

### **SUMMARY**

Staff respectfully requests the City Council to adopt a Resolution approving the City Manager's execution and delivery of a Purchase and Sale Agreement by and between the City of Compton (the "City") and City Ventures Homebuilding, LLC, a Delaware limited liability company (the "Developer"), making certain findings, and finding the project exempt from the California Environmental Quality Act.

### **BACKGROUND**

The property subject to the Purchase and Sale Agreement is an approximately 2.45 acre parcel located at 930 W. Compton Boulevard in the City. The Developer is acquiring the land for the purpose of developing market rate and affordable housing consisting of twenty-four (24) 3-bedroom/2.5 bath townhomes. Four (4) of the townhomes will be required to be sold at affordable sales prices to moderate-income households. The former Community Redevelopment Agency of the City of Compton (the "Agency") acquired the land, and following the dissolution of the Agency, the land was conveyed to the City as the Housing Successor to the former Agency.

### **STATEMENT OF THE ISSUE**

The City and the Developer desire to enter into the Purchase and Sale Agreement attached to the Resolution. By adopting the attached Resolution, the City Council will approve the execution and delivery of the Purchase and Sale Agreement in substantially

the form attached to the Resolution as Exhibit “A”, make certain findings, and find that the project is exempt from the California Environmental Quality Act (CEQA).

California Health and Safety Code Section 33433 (“Section 33433”) requires that the City make available for public inspection a report which shall contain a copy of the Purchase and Sale Agreement as well as a summary of certain aspects regarding the sale of the land to the Developer (the “Summary Report”). The Summary Report and a copy of the Purchase and Sale Agreement, with attachments, and other related exhibits, have been made available for public inspection in the manner required by Section 33433. The Purchase and Sale Agreement and Summary Report are attached as Exhibit “A” and Exhibit “B”, respectively, to the Resolution.

Section 33433 also requires the sale of land to the Developer to be approved by the City Council by Resolution after a public hearing, and that the Resolution contain certain findings. The Resolution contains findings that sale of the land to the Developer and the development of the project by the Developer will provide affordable housing and that the land will be conveyed to the Developer for not less than its fair reuse value at the use and with the covenants and conditions and development costs authorized by the Purchase and Sale Agreement. Notice of the public hearing was published once a week for two (2) successive weeks prior to the date of the public hearing set for March 19, 2019.

The Resolution also contains a finding that the project is exempt from CEQA because it is an infill project subject to the exemption set forth in Section 15332 of the State CEQA Guidelines. The Resolution directs staff to file a Notice of Exemption with the County Clerk.

### **FISCAL IMPACT**

The former Agency purchased the land for \$2,100,000 in June of 2011 with proceeds of bonds issued by the Agency. The former Agency (and now the Successor Agency to the Agency) pays interest on the bonds (the bonds bear interest at the rate of approximately 5.6% per year), and the Successor Agency also paid ordinary legal and consulting fees and maintenance expenses in connection with the land. After the Agency was dissolved, the land was conveyed to the City, acting as Housing Successor to the former Agency, at no cost. The City has incurred ordinary legal and consulting fees and maintenance expenses in connection with the land. Pursuant to the Purchase and Sale Agreement, the City will be responsible for the cost of CLTA title coverage and transfer taxes and one-half of the escrow charges and recording fees in connection with the conveyance of the land to the Developer. Pursuant to the Purchase and Sale Agreement, the City will convey the Land to the Developer for no monetary consideration.

**RECOMMENDATION**

Staff recommends that the City Council adopt the attached Resolution approving the execution and delivery of the Purchase and Sale Agreement by and between the City and the Developer, making certain findings, and finding the project exempt from the California Environmental Quality Act (CEQA).

**CECIL W. RHAMBO, JR.  
CITY MANAGER**

## RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON MAKING CERTAIN FINDINGS, APPROVING A PURCHASE AND SALE AGREEMENT BETWEEN THE CITY OF COMPTON (ACTING AS SUCCESSOR TO THE HOUSING ASSETS OF THE FORMER COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON), AS SELLER, AND CITY VENTURES HOMEBUILDING, LLC, AS BUYER, FOR THE SALE OF PROPERTY LOCATED IN THE CITY OF COMPTON AT 930 WEST COMPTON BOULEVARD, AND THE DEVELOPMENT OF A HOUSING PROJECT THEREON, INCLUDING AFFORDABLE HOUSING, AND FINDING THE PROJECT EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.**

**WHEREAS**, the City of Compton (the “City”), acting as Successor to the housing assets of the former Community Redevelopment Agency of the City of Compton (the “Agency”) is the owner of certain real property within the City located at 930 West Compton Boulevard (the “Site”); and

**WHEREAS**, the City proposes to enter into a Purchase and Sale Agreement (the “PSA”) with City Ventures Homebuilding, LLC, a Delaware limited liability company (the “Developer”), for the sale of the Site to the Developer, and the development thereon by the Developer of a twenty-four (24) unit housing project consisting of single-family townhomes (the “Development”). Pursuant to the PSA, four (4) of the townhomes within the Development will be restricted for sale to moderate income households at affordable sales prices; and

**WHEREAS**, California Health and Safety Code Section 33433 (“Section 33433”) requires that the City make available for public inspection a report which shall contain a copy of the PSA as well as a summary of certain aspects regarding the sale of the Site to the Developer (the “Summary Report”). The Summary Report and a copy of the PSA, with attachments, and other related exhibits, have been made available for public inspection in the manner required by Section 33433. The PSA and Summary Report are attached hereto as Exhibit “A” and Exhibit “B”, respectively, and are incorporated herein by this reference; and

**WHEREAS**, Section 33433 requires that before any property of the former Agency acquired in whole or in part with tax increment moneys is sold for development, the sale shall first be approved by the legislative body by resolution after a public hearing, and that the resolution contain certain findings; and

**WHEREAS**, the project contemplated by the PSA qualifies for exemption from the California Environmental Quality Act (“CEQA”), Pub. Res. Code §§ 21000 *et seq.*, as an infill project pursuant to state CEQA Guidelines set forth in 14 Cal. Code Regs. § 15000 *et seq.*; and

**WHEREAS**, as provided by the PSA, the four (4) affordable units which will be included in the Development are required to have a term of affordability which shall be not less than forty-five (45) years.

**WHEREAS**, notice of the public hearing was published once a week for two (2) successive weeks prior to the date of the public hearing set for March 19, 2019.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMPTON DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** That the above recitals are all true and correct.

**SECTION 2.** That the sale and development of the Site will provide affordable housing for moderate-income households, because four (4) of the proposed townhomes will be restricted for sale to moderate-income households at affordable sales prices for not less than forty-five (45) years.

**SECTION 3.** That, as explained in the Summary Report, the Site will be conveyed to the Developer for no monetary consideration under the terms of the PSA, which is not less than the fair reuse value of the Site at the use and with the covenants and conditions and development costs authorized by the sale.

**SECTION 4.** That the City Council finds the project exempt from CEQA because it is an infill project subject to the exemption set forth in Section 15332 of the state CEQA Guidelines, and hereby directs staff to file a Notice of Exemption with the County Clerk.

**SECTION 5.** That the City Manager is hereby authorized to execute the PSA between the City and the Developer in substantially the form attached hereto as Exhibit "A."

**SECTION 6.** That the City Manager, or his designee, is hereby authorized, jointly and severally, to execute and deliver any and all necessary documents and instruments, and to do all things which they may deem necessary or proper to effectuate the purposes of this Resolution and the PSA, and any such actions previously taken are hereby ratified and confirmed.

**SECTION 7.** That a certified copy of this Resolution shall be filed in the offices of the City Manager, City Attorney, City Controller, and City Clerk.

**ADOPTED** this \_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
**MAYOR OF THE CITY OF COMPTON**

**ATTEST:**

\_\_\_\_\_  
**CITY CLERK OF THE CITY OF COMPTON**

STATE OF CALIFORNIA            )  
COUNTY OF LOS ANGELES    ) ss  
CITY OF COMPTON                )

I, Alita L. Godwin, City Clerk of the City of Compton, do hereby certify that the foregoing resolution was adopted by the City Council, signed by the Mayor, and attested by the City Clerk at the \_\_\_\_\_ meeting thereof held on the \_\_\_\_ day of \_\_\_\_\_, 2019.

That said resolution was adopted by the following vote, to wit:

**AYES:**       **Council Members -**  
**NOES:**       **Council Members -**  
**ABSENT:**   **Council Members -**  
**ABSTAIN:**   **Council Members –**

\_\_\_\_\_  
**CITY CLERK OF THE CITY OF COMPTON**

Exhibit A –PSA  
Exhibit B-Summary Report

**PURCHASE AND SALE AGREEMENT**

(930 West Compton Boulevard)

by and between the

THE CITY OF COMPTON, a municipal corporation

and

CITY VENTURES HOMEBUILDING, LLC, a Delaware limited liability company

and/or ASSIGNEE

## **PURCHASE AND SALE AGREEMENT**

(930 West Compton Boulevard)

THIS PURCHASE AND SALE AGREEMENT (the “**Agreement**” or the “**PSA**”) is dated as of \_\_\_\_\_, 2018 and is entered into by and between THE CITY OF COMPTON, a municipal corporation (the “**City**”), and CITY VENTURES HOMEBUILDING, LLC, a Delaware limited liability company (the “**Developer**”).

### **RECITALS**

A. The City has succeeded to the housing assets of the former Redevelopment Agency of the City of Compton including the land located at 930 West Compton Boulevard, Compton, California, as described on Exhibit “A” (the “**Land**”), which was originally purchased by the former Redevelopment Agency solely from the proceeds of bonds secured by, and payable from, the former Redevelopment Agency’s Low and Moderate Income Housing Fund, established pursuant to Health and Safety Code Section 33334.3.

B. The purpose of this Agreement is to facilitate the development of affordable housing improvements on the Land, and associated housing and other improvements which are necessary for the development and economic feasibility of the affordable housing improvements (collectively, the “**Improvements**”).

C. Construction of the Improvements, which shall include for-sale housing, open space and other improvements, will increase and improve the City’s supply of housing, including affordable housing for low and moderate income persons, and will also provide additional jobs, encourage new investment, and otherwise substantially improve the economic and physical conditions in the City.

D. A material inducement to the City to enter into this Agreement is the agreement by Developer to develop the “**Project**” as defined herein.

E. The City has prepared and placed on file a copy of the summary of the transaction contemplated by this Agreement; the City Council has conducted a noticed public hearing on this Agreement; and the City Council has made findings that the disposition of the Land pursuant to this Agreement is in accordance with all laws.

### **AGREEMENT**

NOW, THEREFORE, in consideration of the above recitals and of the mutual covenants contained in this Agreement, the parties hereto agree as follows:

#### **1. DEFINITIONS.**

1.1 Definitions. The following capitalized terms used in this Agreement shall have the meanings set forth below:

1.1.1 “**Affiliate**” means any person or entity directly or indirectly, through one or more intermediaries, controlling, controlled by or under common control with City Ventures



Homebuilding, LLC or City Ventures, LLC, which, in the case of a partnership, shall include, each of the constituent general partners thereof, and in the case of a limited liability company, each of the constituent members thereof. The term “control”, as used in the immediately preceding sentence, means, with respect to a for-profit corporation, the right to exercise, directly or indirectly, fifty percent (50%) or more of the voting rights attributable to the shares of the controlled corporation and, with respect to a person or entity that is not a for-profit corporation, the possession directly or indirectly, of the power to direct or cause the direction of the management or policies of the controlled person.

1.1.2 “**Agreement**” means this Purchase and Sale Agreement and the exhibits attached hereto.

1.1.3 “**Approved Title Exceptions**” is defined in Section 2.3.1.

1.1.4 “**Building Permit**” means, collectively, any and all permits necessary to grade the Land and construct the Project that would be issued by the City.

1.1.5 “**Certificate of Completion**” means the certificate described in Section 3.12.

1.1.6 “**City**” means the City of Compton, a municipal corporation.

1.1.7 “**City Manager**” means the City Manager of the City or the City Manager’s designee.

1.1.8 “**Close of Escrow**” is defined in Section 2.2.

1.1.9 “**Closing Conditions**” is defined in Section 2.4.

1.1.10 “**Construction Contract**” is defined in Section 3.3.

1.1.11 “**Construction Loan**” is defined in Section 3.4.

1.1.12 “**Default**” is defined in Section 6.1.

1.1.13 “**Escrow**” is defined in Section 2.2.

1.1.14 “**Escrow Holder**” means First American Title Insurance Company or another licensed escrow holder mutually selected by the Parties.

1.1.15 “**Feasibility Investigation**” means feasibility investigations of the Land to determine the suitability of the Land for development of the Project, including investigation of the environmental and geotechnical suitability of the Land, as deemed appropriate in the reasonable discretion of Developer, all at the sole cost and expense of Developer, as further provided in Section 2.6.2.

1.1.16 “**Feasibility Period**” means time period of one hundred twenty (120) continuous days commencing on the day immediately following the opening of escrow.

1.1.17 “**FIRPTA Certificate**” is defined in Section 2.7.1.3.

1.1.18 “**Force Majeure Delay**” is defined in Section 6.7.

1.1.19 “**General Contractor**” is defined in Section 3.3.

1.1.20 “**Grant Deed**” is defined in Section 2.3.2.

1.1.21 “**Hazardous Materials**” means any chemical, material or substance now or hereafter defined as or included in the definition of hazardous substances, hazardous wastes, hazardous materials, extremely hazardous waste, restricted hazardous waste, toxic substances, pollutant or contaminant, imminently hazardous chemical substance or mixture, hazardous air pollutant, toxic pollutant, or words of similar import under any local, state or federal law or under the regulations adopted or publications promulgated pursuant thereto applicable to the Land, including, without limitation: the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. (“**CERCLA**”); the Hazardous Materials Transportation Act, as amended, 49 U.S.C. 1801, et seq.; the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251, et seq.; and the Resource Conservation and Recovery Act of 1976, 42 U.S.C. 6901, et seq. (“**RCRA**”). The term Hazardous Materials shall also include any of the following: any and all toxic or hazardous substances, materials or wastes listed in the United States Department of Transportation Table (49 CFR 172.101) or by the Environmental Protection Agency as hazardous substances (40 CFR, Part 302) and in any and all amendments thereto in effect as of the Close of Escrow; oil, petroleum, petroleum products (including, without limitation, crude oil or any fraction thereof), natural gas, natural gas liquids, liquefied natural gas or synthetic gas usable for fuel, not otherwise designated as a hazardous substance under CERCLA; any substance which is toxic, explosive, corrosive, reactive, flammable, infectious or radioactive (including any source, special nuclear or by-product material as defined at 42 U.S.C. 2011, et seq.), carcinogenic, mutagenic, or otherwise hazardous and is or becomes regulated by any governmental authority; asbestos in any form; urea formaldehyde foam insulation; transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls; radon gas; or any other chemical, material or substance (i) which poses a hazard to the Land, to adjacent properties, or to persons on or about the Land, (ii) which causes the Land to be in violation of any of the aforementioned laws or regulations, or (iii) the presence of which on or in the Land requires investigation, reporting or remediation under any such laws or regulations.

1.1.22 “**Holder**” is defined in Section 4.2.

1.1.23 “**Improvements**” means all buildings, landscaping, infrastructure, utilities, and other improvements to be built on the Land, as described in the Scope of Development.

1.1.24 “**Initial Phase**” is defined in Section 2.4.11.

1.1.25 “**Land**” means the land described on Exhibit “A” attached hereto.

1.1.26 “**Party**” means any party to this Agreement, and “**Parties**” means all parties to this Agreement.

1.1.27 “**Permitted Exceptions**” is defined in Section 2.3.2.

1.1.28 **“Plans and Specifications”** means all drawings, landscaping and grading plans, engineering drawings, final construction drawings, and any other plans or specifications for construction of the Project.

1.1.29 **“Project”** means the Land and Improvements.

1.1.30 **“Released Parties”** is defined in Section 2.6.3.

1.1.31 **“Schedule of Performance”** means Exhibit “B” attached hereto.

1.1.32 **“Scope of Development”** means the description of the Project set forth in Exhibit “C” attached hereto.

1.1.33 **“Secured Credit Facility”** is defined in Section 3.4.

1.1.34 **“Title Company”** shall mean the Escrow Holder (i.e., the Title Company and the Escrow Holder are the same).

1.1.35 **“Transfer”** is defined in Section 4.1.1.

1.1.36 **“Transferee”** is defined in Section 4.1.1.

1.1.37 **“Withholding Affidavit”** is defined in Section 2.7.1.2.

## 2. PURCHASE AND SALE OF THE PROPERTY; PURCHASE PRICE; DEPOSIT.

### 2.1 Conveyance of Land.

2.1.1 Conveyance of Land to Developer. In accordance with and subject to the terms and conditions hereinafter set forth, and in consideration of the Developer’s performance of all of its responsibilities under this Agreement, the City agrees to convey the Land to the Developer, and the Developer agrees to acquire the Land from the City. No monetary consideration shall be payable for the Developer’s acquisition of the Land from the City, and no deposit shall be required.

2.2 Opening and Closing of Escrow. Within fifteen (15) business days after the Date this Agreement is executed by the City and delivered to the Developer, the City and the Developer shall cause an escrow (the **“Escrow”**) to be opened with Escrow Holder for the sale of the Land by the City to the Developer. The Parties shall deposit with Escrow Holder a fully executed duplicate original of this Agreement as the escrow instructions for the Escrow. The City and the Developer shall provide such additional instructions as shall be necessary and consistent with this Agreement. Subject to the satisfaction of the Closing Conditions as described in Section 2.4, Escrow shall close (the **“Close of Escrow”** or **“Closing”**) on or before the date set forth in the Schedule of Performance. If the Close of Escrow does not occur by such date, any Party not then in default may terminate this Agreement, in the manner set forth in Section 6.2.1 hereof, and all the funds and documents deposited with Escrow Agent shall be promptly refunded or returned, as the case may be, by Escrow Agent to the depositing Party, except that all escrow and title cancellation fees shall be paid by the Party in default.

## 2.3 Condition of Title; Title Insurance.

2.3.1 Prior to the execution of this Agreement, the Developer has obtained a current title report from Title Company for the Land and copies of the title exception documents, and the Developer shall have the right to approve or disapprove the title exceptions by written notice to City given within thirty (30) days after the date of this Agreement. If the Developer does not approve or disapprove the exceptions, then all matters in said title report, shall be deemed to have been approved by the Developer. Title exceptions approved or deemed approved by the Developer are referred to herein as the “**Approved Title Exceptions**”. City shall have the right, but not the obligation, to remove any disapproved exceptions prior to Closing or provide assurances satisfactory to the Developer that such disapproved exceptions will be removed on or before the Closing.

2.3.2 The City shall convey title to the Land to the Developer by grant deed substantially in the form attached hereto as Exhibit “D” (the “**Grant Deed**”) that is also executed by the Developer. Title shall be conveyed subject to: (i) non-delinquent current real property taxes and assessments not yet due for the tax year during which the conveyance occurs, (ii) the Approved Title Exceptions, (iii) a Memorandum of Purchase and Sale Agreement in the form attached hereto as Exhibit “E”, (vi) a Regulatory Agreement in the form attached hereto as Exhibit “F”; (v) a Notice of Affordability Restrictions in the form attached hereto as Exhibit “G”; (vi) a Subordination Agreement in the form attached hereto as Exhibit “H”; and (vii) any matters which arise out of the actions of the Developer or its agents and representatives (collectively, the “**Permitted Exceptions**”).

2.4 Conditions to Close of Escrow. The obligation of the City and the Developer under this Agreement to close Escrow shall be subject to the satisfaction or express written waiver by the benefited Party, and in no event shall any contemplated action by the Developer be at the option of the Developer but the Developer must use reasonable good faith efforts to satisfy of each of the following conditions (collectively, the “**Closing Conditions**”):

2.4.1 For the benefit of the Developer, there shall have been no change to the physical condition of the Land and no new title exceptions after the date of the preliminary title report referenced in Section 2.4.1 hereof (except those changes to the physical condition or new title exceptions resulting from the activities of the Developer as contemplated herein) that, in either case, in the Developer’s opinion, would materially and adversely affect the development, use or operation of the Project. All title exceptions disapproved by Developer shall have been removed or waived by Developer.

2.4.2 For the benefit of the City and the Developer, the representations and warranties of the City and the Developer contained in this Agreement being true and correct in all material respects.

2.4.3 For the benefit of the City and the Developer, the delivery by the City and the Developer of all documents and funds required to be delivered pursuant to Section 2.7 hereof.

2.4.4 For the benefit of the Developer, the Title Company shall have committed to issue at the Close of Escrow an ALTA extended coverage Owner’s Title Insurance Policy, with

any endorsements reasonably requested by the Developer, showing fee simple title to the Land vested in the Developer (or Developer's assignee as permitted by this Agreement), subject only to the Permitted Exceptions.

2.4.5 For the benefit of the City and the Developer, the Developer and the City shall have performed, observed and complied with all covenants, agreements and conditions required by this Agreement to be performed, observed and complied with on its part prior to or as of the Close of Escrow.

2.4.6 For the benefit of the City and the Developer, the Land constitutes one or more separate legal parcels.

2.4.7 For the benefit of the City and the Developer, all tenants and other inhabitants of the Land (if any) shall have been relocated in accordance with all existing federal, state and local laws.

2.4.8 For the benefit of the City and the Developer, the issuance of all grading and building permits required for the Initial Phase of the Project (or such permits and entitlements shall be ready to be issued upon the closing and payment of required permit fees to the City) and the issuance of all other project entitlements.

2.4.9 For the benefit of the City, the Developer's issuance of written notice to the City accepting the condition of the Land pursuant to Section 2.6.1.

2.4.10 For the benefit of the City and the Developer, an executed and effective development agreement, in form and substance satisfactory to the City Manager and the Developer, pertaining to the Land, executed by the City and the Developer, and as described in California Government Code Section 65864, et seq. (the "**Development Agreement**"), and the Developer shall have paid to the City the Development Agreement Fee (as defined in Exhibit "I" hereto). The Development Agreement shall be mutually acceptable to City and Developer, and shall be in accordance with the Development Agreement terms set forth in Exhibit "I" hereto.

2.4.11 For the benefit of the City, the Developer shall have submitted to the City and the City shall have approved a description of the phased development of the Project. The first of these phases shall constitute the "**Initial Phase**".

## 2.5 Costs; Escrow Holder Settlement Statement.

2.5.1 The Developer shall be solely responsible for all costs and expenses related to all surveys and endorsements to title policies and any additional premiums for ALTA extended coverage title insurance. The City shall be responsible for the cost of CLTA title coverage and transfer taxes. The parties shall each pay one-half (½) of all escrow charges and recording fees. Each party shall bear its own expenses (including, but not limited to, attorneys' fees and expenses) incurred by such party in the negotiation of this Agreement.

2.5.2 Escrow Holder is authorized on the Close of Escrow to pay and charge the Developer for any fees, charges and costs payable under Section 2.5.1, which shall be set forth on

a settlement statement prepared by Escrow Holder. Escrow Holder shall deliver draft settlement statements to the Parties for their mutual reasonable approval.

## 2.6 Condition of the Land.

2.6.1 “As-Is” Sale. The Developer acknowledges and agrees that, except as expressly set forth herein, the Developer is acquiring the Land in its “AS IS” condition, WITH ALL FAULTS, IF ANY, AND, EXCEPT AS EXPRESSLY SET FORTH HEREIN, WITHOUT ANY WARRANTY, EXPRESS OR IMPLIED, and neither the City nor any agents, representatives, officers, or employees of the City have made any representations or warranties, direct or indirect, oral or written, express or implied, to the Developer or any agents, representatives, or employees of the Developer with respect to the condition of the Land, its fitness for any particular purpose, or its compliance with any laws, and the Developer is not aware of and does not rely upon any such representation to any other party. Except as expressly set forth herein, neither the City nor any of its representatives is making or shall be deemed to have made any express or implied representation or warranty, of any kind or nature, as to (a) the physical, legal or financial status of the Land, (b) the Land’s compliance with applicable laws, (c) the accuracy or completeness of any information or data provided or to be provided by the City, or (d) any other matter relating to the Land.

2.6.2 Feasibility Investigations. The Developer shall complete all of its Feasibility Investigations within the Feasibility Period. All Feasibility Investigations shall be conducted by the Developer at its sole cost and expense. The City licenses the Developer to enter the Land for the sole purpose of conducting the Feasibility Investigations, subject to all of the terms and conditions of this Agreement. The license given in this Section 2.6.2 shall terminate with the termination of this Agreement. Any Feasibility Investigations by the Developer shall not unreasonably disrupt any existing use or occupancy of the Land. The Developer shall not conduct any intrusive or destructive testing of any portion of the Land, other than low volume soil samples, without the City’s prior written consent, which consent shall not be unreasonably withheld or delayed. The Developer shall pay all of its vendors, inspectors, surveyors, consultants or agents engaged in any inspection or testing of the Land, such that no mechanics liens or similar liens for work performed are imposed upon the Land by any such persons. Following the conduct of any Feasibility Investigations on the Land, the Developer shall restore the Land to substantially its condition prior to the conduct of such Feasibility Investigations. The activities of the Developer or its agents directly or indirectly related to the Feasibility Investigations shall be subject to the Developer’s indemnity, defense and hold harmless obligations pursuant to Section 7.2 hereof. The Developer shall provide City with evidence of liability insurance in the amount of One Million Dollars (\$1,000,000.00) naming the City as beneficiary, and insuring against any damage or liability that may arise from the activities of the Developer or its agents or contractor’s on the Land, prior to the commencement of any Feasibility Investigations on the Land. The Developer shall deliver a written notice to both the City and Escrow Agent, prior to the end of the Feasibility Period, stating the Developer’s unconditional acceptance of the condition of the Land or stating the Developer’s rejection of the condition of the Land and refusal to accept a conveyance of title to the Land, describing in reasonable detail the actions that Developer reasonably believes are indicated to allow Developer to unconditionally accept the condition of the Land. If the Developer does not accept the condition of the Land by delivery of such notice stating such acceptance prior to the end of the Feasibility Period, the Developer shall be deemed to have disapproved the

condition of the Land. If the condition of the Land is rejected (or deemed rejected) by the Developer, then the Developer shall have the right to cancel the Escrow and terminate this Agreement, in its sole and absolute discretion, without liability to the City, by delivery of a notice of termination to the City and the Escrow Agent.

2.6.3 Releases and Waivers. The Developer and anyone claiming by, through or under the Developer hereby waives its right to recover from and fully and irrevocable releases the City and its council members, employees, officers, representatives, agents and attorneys (“**Released Parties**”) from any and all claims, responsibility and/or liability that it may now have or hereafter acquire against any of the Released Parties for any costs, loss, liability, damage, expenses, demand, action or cause of action arising from or related to (i) the condition (including any defects, errors, omissions or other conditions, latent or otherwise, and the presence in the soil, air, structures and surface and subsurface waters of materials or substances that have been or may in the future be determined to be Hazardous Materials or otherwise toxic, hazardous, undesirable or subject to regulation and that may need to be specifically treated, handled and/or removed from the Land under current or future federal, state and local laws, regulations or guidelines), valuation, salability or utility of the Land, or its suitability for any purpose whatsoever, and (ii) any information furnished by the Released Parties under or in connection with this Agreement. This release includes claims of which the Developer is presently unaware or which the Developer does not presently suspect to exist which, if known by the Developer, would materially affect the Developer’s release to the City. The Developer specifically waives the provision of California Civil Code Section 1542, which provides as follows:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR EXPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN TO HIM OR HER MUST HAVE MATERIALLY AFFECTED THE SETTLEMENT WITH THE DEBTOR.”

In this connection and to the extent permitted by law, the Developer hereby agrees, represents and warrants that the Developer realizes and acknowledges that factual matters now unknown to it may have given or may hereafter give rise to causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses which are presently unknown, unanticipated and unsuspected, and the Developer further agrees, represents and warrants that the waivers and releases herein have been negotiated and agreed upon in light of that realization and that the Developer nevertheless hereby intends to release, discharge and acquit the Released Parties from any such unknown causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses which might in any way be included as a material portion of the consideration given to the City by the Developer in exchange for the City’s performance hereunder.

The Developer hereby agrees that, if at any time after the Close of Escrow any third party or any governmental agency seeks to hold the Developer responsible for the presence of, or any loss, cost or damage associated with, Hazardous Materials in, on, above or beneath the Land or emanating therefrom, then the Developer waives any rights it may have against the City in connection therewith, including, without limitation, under CERCLA (as defined in Section 1.1.21) and the Developer agrees that it shall not (i) impede the City, (ii) bring a contribution action or

similar action against the City, or (iii) attempt in any way to hold the City responsible with respect to any such matter. The provisions of this Section 2.6.3 shall survive the Close of Escrow.

The City has given the Developer material concessions regarding this transaction in exchange for the Developer agreeing to the provisions of this Section 2.6.3. The City and the Developer have each initialed this Section 2.6.3 to further indicate their awareness and acceptance of each and every provision hereof.

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CITY'S INITIALS

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DEVELOPER'S INITIALS

2.6.4 Environmental Indemnity. From or after the Close of Escrow, the Developer shall indemnify, protect, defend and hold harmless the City and its officials, officers, attorneys, employees, consultants, agents and representatives, from and against any and all claims, liabilities, suits, losses, costs, expenses and damages, including but not limited to attorneys' fees and costs, arising directly or indirectly out of any claim for loss or damage to any property, including the Land, injuries to or death of persons, or for the cost of cleaning up the Land and removing Hazardous Materials or toxic substances, materials and waste therefrom, by reason of (i) the release of Hazardous Materials on the Land by the Developer or its officers, employees, contractors or subcontractors, or (ii) the violation by the Developer or its officers, employees, contractors or subcontractors of any statutes, ordinances, orders, rules or regulations of any governmental entity or agency related to Hazardous Materials on or under the Land.

## 2.7 Deposits into Escrow.

2.7.1 The City shall deposit with Escrow Holder, prior to Close of Escrow, the following instruments and documents, the delivery of each of which shall be a condition of the Close of Escrow:

2.7.1.1 A Grant Deed, duly executed and acknowledged by the City, in the form attached hereto as Exhibit "D";

2.7.1.2 The affidavit as contemplated by California Revenue and Taxation Code § 18662 (the "**Withholding Affidavit**");

2.7.1.3 A Certification of Non-Foreign Status in accordance with I.R.C. Section 1445 (the "**FIRPTA Certificate**");

2.7.1.4 A counterpart of a Memorandum of Purchase and Sale Agreement, substantially in the form attached hereto as Exhibit "E" duly executed by the City and acknowledged;

2.7.1.5 A counterpart of the Regulatory Agreement, substantially in the form attached hereto as Exhibit "F", duly executed by City and acknowledged;



2.7.1.6 A counterpart of the Notice of Affordability Restrictions, substantially in the form attached hereto as Exhibit “G”, duly executed and acknowledged;

2.7.1.7 Such proof of the City’s authority and authorization to enter into this transaction as the Title Company may reasonably require in order to issue the Developer’s policy of title insurance; and;

2.7.1.8 A counterpart of the Development Agreement, duly executed by the City and acknowledged;

2.7.1.9 A fully executed copy of the Subordination Agreement in the form attached hereto as Exhibit “H”; and

2.7.1.10 The City shall deposit with Escrow Holder funds sufficient to satisfy the City’s monetary obligations in accordance with this Agreement.

2.7.2 The Developer shall deposit with Escrow Holder, prior to the Close of Escrow, counterparts of the Grant Deed, Memorandum of Purchase and Sale Agreement, the Regulatory Agreement, the Notice of Affordability Restrictions, Development Agreement and Subordination Agreement, all duly executed by the Developer and acknowledged, and funds sufficient to satisfy the Developer’s monetary obligations in accordance with this Agreement.

2.8 Authorization to Record Documents and Disburse Funds. Escrow Holder is hereby authorized to record the documents and disburse the funds and documents called for hereunder upon Close of Escrow, provided each of the following conditions has then been fulfilled:

(i) The Title Company can issue in favor of the Developer an ALTA Extended Coverage Owner’s Policy of Title Insurance, with liability equal to the Purchase Price (or such other amount as shall have been reasonably requested by the Developer), showing title to the Land vested in Developer subject only to the Permitted Title Exceptions.

(ii) The City and Developer shall have deposited in Escrow the documents required pursuant to Section 2.7.1 and 2.7.2, and the City and Developer shall have deposited in Escrow all Escrow closing costs.

(iii) The City and the Developer have confirmed to Escrow Holder that all of the other closing conditions set forth in Section 2.4 have been satisfied or expressly waived in writing by the Party(s) benefited thereby.

Unless otherwise instructed in writing, Escrow Holder is authorized to record at the Close of Escrow any instrument delivered through this Escrow if necessary or proper for issuance of the Developer’s title insurance policy.

2.9 Escrow’s Closing Actions. On the Close of Escrow, Escrow Holder shall:

2.9.1 Record the Grant Deed, the Memorandum of Purchase and Sale Agreement, the Regulatory Agreement, the Notice of Affordability Restrictions, the Subordination Agreement, and the Development Agreement with the Los Angeles County Recorder, in that order;

2.9.2 Issue the Title Policy (or cause the Title Company to issue the Title Policy);

2.9.3 Prorate taxes, assessments, rents, and other charges as of the Close of Escrow in accordance with the settlement statements approved by the Parties.

2.9.4 From funds deposited by the Developer, pay prorated amounts and charges to be paid by or on behalf of the Developer, and return any excess to the Developer;

2.9.5 Prepare and deliver to both the Developer and the City one signed copy of Escrow Holder's closing statement showing all receipts and disbursements of the Escrow; and

2.9.6 Deliver the FIRPTA Certificate and the Withholding Affidavit to the Developer.

2.10 Additional Instructions. If required by the Escrow Holder, the Parties shall execute appropriate escrow instructions, prepared by the Escrow Holder, which are not inconsistent herewith. If there is any inconsistency between the terms hereof and the terms of the escrow instructions, the terms hereof shall control unless an intent to amend the terms hereof is expressly stated in such instructions.

### 3. DEVELOPMENT COVENANTS.

#### 3.1 Development of the Project.

3.1.1 Developer's agents, employees, contractors, representatives (collectively "**Licensee's Designees**") shall have the right, at the Developer's discretion and expense (without a condition of the Close of Escrow), to enter upon the Land prior to the Close of Escrow for the purpose of improvements, rough-grading and utility undergrounding (collectively, the "**Pre-Closing Work**"). The Developer shall indemnify, defend and hold the City harmless from and against any and all claims, liens, liabilities, damages, losses, costs and expenses of any kind or nature whatsoever (including, without limitation, attorneys' fees and expenses and court costs) ("collectively "**Claims**") suffered, incurred or sustained by the City as a result of, by reason of, or in connection with the Pre-Closing Work, except for Claims resulting from the willful misconduct, negligence or breach of this Agreement by the City. The Developer shall procure and maintain reasonable insurance naming the City as beneficiary and in such amounts as the City shall reasonably require and covering claims for injuries to persons and property that may arise from or are otherwise connected with the performance of the Pre-Closing Work, and the Developer shall deliver evidence of such insurance to the City prior to entering the Land. The Developer shall not be obligated by this Agreement to perform any Pre-Closing Work.

3.1.2 The Developer shall demolish any improvements on (and rough grade) the Land, install underground utilities, and develop the Improvements on the Land, in accordance with the Scope of Development, the Schedule of Performance, all requirements of any and all applicable federal, state and local laws, rules and regulations (including any conditions of approval required

by the City), the Plans and Specifications, and all other terms, conditions and requirements of this Agreement. The Developer shall comply with the Schedule of Performance in a timely manner, provided that the obligations of the Developer set forth therein which are to be performed after the Close of Escrow shall be delayed by Force Majeure Delays, if applicable, and provided, further, that the City Manager may extend any deadline therein, in writing, in his sole and absolute discretion, not to exceed one hundred twenty (120) days per applicable deadline. Until a Certificate of Completion is issued, the Developer shall provide the City with periodic progress reports, as reasonably requested by the City, regarding the status of the construction of the Improvements.

3.2 City's Right to Review Plans and Specifications. In connection with construction of the Project, the Developer shall comply in all respects with Plans and Specifications approved by the City. The City shall have the right to review all Plans and Specifications for the Improvements to ensure that the Improvements are constructed in accordance with the Scope of Development and the other applicable provisions of this Agreement.

3.3 Construction Contracts. The Developer shall retain one or more reputable and financially responsible general contractors (each, a "**General Contractor**") to undertake the construction of the Improvements. Each General Contractor shall be acceptable to and approved in writing by the City Manager (in the exercise of his sole and absolute discretion), licensed in California, shall have any other licenses required by the City, and shall be experienced in constructing the type of improvements constituting the Improvements; provided, however, that City Ventures Homebuilding, Inc. is hereby approved as an acceptable contractor. On or before the date set forth in the Schedule of Performance, the Developer shall enter into a written contract, in form and substance acceptable to the City Manager (in the exercise of his sole and absolute discretion) (the "**Construction Contract**"), with the General Contractor(s) for performing the work constituting the construction of such improvements. Each such Construction Contract shall obligate the General Contractor to commence and complete such construction in accordance with this Agreement and all applicable federal, state and local laws, rules and regulations. The General Contractor will utilize good faith efforts to provide opportunities to residents and businesses within the City of Compton to be utilized for construction labor and building materials in the construction of the Project.

3.4 Construction Financing. The Developer shall submit to the City, for approval by the City Manager (in the exercise of his reasonable and good faith discretion), evidence of an executed Construction Loan or Construction Loan commitment. As used herein, the term "**Construction Loan**" shall mean a loan in an aggregate amount equal to (or greater than) all hard costs of designing and constructing the Improvements and all soft costs for owning and operating the Project until maturity of the construction loan, as shown in the budget for such Construction Loan and the Project Budget, less equity funds for such purposes to be provided by the Developer and shown in the Project Budget. The Construction Loan may be a loan provided under a line of credit or credit facility, and the City hereby approves the credit facility in the aggregate principal amount of Two Hundred Fifty Million Dollars (\$250,000,000.00) to be provided by Wells Fargo Bank, National Association, as administrative agent for the lenders, which is described in Recital B of the form of Subordination Agreement attached hereto (the "**Secured Credit Facility**"). Evidence of an executed Construction Loan commitment may consist of a letter demonstrating that the Project meets the requirements to be added to the Secured Credit Facility.

3.5 Costs of Entitlement, Development and Construction. The Developer agrees that all costs, expenses and fees associated with the development and construction of the Project, including the costs for developing and constructing the Improvements thereon (including, but not limited to governmental permits and approvals), shall be borne by the Developer.

3.6 Rights of Access and Inspection. In addition to those rights of access to and across the Land to which the City and the City may be entitled by law, members of the staff of the City shall have a reasonable right of access to the Land, without charge or fee, at any reasonable time, upon reasonable notice to the Developer (which may be telephonic notice to the Developer or its construction foreman) to inspect the work being performed at the Land in connection with the initial development of the Project but shall not be obligated to do so and the City shall not be liable for any failure to disclose any information discovered by the City (or that could or should have been discovered by any City inspection). The City shall also have the right at all reasonable times to inspect and copy those portions of the books, records and all other documentation of the Developer specifically and directly pertaining to its obligations under this Agreement.

3.7 Local, State and Federal Laws. The Developer shall carry out the construction of the Improvements on the Land in conformity with all applicable federal, state and local laws, including, but only to the extent applicable by law, state labor standards and prevailing wage laws, Labor Code Section 1720, *et seq.*, and its implementing regulations (“**Prevailing Wage Laws**”). It is the understanding and intent of the Parties that any assistance provided by City under this Agreement meets the exemption from Prevailing Wage Laws set forth in Labor Code Section 1720(c)(4) for the construction or rehabilitation of affordable housing units for low or moderate-income persons pursuant to paragraph (5) or (7) of subdivision (e) of Section 33334.2 of the Health and Safety Code that are paid for solely with moneys from the Low and Moderate Income Housing Fund established pursuant to Section 33334.3 of the Health and Safety Code or that are paid for by a combination of private funds and funds available pursuant to Section 33334.2 or 33334.3 of the Health and Safety Code. It is the further understanding and intent of the Parties that, other than the amount of the purchase price of the Land, City is providing no other assistance to the Project which would constitute construction, alteration, demolition, installation, or repair work done under contract and paid for in whole or in part out of public funds as defined pursuant to Labor Code Section 1720. Notwithstanding the foregoing, Developer shall be solely responsible for determining and effectuating compliance with any applicable Prevailing Wage Laws, and City makes no representation as to the applicability or non-applicability of the Prevailing Wage Laws to the Project. Developer hereby releases from liability, and agrees to indemnify, defend, assume all responsibility for and hold City and its officers, employees, agents and representatives, harmless from any and all claims, demands, actions, suits, proceedings, fines, penalties, damages, expenses resulting from, arising out of, or based upon Developer’s acts or omissions pertaining to the compliance with the Prevailing Wage Laws for the Project. The indemnification provisions of this Section 3.7 shall survive the Close of Escrow and the termination of this Agreement.

3.8 City and Other Governmental City Permits and Approvals. Before commencement of construction or development of any work of improvement on the Land, the Developer shall (at the Developer’s expense) secure, or cause to be secured, any and all permits which may be required by the City or any other governmental agency having jurisdiction over such construction or development.

3.9 Anti-discrimination During Construction. The Developer, for itself and its successors and assigns, agrees that it shall not discriminate against any employee or applicant for employment, as provided in Section 5.3, in the construction of the Improvements.

3.10 Taxes, Assessments, Encumbrances and Liens. The Developer shall pay when due all real property taxes and assessments assessed or levied on portions of the Land from time to time owned by the Developer, commencing immediately after closing of the land acquisition.

3.11 No Agency Created. In performing this Agreement, the Developer is an independent contractor and not the agent of the City. The City is not an agent of the Developer. The City shall not have any responsibility whatsoever for payment to any contractor or supplier of the Developer or its contractors. The Developer shall not have any responsibility whatsoever for payment to any contractor or supplier of the City.

3.12 Certificate of Completion. Upon the Developer's completion of the construction of all of the Improvements, the Developer may apply to the City for a Certificate of Completion. The City's issuance of the Certificate of Completion shall constitute the acknowledgement of the City that the Developer has complied in all respects with its development obligations (and only the development obligations) set forth in this Article 3 with respect to all of the Improvements required hereunder. Promptly following the City's issuance of a final certificate of occupancy for a unit of housing (and in conjunction with the sale of such housing unit to a third party), and provided that the Developer is then in full compliance with all of its obligations under Article 3 of this Agreement (and is not otherwise in default under the provisions of this Agreement), the City shall, at the Developer's request, execute, acknowledge and deliver to the Developer a form, reasonably acceptable to the Developer, of an express termination or reconveyance of the City's right of reversion as contained in the Grant Deed. If the City believes that the Developer is not in compliance with its obligations under this Article 3, the City shall promptly specify the nature of such non-compliance by written notice to the Developer.

#### 4. LIMITATIONS ON TRANSFERS AND SECURITY INTERESTS.

##### 4.1 Restrictions on Transfer of Developer's Rights and Obligations.

4.1.1 Prior to issuance of a Certificate of Completion, the Developer shall not sell, assign, transfer, mortgage, lease (except for space leases conditioned upon Project completion), hypothecate, or convey (collectively, a "**Transfer**") the Land or any part thereof or any of the Developer's rights or obligations hereunder to another person or entity (a "**Transferee**"), without the City's prior written consent, which consent may be granted or withheld in the City's sole and absolute discretion, except that no City approval shall be required for (i) the execution of one or more deeds of trust and related instruments securing the Developer's construction loan(s), (ii) a conveyance of the Land resulting from the foreclosure thereof (or a deed-in-lieu of such a foreclosure to the lender or any Affiliate of the lender), (iii) the conveyance or dedication of any portion of the Land to the City or other appropriate governmental agency, (iv) the granting of easements or permits to facilitate construction of the Improvements, (v) the sale of for-sale units to qualified persons and households in the normal course of business, in accordance with the Regulatory Agreement if applicable, (vi) any transfer of the Land and the corresponding rights and obligations of this Agreement to an Affiliate of the Developer, City Ventures Communities, LLC,

a Delaware limited liability company or City Ventures, LLC, a Delaware limited liability company, provided that the Transferee assumes all of the provisions of this Agreement that relate to the transferred Land pursuant to an assignment and assumption agreement and all design and constructions contracts and plans and rights to financing shall be assigned in writing to and assumed in writing by the Transferee. The Developer acknowledges that the identity of the Developer is of particular concern to the City, and it is because of the Developer's identity that the City has entered into this Agreement with the Developer. Except for any Transferee approved by the City pursuant to this Section 4.1, and except for any Holder (defined in Section 4.2) that has taken possession of the Land, no voluntary or involuntary successor in interest of the Developer shall acquire any rights or powers under this Agreement. No Transfer of the Developer's interest hereunder without the City's prior written approval shall be deemed to release the Developer from the obligations of the Developer hereunder.

4.2 Holders of Deeds of Trust. Notwithstanding any provisions of Section 4.1 to the contrary, the Developer shall have the right to hypothecate its interest in the Land and Project pursuant to one or more deeds of trust from an institutional lender approved by the City (which approval shall not unreasonably be withheld or delayed), for the purpose of securing loans of funds to be used for financing the direct and indirect costs of the Improvements (including land development costs, reasonable and customary developer fees, loan fees and costs, and other normal and customary project costs), or for refinancing the construction financing. Any institutional lender of record holding any such deed of trust, whose name and address shall have been provided by the Developer to the City, shall be referred to herein as a "**Holder**."

4.3 Rights of Holders. The City shall deliver a copy of any notice or demand to the Developer concerning any breach or default by the Developer under this Agreement to each Holder who has previously made a written request to the City for special notice hereunder. Any notice of breach or default by the Developer shall not be effective against any such Holder unless given to such Holder. Such Holder shall have the right at its option to cure or remedy any such default, within the thirty (30) days after the later of the expiration of the Developer's period to cure such default or the Holder's receipt of the default notice from the City, and to add the cost thereof to the secured debt and the lien of its security interest. If such breach or default can only be remedied or cured by such Holder upon obtaining possession, such Holder may remedy or cure such breach or default within a reasonable period of time after obtaining possession, provided such Holder seeks possession with diligence through a receiver or foreclosure. Such Holder shall not undertake or continue the construction or completion of the Improvements beyond the extent necessary to conserve or complete the Improvements. Any Holder completing the Improvements may assume all rights and obligations of the Developer under this Agreement (but without any obligation to do so); provided that, in the event of any such assumption, (i) the City shall reasonably cooperate with the Holder and (ii) such Holder shall be entitled to a reasonable extension of time to complete the Project in accordance with this Agreement. If a Holder should, as a condition of providing financing for development of all or a portion of the Project, request any modification of this Agreement in order to protect its interests in the Project or this Agreement, the City shall not unreasonably withhold its consent to such request consistent with the purpose and intent of this Agreement and the rights and obligations of the parties under this Agreement. As used in this Agreement, to the extent applicable, the term "**Holder**" shall include any successors and assigns of Holder and any person or entity acquiring the Land at or at any time after a foreclosure event.

4.4 Noninterference with Holders. The provisions of this Agreement do not limit the right of Holders (a) to foreclose or otherwise enforce any mortgage, deed of trust, or other security instrument encumbering all or any portion of the Land, and the Improvements thereon, (b) to pursue any remedies for the enforcement of any pledge or lien encumbering such portions of the Land, or (c) to accept, or cause its nominee to accept, a deed or other conveyance in lieu of foreclosure or other realization. In the event of (i) a foreclosure sale under any such mortgage, deed of trust or other lien or encumbrance, (ii) a sale pursuant to any power of sale contained in any such mortgage or deed of trust, or (iii) a deed or other conveyance in lieu of any such sale, the purchaser or purchasers and their successors and assigns, and such portions of the Land shall be, and shall continue to be, subject to all of the conditions, restrictions and covenants of all documents and instruments recorded pursuant to this Agreement, including, without limitation, the restrictions set forth in the grant deed on such property from the City to the Developer, subject to the provisions hereof. The City agrees to execute such further documentation regarding the rights of any Holder as set forth in Section 4.7 hereof.

4.5 Right of City to Cure. In the event of a default or breach by the Developer of a loan by a Holder prior to the completion of the Improvements, the City may, upon prior written notice to the Developer, cure the default, prior to the completion of any foreclosure, in accordance with the terms of the Subordination Agreement.

4.6 Right of City to Satisfy Other Liens. After the Close of Escrow, and after the Developer has had a reasonable time to challenge, cure, or satisfy any liens or encumbrances on the Land or any portion thereof, and has failed to do so, in whole or in part, the City shall, upon prior written notice to the Developer, have the right to satisfy any such lien or encumbrances; however, nothing in this Agreement shall require the Developer to pay or make provision for the payment of any tax, assessment, lien or charge so long as the Developer in good faith shall contest the validity or amount therein and so long as such delay in payment shall not subject the Land or any portion thereof to forfeiture or sale.

4.7 Subordination. Upon the request of the Holder, the City shall enter into a subordination agreement, substantially in the form attached hereto as Exhibit "H" and incorporated herein (the "**Subordination Agreement**"), as such form may be amended or otherwise modified at the reasonable request of such Holder, to subordinate its rights under this Agreement, the Grant Deed, the PSA Memorandum and the Regulatory Agreement, to the lien or encumbrance of any financing. The City shall also execute such further documents as Holder may reasonably require to effectuate such subordination.

## 5. USE AND OPERATION OF THE PROPERTY.

5.1 Maintenance by Developer. During their respective periods of ownership of the Project, the Developer and its successors in interest with respect to the Project shall maintain the Project (including landscaping) in a commercially reasonable manner substantially comparable to maintenance provided to other developments of similar age and quality located in Los Angeles County. The Developer shall maintain the Improvements in good repair and working order, and in a neat, clean and orderly condition, including the walkways, driveways, and landscaping, and from time to time make all necessary and proper repairs, renewals, and replacements. In the event that there arises at any time prior to the expiration of such period a condition in contravention of the above maintenance standard, then the City shall notify the Developer in writing of such condition, giving the Developer thirty (30) days from receipt of such notice to cure said condition. In the event the Developer fails to cure or commence to cure the condition within the time allowed, the City shall have the right to perform all acts necessary to cure such a condition, or to take other recourse at law or in equity the City may then have and to receive from the Developer the City's actual and reasonable costs in taking such action, which shall be paid by the Developer within ten (10) days after written demand describing the costs. The foregoing provisions shall be a covenant running with the Land and will be enforceable by the City, its successors and assigns.

Prior to selling any housing units, the Developer shall prepare and submit a Declaration of CC&Rs for the Project to the City and obtain its reasonable approval. The CC&Rs shall be recorded prior to the sale of any housing units. The CC&Rs shall obligate the owners of the homes to maintain their individual units and assume all liability for the foregoing maintenance requirements with respect to the individual units, and the owner's association to maintain the common areas and assume all liability for the foregoing maintenance requirements, with respect to the common areas, and the Developer shall have no further responsibility for maintenance of any completed improvements subject to the CC&Rs.

5.2 Obligation to Refrain from Discrimination. The Developer covenants by and for himself, and any successors in interest, that there shall be no discrimination against or segregation of any person, or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, rental, sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Land or Improvements, nor shall the Developer himself or any such person claiming under or through him establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the Site. The foregoing covenants shall run with the Land.



### 5.3 Form of Nondiscrimination and Non-Segregation Clauses.

All deeds, leases or contracts entered into by the Developer that relate to the Project or any portion thereof shall contain or be subject to substantially the following nondiscrimination or non-segregation clauses:

1. In deeds: “The grantee herein covenants by and for and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group or persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee himself, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land herein conveyed. The foregoing covenants shall run with the land.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph.”

2. In leases: “The lessee herein covenants by and for himself, his heirs, executors, administrators and assigns, and all persons claiming under or through him, and that 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 or persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the leasing, subleasing, transferring, use, or enjoyment of the land herein leased nor shall the lessee himself, or any person claiming under or through him, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land herein leased.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph.”

3. In contracts: “There shall be no discrimination against or segregation of, any person or group or persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land, nor shall the transferee himself or any person claiming under or through him, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph.”

5.4 Affordability Covenants. The Developer shall comply with the Regulatory Agreement. The Developer shall commence the marketing of the affordable units required by the Regulatory Agreement to eligible purchasers, and shall use good faith efforts to designate and sell the affordable units, as early as practicable. The City shall assist the Developer in the marketing of the affordable units by providing Developer the names and contact information of eligible purchasers on the City’s homebuyer interest list.

## 6. EVENTS OF DEFAULT, REMEDIES AND TERMINATION.

6.1 Defaults - Definition. Subject to the provisions of Section 6.7 hereof, the occurrence of any or all of the following shall constitute a default (“**Default**”) under this Agreement:

6.1.1 The Developer’s failure to perform its obligations under this Agreement on a timely basis as contained herein, or in the Schedule of Performance, or the Development

Agreement involving the payment of money, and the continuance of such breach for a period of ten (10) days after the City has given written notice to the Developer, as specified in Section 8.1; provided; however, if such breach is not reasonably curable within such ten (10) day period, then Developer shall be deemed in Default only if Developer does not commence to cure such breach within such ten (10) day period and thereafter fails to diligently prosecute such breach to completion.

6.1.2 Except as otherwise provided in Section 6.1.1 hereof, a breach of any material term of this Agreement, the Grant Deed, the Development Agreement, the Regulatory Agreement, or the Subordination Agreement by any Party not involving the payment of money and failure of such Party to cure such breach within thirty (30) days after the non-defaulting Party has given written notice to the defaulting Party; provided, however, if such breach is not reasonably curable within such thirty (30) day period, then such Party shall be deemed in Default only if such Party does not commence to cure such breach within such thirty (30) day period and thereafter fails to diligently prosecute such breach to completion;

6.1.3 Developer's Transfer (as defined in Section 4.2), or the occurrence of any involuntary Transfer, of the Project or Improvements or any part thereof or interest therein, or any rights or obligations of the Developer under this Agreement, in violation of this Agreement;

6.1.4 The Developer's failure or refusal to keep in force and effect any material permit or approval with respect to construction, and the Developer's failure to cure such breach within thirty (30) calendar days after notice from the City of the Developer's breach; provided, however, if such breach is not reasonably curable within such thirty (30) day period, then the Developer shall be deemed in Default only if the Developer does not commence to cure such breach within such thirty (30) day period and thereafter fails to diligently prosecute such breach to completion;

6.1.5 Filing of a petition in bankruptcy by or against any Party or appointment of a receiver or trustee of any property of any Party, or an assignment by any Party for the benefit of creditors, or adjudication that such Party is insolvent by a court, and the failure of such Party to cause such petition, appointment, or assignment to be removed or discharged within ninety (90) days; or

## 6.2 Remedies.

6.2.1 Remedies Prior to the Close of Escrow. In the event of a Default by any Party prior to the Close of Escrow, the non-defaulting Party shall have the right to terminate this Agreement (provided it is not in Default of its obligation under this Agreement), by delivering written notice thereof to the defaulting Party and to Escrow Holder, subject to the rights of the defaulting Party to cure such Default as provided in Section 6.1. Subject to Section 2.2, such Party may seek against the defaulting Party any available remedies at law or equity, including but not limited to, the right to receive damages (excluding damages for lost profits) or to pursue an action for specific performance.

6.2.2 Remedies for Default After the Close of Escrow. In addition to, and without limiting, the City's right of re-entry and termination contained in the Grant Deed, in the event of a

Default by any Party after the Close of Escrow, a non-defaulting party shall be entitled to the following remedies, as applicable:

(i) A defaulting Party shall be liable to the non-defaulting Party for all damages, costs and losses incurred by the non-defaulting Party, and the non-defaulting Party may seek against the defaulting Party any available remedies at law or equity, including but not limited to the right to receive damages or to pursue an action for specific performance.

(ii) The Developer shall deliver to the City absolute assignments (with appropriate written consents) of all design contracts and plans and specifications for the Project, which shall be in form and substance reasonably acceptable to the City.

6.3 No Speculation. The rights established in this Article are to be interpreted in light of the fact that the City will convey the Land to the Developer for development of the Project thereon and not for speculation in undeveloped land or for construction of different improvements.

6.4 No Personal Liability. No representative, agent, attorney, consultant, or employee of the City shall personally be liable to the Developer or any successor in interest of the Developer, in the event of any Default or breach by the City, or for any amount which may become due to the Developer or any successor in interest, on any obligation under the terms of this Agreement.

6.5 Rights and Remedies are Cumulative. The rights and remedies of the Parties are cumulative, and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same time or different times, of any other rights or remedies for the same default or any other default by the non-defaulting Party.

6.6 Inaction Not a Waiver of Default. Any failures or delays by either Party 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, or deprive either such Party of its rights to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies. The acceptance by a Party of less than the full amount due from the other Party shall not constitute a waiver of such Party's right to demand and receive the full amount due, unless such Party executes a specific accord and satisfaction.

6.7 Force Majeure. Following the Close of Escrow, and notwithstanding anything to the contrary in this Agreement, nonperformance shall be excused when performance is prevented or delayed by reason of any of the following forces reasonably beyond the control of such party (a "**Force Majeure Delay**"): (i) failure to perform by the Developer affecting all similar works of construction in the Compton, California, area, attributable to any strike, lockout or other labor or industrial disturbance (whether or not on the part of the employees of either party hereto), civil disturbance, future order claiming jurisdiction, act of the public enemy, acts of terrorism, war, riot, sabotage, blockade, embargo, inability to secure customary materials, supplies or labor through ordinary sources by reason of regulation or order of any government or regulatory body; and (ii) delay attributable to severe weather, lightning, earthquake, fire, storm, hurricane, tornado, flood, washout, explosion, or any other similar industry-wide cause beyond the reasonable control of the party from whom performance is required, or any of its contractors or other representatives.

Any prevention, delay or stoppage due to any Force Majeure Delay shall excuse the performance of the party affected for a period of time equal to any such prevention, delay or stoppage (except the obligations of either party to pay money to the other party or to close escrow); provided that the party claiming Force Majeure Delay notifies the other party within ten (10) business days after the commencement of the Force Majeure Delay if the Party claiming delay has no actual knowledge of the event of Force Majeure Delay, the Party claiming the Force Majeure Delay must nevertheless notify the other Party of the Force Majeure Delay within a reasonable time (not to exceed thirty days) after the commencement of the Force Majeure Delay.

## 7. INSURANCE; INDEMNITY.

### 7.1 Insurance.

7.1.1 From and after the Close of Escrow and until the issuance of a Certificate of Completion, the Developer shall obtain and maintain at no cost or expense to the City, with a reputable and financially responsible insurance company reasonably acceptable to the City, (i) commercially reasonable property insurance for the Improvements in an amount not less than the replacement cost of the Improvements (subject to commercially reasonable deductibles) with a reasonable inflation rider; (ii) commercial general liability insurance, insuring against claims and liability for bodily injury, death, or property damage arising from the construction, use, occupancy, condition, or operation of the Land, which liability insurance shall provide combined single limit protection of at least Five Million Dollars (\$5,000,000), contractual liability coverage and products and completed operations coverage, and (iii) commercial automobile liability insurance of at least One Million Dollars (\$1,000,000) combined single limit. Such liability insurance policies shall name the City and its council members, board members, officers, agents and employees as additional insureds.

7.1.2 Before commencement of any demolition or construction work by the Developer on any portion of the Land owned by the Developer, the Developer shall obtain and maintain in force until completion of such work (i) “all risk” builder’s risk insurance, including coverage for vandalism and malicious mischief, in a form and amount and with a company reasonably acceptable to the City, and (ii) workers’ compensation insurance covering all persons employed by the Developer in connection with work on the Project, or any portion thereof. During the construction of Improvements on any portion of the Land by the Developer, such builder’s risk insurance shall cover improvements in place and all material and equipment at the job site furnished under contract, but shall exclude contractors’, subcontractors’, and construction managers’ tools and equipment and property owned by contractors’ and subcontractors’ employees.

7.1.3 The Developer shall also require that any contractor with whom it has contracted for the performance of work on the Land or otherwise pursuant to this Agreement carry workers’ compensation insurance as required by law.

7.1.4 With respect to each policy of insurance required above, the Developer and each of the Developer’s general contractors, engineers and architects shall furnish to the City a certificate on the insurance carrier’s form setting forth the general provisions of the insurance coverage promptly after written request by the City showing the additional insureds. The

certificate shall also be furnished by the Developer prior to commencement of construction of any Improvements.

7.1.5 All such policies required by this Section shall contain (i) language to the effect that the policies cannot be cancelled or materially changed except after thirty (30) days' written notice by the insurer to the City, and (ii) a waiver of the insurer of all rights of subrogation against the City and the other additional insureds. All such insurance shall have deductibility limits which shall be commercially reasonable.

7.2 Indemnity. From and after the execution of this Agreement, the Developer hereby agrees to indemnify, defend, protect, and hold harmless the City and any and all agents, employees, representatives, council members, board members, consultants, and offices of the City, from and against all losses, liabilities, claims, damages (including foreseeable or unforeseeable consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorneys' fees) and demands of any nature whatsoever, related directly or indirectly to, or arising out of or in connection with:

- (i) the validity of this Agreement;
- (ii) the development and construction by the Developer of the Improvements on the Land or the use, ownership, management, occupancy, or possession of the Land during the Developer's period of ownership of the Land;
- (iii) any breach or Default by the Developer hereunder (subject to any liquidated damages provisions otherwise contained in this Agreement); or
- (iv) any of the Developer's activities on the Land (or the activities of the Developer's agents, employees, lessees, representatives, licensees, guests, invitees, contractors, subcontractors, or independent contractors on the Land), regardless of whether such losses and liabilities shall accrue or are discovered before or after termination or expiration of this Agreement, except to the extent such losses or liabilities are caused by the gross negligence or willful misconduct of the City. The City may in its discretion, and at its own cost, participate in the defense of any legal action naming the City. The provisions of this Section 7.2 shall survive the Close of Escrow and the termination of this Agreement.

## 8. REPRESENTATIONS AND WARRANTIES.

8.1 Developer Representations. The Developer represents and warrants to the City as of the date of this Agreement and as of the Close of Escrow that:

- (i) The Developer is a limited liability company validly existing and in good standing under the laws of the State of Delaware, and eligible to do business within the state of California.
- (ii) The Developer has duly authorized the execution and performance of this Agreement and the execution and performance of all of the closing documents set forth herein.

(iii) The Developer's execution and performance of this Agreement and the closing documents will not violate any provision of the Developer's operating agreement or any deed of trust, lease, contract, agreement, instrument, order, judgment or decree by which the Developer is bound.

(iv) The Developer has not engaged a broker with respect to the purchase of the Land contemplated herein.

8.2 City Representations. The City hereby represents and warrants to the Developer as of the date of this Agreement and as of the Close of Escrow that:

(i) the City has not engaged a broker with respect to the purchase of the Land as contemplated herein.

(ii) This Agreement has been duly authorized by the City.

(iii) The City is not a "foreign person" within the parameters of FIRPTA or any similar state statute, or is exempt from the provisions of FIRPTA or any similar state statute, or the City has complied and will comply with all the requirements under FIRPTA or any similar state statute.

(iv) To the current, actual knowledge of the City Manager, the City's execution, delivery and performance of its obligations under this Agreement will not constitute a default or a breach under any contract, agreement or order to which the City is a party or by which it is bound.

(v) The City Manager has no current, actual knowledge of, nor has the City received any notice of, nor does the City Manager know of any basis for, any actual or pending litigation or proceeding by any organization, person, individual or governmental agency against the City with respect to the Land or against the Land.

(vi) The City Manager has no knowledge of, nor has City received any notice of, nor does the City Manager know of any basis for, any violations of laws, statutes, regulations, ordinances, other legal requirements with respect to the Land (or any part thereof) or with respect to the use, occupancy or construction thereof, or any investigations by any governmental or quasi-governmental authority into potential violations thereof or any condemnation or eminent domain proceedings pending or threatened with respect to the Land or any portion thereof.

(vii) The City hereby represents to the current, actual knowledge of the City Manager, it has delivered all material non-privileged documents in its possession and pertaining to the Land to the Developer. The City hereby represents that to the actual knowledge of the City Manager, the City has not received any written notice or written communication from any government agency having jurisdiction over the Land notifying the City of the presence of surface or subsurface zone Hazardous Materials in, on, or under the Land, or any portion thereof.

(viii) All funds used by the former Redevelopment Agency to acquire each and every component of the Land, solely constitute moneys from a Low and Moderate Income Housing Fund established pursuant to Section 33334.3 of the California Health and Safety Code, all within

the meaning of Section 1720(c)(4) of the California Labor Code. The City is not providing funds from any other source in assistance to the Project.

(ix) The City Manager shall have no personal liability with respect to the accuracy of the representations contained in this Section 8.2.

## 9. GENERAL PROVISIONS.

9.1 Notices. All notices and demands shall be given in writing by certified mail, postage prepaid, and return receipt requested, or by reputable overnight messenger service. Notices shall be considered given upon the earlier of (a) personal delivery, or (b) one business day following deposit or delivery with a nationally recognized overnight courier delivery charges prepaid, or (c) date of delivery or attempted delivery shown on the return receipt if sent by mail, certified or return receipt requested. Notices shall be addressed as provided below for the respective Party; provided that if any Party gives notice in writing of a change of name or address, notices to such Party shall thereafter be given as demanded in that notice:

City: City of Compton  
205 South Willowbrook Avenue  
Compton, California 90220  
Attn: Cecil W. Rhambo, Jr., City Manager

With copy to: The City of Compton  
205 South Willowbrook Avenue  
Compton, California 90220  
Attn: Laurence Adams, Assistant City Manager

and The City of Compton  
205 South Willowbrook Avenue  
Compton, California 90220  
Attn: Craig J. Cornwell, City Attorney

and Richards, Watson & Gershon  
355 S. Grand Ave., 40th Floor  
Los Angeles, California 90071  
Attn: Jim G. Grayson, Esq.

Developer: City Ventures Homebuilding, LLC  
3121 Michelson Drive, Suite 150  
Irvine, California 92612  
Attn: Ryan Aeh, Vice President of Land Acquisitions

9.2 Construction. The Parties agree that each Party and its counsel have reviewed and revised this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not apply in the interpretation of this Agreement or any amendments or exhibits thereto. This Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the Parties.



9.3 Interpretation. In this Agreement the neuter gender includes the feminine and masculine, and singular number includes the plural, and the words “person” and “party” include corporation, partnership, firm, trust, or association where ever the context so requires. Unless otherwise required by a specific provision of this Agreement, time hereunder is to be computed by excluding the first day and including the last day. If the date for performance falls on a Saturday, Sunday, or legal holiday, the date for performance shall be extended to the next business day. All references in this Agreement to a number of days in which either Party shall have to consent approve or perform shall mean calendar days unless specifically stated to be business days.

9.4 Time of the Essence. Time is of the essence of this Agreement.

9.5 Warranty Against Payment of Consideration for Agreement. Developer warrants that it has not paid or given, and will not pay or give, to any third person, any money or other consideration for obtaining this Agreement, other than normal costs of conducting business and costs of professional services such as architects, engineers and attorneys.

9.6 Attorneys’ Fees. If any Party brings an action to enforce the terms hereof or declare its rights hereunder, the prevailing Party in any such action shall be entitled to its reasonable attorneys’ fees to be paid by the losing Party as fixed by the court. If the City is made a party to any litigation instituted by or against the Developer or to any litigation attacking the validity of this Agreement, then the Developer shall indemnify and defend the City in accordance with Section 7.2 hereof.

9.7 Entire Agreement; Waivers and Amendments. This Agreement, together with all attachments and exhibits hereto, and all agreements executed pursuant hereto, constitutes the entire understanding and agreement of the Parties. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the Parties with respect to the subject matter hereof. No subsequent agreement, representation or promise made by either Party hereto, or by or to any employee, officer, agent or representative of either Party, shall be of any effect unless it is in writing and executed by the Party to be bound thereby. No person is authorized to make, and by execution hereof, the Developer and the City acknowledge that no person has made, any representation, warranty, guaranty or promise except as expressly set forth herein; and no agreement, statement, representation or promise made by any such person which is not contained herein shall be valid or binding on the Developer or the City.

9.8 Severability. Each and every provision of this Agreement is, and shall be construed to be, a separate and independent covenant and agreement. If any term or provision of this Agreement or the application thereof shall to any extent be held to be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to circumstances other than those to which it is invalid or unenforceable, shall not be affected hereby, and each term and provision of this Agreement shall be valid and shall be enforced to the extent permitted by law.

9.9 Headings. All section headings and subheadings are inserted for convenience only and shall have no effect on the construction or interpretation of this Agreement.

9.10 No Third Party Beneficiaries. This Agreement is made and entered into for the sole protection and benefit of the Parties, and their permitted successors and assigns. No other person shall have any right of action based upon any provision of this Agreement.

9.11 Governing Law; Jurisdiction; Service of Process. This Agreement and the rights and obligations of the Parties shall be governed by California law. The Parties consent to the exclusive jurisdiction of the California Superior Court for the County of Los Angeles. If any legal action is commenced by the Developer against the City, or by the City against the Developer, service of process on the City shall be made by personal service upon the City Manager or City Clerk, or in such other manner as may be provided by law. If any legal action is commenced by the City against the Developer, service of process on the Developer shall be made in any manner as may be provided by law. The Developer agrees, for the benefit of the City, that it shall designate an agent for service of process in the State of California in the manner prescribed by law.

9.12 Assignability. Except as otherwise expressly provided in Section 4.2, the Developer may not assign, transfer or convey its rights and obligations under this Agreement without the prior written consent of the City, which the City may withhold in its sole and absolute discretion.

9.13 Survival. The provisions hereof shall not merge into, but rather shall survive, any conveyance hereunder (including, without limitation, the delivery and recordation of any Grant Deed) and the delivery of all consideration.

9.14 Estoppel Certificates. Upon written request of the Developer, the City shall within thirty (30) days of the date of such request, execute and deliver to the Developer, a written statement certifying, to the best of such City's knowledge, that (a) this Agreement in full force and effect, if such is the case, and has not been modified or amended, except as shall be stated; and (b) that no default by Developer exists under this Agreement.

9.15 City Actions. In addition to any provisions of this Agreement that gives the City Manager the authority to make decisions and grant approvals, the City hereby authorizes the City Manager to deliver such approvals, consents as are contemplated by this Agreement, waive requirements under this Agreement, and modify this Agreement, on behalf of the City provided that the applicable approval, consent, waiver or modification is not substantial (*i.e.*, does not change the fundamental business transaction between the Developer and the City, as determined by the City Manager in his reasonable discretion).

9.16 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed as original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties hereto have entered into this Agreement as of the day and year first above written.

**DEVELOPER:**

CITY VENTURES HOMEBUILDING, LLC,  
a Delaware limited liability company

By: CITY VENTURES COMMUNITIES,  
LLC,  
a Delaware limited liability company,  
its sole member

By: \_\_\_\_\_  
Authorized Signatory

ATTEST:

\_\_\_\_\_  
Alita Godwin, City Clerk

**CITY:**

THE CITY OF COMPTON,  
a municipal corporation

By: \_\_\_\_\_  
Cecil W. Rhambo, Jr., City Manager

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Craig J. Cornwell, City Attorney

**EXHIBIT "A"**

**LEGAL DESCRIPTION OF LAND**

(930 West Compton Boulevard)

Real property in the City of Compton, County of Los Angeles, State of California, described as follows:

THE NORTHERLY 223.5 FEET OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF LOT "G" OF THE TEMPLE AND GIBSON TRACT, IN THE CITY OF COMPTON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 2 PAGE 540 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THE EASTERLY 70 FEET THEREOF.

ALSO EXCEPT THEREFROM THAT PORTION OF SAID LAND AS DESCRIBED IN THE DEED TO THE CITY OF COMPTON, RECORDED OCTOBER 1, 1948 IN BOOK 28405 PAGE 79, OFFICIAL RECORDS, AS INSTRUMENT NO. 1844, AS DESCRIBED IN PARCELS 1 AND 2 BELOW:

**PARCEL 1:**

THAT PORTION OF SAID LOT "G" OF THE TEMPLE AND GIBSON TRACT, IN THE CITY OF COMPTON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 2 PAGE 540 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTHERLY LINE OF SAID LOT "G" (SAID NORTHERLY LINE BEARS NORTH 89 DEGREES 58 MINUTES 40 SECONDS EAST), DISTANT THEREON 592.62 FEET EASTERLY FROM THE NORTHWESTERLY CORNER OF SAID LOT "G"; THENCE SOUTH 13 DEGREES 19 MINUTES 40 SECONDS EAST, A DISTANCE OF 223.80 FEET; THENCE SOUTH 89 DEGREES 38 MINUTES 40 SECONDS WEST, A DISTANCE OF 30 FEET; THENCE NORTH 13 DEGREES 19 MINUTES 40 SECONDS WEST TO THE NORTHERLY LINE OF SAID LOT "G"; THENCE EASTERLY ALONG SAID NORTHERLY LINE OF SAID LOT "G" TO THE POINT OF BEGINNING TO BE KNOWN AS KEMP STREET.

**PARCEL 2:**

THE WESTERLY 27 FEET OF THE NORTHERLY 223.50 FEET OF THE NORTHWEST QUARTER OF LOT "G" OF TEMPLE AND GIBSON TRACT, IN THE CITY OF COMPTON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 2 PAGE 540 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, TO BE KNOWN AS DWIGHT STREET. EXCEPT THEREFROM ALL OIL, GAS, MINERAL AND HYDROCARBON SUBSTANCES LYING BELOW A DEPTH OF 500 FEET FROM THE SURFACE OF SAID LAND, WITHOUT RIGHT OF SURFACE ENTRY, WHICH RIGHT IS RESERVED IN THE DEED FROM ROBERT L.

HOROWITZ AND ELEANOR HOROWITZ, HIS WIFE, CLARENCE K. HOROWITZ AND ROSALIE H. HOROWITZ, HIS WIFE, AND

FREDRICK G. HOROWITZ AND BARBARA J. HOROWITZ; HIS WIFE, RECORDED MARCH 3, 1970 AS INSTRUMENT NO. 215.

APN: 6161-001-902

## **EXHIBIT "B"**

### **SCHEDULE OF PERFORMANCE**

This Schedule of Performance requires the submission of plans or other documents at specific times. Some of the submissions are not described in the text of the Agreement. Such plans or other documents, as submitted, must be complete and adequate for review by the City or other applicable governmental entity when submitted. Prior to the time set forth for each particular submission, the Developer shall consult with City staff informally as necessary concerning such submission in order to assure that such submission will be complete and in a proper form within the time for submission set forth herein.

#### **Action**

#### **Date / Deadline**

#### **Items 1 – 4 Relate to Developer Actions and Requirements Prior to the Close of Escrow**

NOTE: The PSA is to be dated as of the date of its execution by City.

- |    |                                                                                                                                                                                               |                                                               |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|
| 1. | <u>Opening of Escrow.</u> The Parties shall open escrow with the Escrow Holder.                                                                                                               | Within fifteen (15) business days after the date of this PSA. |
| 2. | <u>Entitlements.</u> The Developer shall obtain all Project entitlements from the City.                                                                                                       | Prior to or concurrent with the Close of Escrow.              |
| 3. | <u>Execution and Effectiveness of the Development Agreement.</u>                                                                                                                              | Prior to or concurrent with the Close of Escrow.              |
| 4. | <u>Grading and Building Permits.</u> The Developer shall obtain the Grading Permit for the grading of the Land and all Building Permits for the Initial Phase of construction of the Project. | Prior to the Close of Escrow.                                 |

| <u>Action</u>                                                                                                                     | <u>Date / Deadline</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-----------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5. <u>Close of Escrow.</u> The Developer shall acquire the Land from the City and shall concurrently close the Construction Loan. | Within sixty (60) days after City approval of all Project entitlements and Developer's receipt of the necessary permits for the Project, as described in the Development Agreement, but in no event later than twelve (12) months following the date of execution of the Agreement. If Developer is diligently pursuing required land use entitlements, building and grading permits, but City has not provided final approval by such time, such date shall be extended by written notice of the City Manager for up to ninety (90) days to obtain final City approvals. |
| 6. <u>Commencement of Construction.</u> Developer shall substantially commence the Improvements.                                  | No later than one hundred twenty (120) days after the Close of Escrow.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 7. <u>Qualification for Certificate of Completion.</u> The Project shall qualify for the Certificate of Completion.               | No later than eighteen (18) months from commencement of construction as described in the preceding item.                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

## **EXHIBIT “C”**

### **SCOPE OF DEVELOPMENT**

Developer shall cause to be constructed the following improvements on the Land (the “Project”):

- Single Family Houses: 24 total on a one-lot subdivision
    - 3-Bedroom\*/2.5 Bath\*\* (market) – 20
    - 3-Bedroom\*/2.5 Bath\*\* (each an “Affordable Unit”).
- \* Developer may increase some or all units to 4 bedrooms
- \*\* Developer may reduce number of bathrooms to 2 on some or all unite

The homes shall be of very good quality, and shall have high efficiency windows and insulation, and quality finishes. Approvals of the finish level will be determined in conjunction with the approval of land use entitlements for the Project.

- Backbone Street
- Site Work



**EXHIBIT "D"**

**FORM OF GRANT DEED**

Recording Requested by:

The City of Compton  
205 South Willowbrook Avenue  
Compton, CA 90220

And when recorded return to  
and mail tax statements to:

City Ventures Homebuilding, LLC  
3121 Michelson Drive, Suite 150  
Irvine, CA 92612  
Attention: \_\_\_\_\_

With a copy to:

The City of Compton  
205 South Willowbrook Avenue  
Compton, CA 90220  
Attn: City Clerk

And:

Richards, Watson & Gershon  
355 S. Grand Ave., 40th Floor  
Los Angeles, CA 90071  
Attn: Jim G. Grayson, Esq.

Assessor's Parcel Map No.: 6161-001-902

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*[Space Above this Line for Recorder's Use]*

***This Grant Deed is exempt from Recording Fees pursuant to  
California Government Code Sections 6103 and 27383***

**GRANT DEED**  
(930 West Compton Boulevard)

The undersigned grantor(s) declare(s):

Documentary transfer tax is \$ \_\_\_\_\_ based on the full value of the Land conveyed.

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **THE CITY OF COMPTON**, a municipal corporation ("**Grantor**") hereby GRANTS to **CITY VENTURES HOMEBUILDING, LLC**, a Delaware limited liability company ("**Grantee**") the land (the "**Land**") located in the City of Compton, County of Los Angeles, State of California, as described in Exhibit "A" hereto, SUBJECT TO all easements, covenants, conditions, restrictions, and rights of way of record.

1. This grant of the Land is subject to a Purchase and Sale Agreement entered into by and between Grantor and Grantee dated as of \_\_\_\_\_, 2018 (the "**Agreement**"), the terms of which are incorporated herein by reference. A copy of the Agreement is available for public inspection at the offices of the Grantor at 205 South Willowbrook Avenue, Compton, California 90220.

2. The Grantee covenants and agrees that for a period of \_\_\_\_\_ years after the date of completion, the Grantee shall maintain the improvements required by the Agreement (including landscaping) in good condition and repair and in the manner substantially comparable to the highest level of maintenance provided to other projects of similar age and quality located in Los Angeles County, and if Grantee fails to do so, then Grantor shall have the rights and remedies described in Section 5.1 of the Agreement, in addition to any and all other rights or remedies under applicable law or in equity. As provided in Section 5.1 of the Agreement, the Declaration of CC&Rs for the Project shall obligate the owners of the homes to maintain and assume all liability for the foregoing maintenance requirements with respect to individual homes, and shall obligate the owner's association to maintain and assume all liability for the foregoing maintenance requirements, and Grantee shall have no further responsibility for maintenance of improvements after the recordation of the CC&Rs. Grantee shall also maintain the insurance described in Article 7 of the Agreement.

3. By acceptance hereof, Grantee agrees, for itself, its successors and assigns, to refrain from restricting the rental, sale or lease of the Land on any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, rental, sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Land or Improvements, nor shall the Developer himself or any such person claiming under or through him establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the Land. The foregoing covenants shall run with the land.

All deeds, leases or contracts entered into by Grantee, its successors and assigns, or any successor-in-interest to all or any portion of or interest in the Land shall contain or be subject to substantially the following nondiscrimination or non-segregation clauses:

1. In deeds: "The grantee herein covenants by and for and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group or persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision

(m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee himself, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land herein conveyed. The foregoing covenants shall run with the land.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph.”

2. In leases: “The lessee herein covenants by and for himself, his heirs, executors, administrators and assigns, and all persons claiming under or through him, and that 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 or persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the leasing, subleasing, transferring, use, or enjoyment of the land herein leased nor shall the lessee himself, or any person claiming under or through him, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land herein leased.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph.”

3. In contracts: "There shall be no discrimination against or segregation of, any person or group or persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land, nor shall the transferee himself or any person claiming under or through him, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph."

The foregoing shall be a covenant running with the land for the benefit of, and as a burden upon the Land.

4. All covenants contained in this Grant Deed shall run with the land and shall be binding for the benefit of Grantor and its successors and assigns and such covenants shall run in favor of the Grantor and for the entire period during which the covenants shall be in force and effect, without regard to whether the Grantor is or remains an owner of any land adjacent to the Land or interest in such land or any other land. The Grantor, in the event of any breach of any such covenants, shall have the right to exercise all of the rights and remedies available under the Agreement or this Grant Deed, or at law or in equity. The covenants contained in this Grant Deed shall be for the benefit of and shall be enforceable only by the Grantor and its successors and assigns.

5. The Grantee covenants, for itself and its successors and assigns, that there shall be no sale, transfer, assignment, conveyance, lease, pledge or encumbrance of the Agreement, or the Land and the Improvements thereon or any part thereof, or of other ownership interest in the Grantee in violation of the Agreement, which contains restrictions on the assignment of the Agreement, the transfer of the Land and interests in Grantee.

6. The Grantor shall have, at its option, the additional right, on thirty (30) days' prior written notice to the Grantee and the holders of any mortgages, deeds of trust or other financing instruments, to repurchase, reenter and take possession of the Land (or portion thereof) with all improvements thereon, if after conveyance of title to the Land and prior to the issuance of a final Certificate of Completion therefor, the Grantee shall:

- a. Fail to commence construction of the improvements (or portion thereof) within the time required by the Agreement for a period of three (3) months after written notice thereof from the Grantor (subject to extension of time caused by Force Majeure or time of delay caused by or contributed to by the Grantor) to the Grantee and the holders of any mortgages, deeds of trust or other financing instruments; or
- b. Abandon or substantially suspend construction of the improvements (or portion thereof), other than as a result of Force Majeure or any actions by the Grantor which caused or contributed to such suspension, for a period of three (3) months after written notice of such abandonment or suspension from the Grantor to the Grantee and the holders of any mortgages, deeds of trust or other financing instruments; or
- c. Assign the Agreement, or transfer or suffer any involuntary transfer of the Property or any part thereof in violation of the Agreement.

Notwithstanding anything to the contrary set forth above, any such right to repurchase, enter and repossess shall be: (i) subject to and conditioned upon (A) in the case of the Secured Credit Facility, payment to the holders of such Secured Credit Facility, the then current collateral value of the Land (including all improvements thereon) as reflected on the holder of such Secured Credit Facility books and records pursuant to the Secured Credit Facility loan documents or (B) with respect to any other first in priority mortgage or deed of trust holder, payment of the full amount of the unpaid debt, plus any accrued and unpaid interest, costs and expenses; and (ii) subordinate and subject to and be limited by and shall not defeat, render invalid or limit:

- d. Any other then existing and remaining mortgage, deed of trust or other security instruments permitted by the Agreement; or
- e. Any rights or interests provided in the Agreement for the protection of the holder of such mortgages, deeds of trust or other security instruments.

In addition to payment of the amounts required to be paid above, to exercise its right to repurchase, reenter and take possession with respect to the Land (or portion thereof), the Grantor (or its designee) shall pay to the Grantee in cash an amount equal to the actual purchase price paid to the Grantor for the Land (or allocable to such portion thereof). Grantee shall thereupon execute and deliver to Grantor a grant deed transferring to Grantor (or its designee) all of Grantee's interest in the Land (or portion thereof) in its AS-IS, WHERE-IS CONDITION, WITHOUT ANY REPRESENTATIONS OR WARRANTIES. In the event Grantor exercises its repurchase option under this Section 6, such exercise shall constitute Grantor's sole and exclusive remedy on account of any default of Grantee which gives rise to Grantor's repurchase option hereunder, except that the foregoing limitation on remedies shall not affect the Grantee's indemnity obligations under the Agreement.

IN WITNESS WHEREOF, the undersigned has executed this Grant Deed as of the date set forth below.

GRANTOR:

Dated: \_\_\_\_\_, 2018

THE CITY OF COMPTON,  
a municipal corporation

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

GRANTEE:

Dated: \_\_\_\_\_, 2018

CITY VENTURES HOMEBUILDING, LLC,  
a Delaware limited liability company

By: CITY VENTURES COMMUNITIES,  
LLC, a Delaware limited liability  
company,  
its sole member

By: \_\_\_\_\_

Authorized Signatory

ATTEST:

\_\_\_\_\_  
Alita Godwin, City Clerk

## CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

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

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

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, and that by his/her/their signature(s) on the instrument the person(s), or the entity(ies) upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

\_\_\_\_\_

Place Notary Seal Above

Signature of Notary Public

## CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

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

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

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, and that by his/her/their signature(s) on the instrument the person(s), or the entity(ies) upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

\_\_\_\_\_

Place Notary Seal Above

Signature of Notary Public



## **EXHIBIT A**

### **LEGAL DESCRIPTION OF LAND**

Real property in the City of Compton, County of Los Angeles, State of California, described as follows:

THE NORTHERLY 223.5 FEET OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF LOT "G" OF THE TEMPLE AND GIBSON TRACT, IN THE CITY OF COMPTON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 2 PAGE 540 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THE EASTERLY 70 FEET THEREOF.

ALSO EXCEPT THEREFROM THAT PORTION OF SAID LAND AS DESCRIBED IN THE DEED TO THE CITY OF COMPTON, RECORDED OCTOBER 1, 1948 IN BOOK 28405 PAGE 79, OFFICIAL RECORDS, AS INSTRUMENT NO. 1844, AS DESCRIBED IN PARCELS 1 AND 2 BELOW:

#### **PARCEL 1:**

THAT PORTION OF SAID LOT "G" OF THE TEMPLE AND GIBSON TRACT, IN THE CITY OF COMPTON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 2 PAGE 540 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTHERLY LINE OF SAID LOT "G" (SAID NORTHERLY LINE BEARS NORTH 89 DEGREES 58 MINUTES 40 SECONDS EAST), DISTANT THEREON 592.62 FEET EASTERLY FROM THE NORTHWESTERLY CORNER OF SAID LOT "G"; THENCE SOUTH 13 DEGREES 19 MINUTES 40 SECONDS EAST, A DISTANCE OF 223.80 FEET; THENCE SOUTH 89 DEGREES 38 MINUTES 40 SECONDS WEST, A DISTANCE OF 30 FEET; THENCE NORTH 13 DEGREES 19 MINUTES 40 SECONDS WEST TO THE NORTHERLY LINE OF SAID LOT "G"; THENCE EASTERLY ALONG SAID NORTHERLY LINE OF SAID LOT "G" TO THE POINT OF BEGINNING TO BE KNOWN AS KEMP STREET.

#### **PARCEL 2:**

THE WESTERLY 27 FEET OF THE NORTHERLY 223.50 FEET OF THE NORTHWEST QUARTER OF LOT "G" OF TEMPLE AND GIBSON TRACT, IN THE CITY OF COMPTON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 2 PAGE 540 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, TO BE KNOWN AS DWIGHT STREET. EXCEPT THEREFROM ALL OIL, GAS, MINERAL AND HYDROCARBON SUBSTANCES LYING BELOW A DEPTH OF 500 FEET FROM THE SURFACE OF SAID LAND, WITHOUT RIGHT OF SURFACE ENTRY, WHICH RIGHT IS RESERVED IN THE DEED FROM ROBERT L.

HOROWITZ AND ELEANOR HOROWITZ, HIS WIFE, CLARENCE K. HOROWITZ AND ROSALIE H. HOROWITZ, HIS WIFE, AND

FREDRICK G. HOROWITZ AND BARBARA J. HOROWITZ; HIS WIFE, RECORDED MARCH 3, 1970 AS INSTRUMENT NO. 215.

APN: 6161-001-902

**EXHIBIT “E”**

**FORM OF PSA MEMORANDUM**

RECORDING REQUESTED BY:

The City of Compton  
205 South Willowbrook Avenue  
Compton, California 90220

AND WHEN RECORDED MAIL TO:

The City of Compton  
205 South Willowbrook Avenue  
Compton, California 90220  
Attn: City Manager

With a copy to:

Richards, Watson & Gershon  
355 S. Grand Ave., 40th Floor  
Los Angeles, CA 90071  
Attn: Jim G. Grayson, Esq.

APN: 6161-001-902

---

*[Space Above This Line For Recorder's Use]*

***This Memorandum Of Purchase and Sale Agreement is exempt from Recording Fees  
pursuant to California Government Code Sections 6103 and 27383***

**MEMORANDUM OF PURCHASE AND SALE AGREEMENT**  
(930 West Compton Boulevard)

THIS MEMORANDUM OF PURCHASE AND SALE AGREEMENT (the “**Memorandum of PSA**”) is made as of \_\_\_\_\_, 2018, by and between THE CITY OF COMPTON, a municipal corporation (the “**City**”), and CITY VENTURES HOMEBUILDING, LLC, a Delaware limited liability company (the “**Developer**”), to confirm that the City and the Developer have entered into that certain Purchase and Sale Agreement dated as of \_\_\_\_\_, 2018 (the “**PSA**”). The PSA imposes certain conditions (including but not limited to, construction requirements, affordable housing requirements, and transfer restrictions) on the real property described in Exhibit “A” attached hereto and incorporated herein (the “**Land**”). The PSA is a public document and may be reviewed at the principal office of the City.

IN WITNESS WHEREOF, the parties have caused this Memorandum of PSA to be duly executed as of the date first above written.

CITY: THE CITY OF COMPTON,  
a municipal corporation

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Attest:

\_\_\_\_\_  
Alita Godwin, City Clerk

DEVELOPER: CITY VENTURES HOMEBUILDING, LLC,  
a Delaware limited liability company

By: CITY VENTURES COMMUNITIES,  
LLC, a Delaware limited liability  
company, its sole member

By: \_\_\_\_\_  
Authorized Signatory

[SIGNATURES MUST BE DULY ACKNOWLEDGED BY A NOTARY PUBLIC]

## CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

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

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

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, and that by his/her/their signature(s) on the instrument the person(s), or the entity(ies) upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

\_\_\_\_\_

Place Notary Seal Above

Signature of Notary Public

## CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

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WITNESS my hand and official seal.

\_\_\_\_\_

Place Notary Seal Above

Signature of Notary Public

**EXHIBIT A**

**LEGAL DESCRIPTION OF LAND**

Real property in the City of Compton, County of Los Angeles, State of California, described as follows:

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EXCEPT THEREFROM THE EASTERLY 70 FEET THEREOF.

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HOROWITZ AND ELEANOR HOROWITZ, HIS WIFE, CLARENCE K. HOROWITZ AND ROSALIE H. HOROWITZ, HIS WIFE, AND

FREDRICK G. HOROWITZ AND BARBARA J. HOROWITZ; HIS WIFE, RECORDED MARCH 3, 1970 AS INSTRUMENT NO. 215.

APN: 6161-001-902



**EXHIBIT “F”**

**FORM OF REGULATORY AGREEMENT**

RECORDING REQUESTED BY:

The City of Compton  
205 South Willowbrook Avenue  
Compton, CA 90220

AND WHEN RECORDED MAIL TO:

The City of Compton  
205 South Willowbrook Avenue  
Compton, CA 90220  
Attention: City Manager

With a copy to:

Richards, Watson & Gershon  
355 S. Grand Ave., 40th Floor  
Los Angeles, CA 90071  
Attention: Jim G. Grayson, Esq.

APN: 6161-001-902

*[Space Above This Line For Recorder's Use]*

***This Regulatory Agreement is exempt from Recording Fees  
pursuant to California Government Code Sections 6103 and 27383***

**REGULATORY AGREEMENT**

(930 West Compton Boulevard)

THIS REGULATORY AGREEMENT (the “**Restrictions**”) is entered into this \_\_\_\_ day of \_\_\_\_\_, 2018 by and between CITY VENTURES HOMEBUILDING, LLC, a Delaware limited liability company (the “**Developer**”), and the CITY OF COMPTON (the “**City**”).

**RECITALS:**

A. Developer and the City have entered into that certain Purchase and Sale Agreement (930 West Compton Boulevard), dated \_\_\_\_\_, 2018 (the “**Agreement**”), for the purpose of providing for the development of affordable housing and market rate housing in the City of Compton. Any capitalized term used herein that is not otherwise defined herein shall have the meaning ascribed to such term in the Agreement.

B. Pursuant to the Agreement, the City has conveyed to the Developer certain land located in the City of Compton more particularly described in Exhibit “A” and depicted in Exhibit

“B” (the **“Land”**), upon which the Developer intends to construct twenty-four (24) townhomes (the **“Townhomes”**), four (4) of which (the **“Affordable Units”**) shall be restricted for sale to Moderate Income Households at an Affordable Sales Price, as more particularly described herein.

C. The Townhomes other than the four Affordable Units (the **“Market Rate Units”**) will not be subject to the requirements of these Restrictions.

D. The Agreement contains certain provisions relating to the use of the Land both before and after completion of such development.

NOW, THEREFORE, THE CITY AND THE DEVELOPER COVENANT AND AGREE AS FOLLOWS:

1. Definitions.

**“Area Median Income”** shall mean the median income for Los Angeles County as annually published by the Department of Housing and Community Development pursuant to California Health and Safety Code Section 50093, or the most closely related successor thereto.

**“Area Median Income adjusted for family size”** shall mean the Area Median Income adjusted for the actual number of persons in the applicable household.

**“Area Median Income adjusted for household size appropriate for the unit”** shall mean the Area Median Income for a household of four persons, unless pertinent federal statutes applicable to the Affordable Unit specify otherwise.

**“Affordable Sales Price”** shall mean a sales price which is established at a level which ensures that the Housing Costs of (a) any Moderate Income Household purchaser who earns not greater than one hundred and ten percent (110%) of the Area Median Income adjusted for family size, is not less than twenty-eight percent (28%) of the Gross Income of the household, nor exceeds the product of thirty-five percent (35%) multiplied by one hundred and ten percent (110%) of the Area Median Income Adjusted for Household Size Appropriate for the Unit, and (b) any Moderate Income Household purchaser whose Gross Income exceeds one hundred and ten percent (110%) of the Area Median Income adjusted for family size, is not less than twenty-eight percent (28%) of the Gross Income of the household and does not exceed the greater of (i) thirty-five percent (35%) of the Gross Income of such purchaser or (ii) the product of thirty-five percent (35%) multiplied by one hundred and ten percent (110%) of the Area Median Income Adjusted for Household Size Appropriate for the Unit.

**“Gross Income”** shall have the meaning ascribed to such term in Section 6914 of Title 25 of the California Code of Regulations, as amended from time to time, and any successor statutes and regulations.

**“Housing Cost”** shall have the meaning ascribed to such term in Section 6920 of Title 25 of the California Code of Regulations, as amended from time to time, and any successor statutes and regulations.

**“Moderate Income Household”** or **“Qualified Purchaser”** shall mean persons and families whose income does not exceed one hundred and twenty percent (120%) of the Area Median Income adjusted for family size.

2. Ownership Housing Requirements. The Developer is required to sell each of the Affordable Units to a Moderate Income Household at an Affordable Sales Price, assuming (i) a reasonable down payment and (ii) a thirty year fixed rate mortgage at prevailing interest rates for similarly situated homes, without providing any vendor/purchase money financing, for use as owner-occupied housing, in accordance with the following restrictions:

(a) Prior to any such sale of an Affordable Unit, the Developer shall submit to the City Manager the proposed location of the Affordable Unit, the proposed sales price, and documentation reasonably demonstrating to the City Manager that the proposed sales price is an Affordable Sales Price, and that the proposed purchaser qualifies as a Moderate Income Household, in accordance with the procedure set forth in Section 3 hereof.

(b) The grant deed from the Developer to any such proposed Moderate Income Household purchaser shall restrict the use of the Affordable Unit to owner-occupancy, and shall restrict subsequent resales of the Affordable Unit to Moderate Income Households, at an Affordable Sales Price, who agree that the use of the Affordable Unit is restricted to owner-occupancy pursuant to and in conformance with the Grant Deed Rider. These restrictions shall continue to apply until the forty-fifth (45th) anniversary of the date of recordation of the grant deed conveying the Affordable Unit from the Developer to a Moderate Income Household purchaser at an Affordable Sales Price in accordance with these Restrictions.

(c) To implement this Section, the Developer agrees to attach the Grant Deed Rider to the grant deed conveying the Affordable Unit to any such proposed Moderate Income Household purchaser substantially in the form attached to these Restrictions as Exhibit "C" ("**Grant Deed Rider**"), which is incorporated herein by this reference.

(d) The Affordable Units shall be the units designated by mutual agreement of the Developer and the City Manager.

(e) The Developer shall commence the marketing of the Affordable Units required hereunder to eligible purchasers and shall use good faith efforts to designate and sell the Affordable Units as early as practicable. The City shall assist the Developer in the marketing of the Affordable Units by providing Developer the names and contact information of eligible purchasers on the City's homebuyer interest list.

(f) All construction and sales of Affordable Units as required hereunder and under the Agreement shall be in compliance with the requirements for affordable housing units for low or moderate income persons pursuant to paragraph (5) of subdivision (e) of Section 33334.2 of the Health and Safety Code.

(g) Developer shall not rent any of the Affordable Units without the prior written consent of the City, which consent may be granted or withheld in the sole and absolute discretion of the City.

### 3. Method of Initial Sale of Affordable Units.

#### A. Procedures to Notify City.

(i) Notice of Proposed Sale. For each Affordable Unit proposed to be sold by the Developer, the Developer shall notify the City Manager in writing to that effect not

less than thirty (30) days prior to the anticipated closing date, and shall provide such information as the City may reasonably require regarding the proposed Qualified Purchaser. The writing (hereinafter referred to as the “**Notice of Intended Sale**”) shall state the street address of the Affordable Unit, the name(s) and existing address of the proposed Qualified Purchaser, and the terms of the proposed documentation reasonably demonstrating to the City Manager that the proposed sales price is an Affordable Sales Price, and that the proposed purchaser qualifies as a Moderate Income Household. The Notice of Intended Sale, together with the City required information, shall be personally delivered or deposited into the U.S. mail, postage prepaid, first class, certified mail, return receipt requested, addressed to:

CITY OF COMPTON  
205 South Willowbrook Avenue  
Compton, California 90622-5009  
Attn: City Manager

(ii) Submission of Additional Information. The City Manager may at any time after the submission of the Notice of Intended Sale request the Developer or the proposed Qualified Purchaser to provide additional information regarding the proposed Qualified Purchaser and/or the proposed transaction for the sale of the Affordable Unit, and the Developer and/or Qualified Purchaser shall supply such information as soon as possible.

(iii) Assumption of Obligations to City. If the City Manager determines that the proposed purchaser is a Qualified Purchaser, and the proposed terms of sale result in an Affordable Sales Price, the City shall allow the sale of the Affordable Unit subject to these Restrictions, which shall be deemed to have been assigned to and assumed by the proposed Qualified Purchaser pursuant to and in conformance with the Grant Deed Rider.

B. Disposition of the Subject Land Contrary to These Restrictions. If the Developer disposes of any portion of the Land contrary to these Restrictions, the City shall at any time thereafter, have all rights and remedies available to it as described in the Agreement or otherwise available to it at law and in equity and may seek enforcement of the terms and conditions hereof in any manner allowed by law or equity.

C. Disposition of Market Rate Units. The Developer may sell the Market Rate Units without complying with the procedures set forth in these Restrictions. Upon request of the Developer, the City shall furnish to the Developer a release or such other documentation as may be necessary to confirm that a Market Rate Unit is not subject to these Restrictions.

4. Terms of Purchase. The following provisions shall also apply to the initial sale of each of the Affordable Units by Developer:

A. Escrow. The Developer acknowledges and agrees that the percentage amount of any deposit required pending close of escrow shall not exceed that customarily required for the purchase of newly constructed residential units in Los Angeles County at the time of the escrow. Closing costs shall be allocated between buyer and seller according to the customary practices in Los Angeles County in effect at the time of an offer to purchase by a Qualified Purchaser. The Developer shall agree to reasonable terms of sale that are consistent with promoting the purpose of these Restrictions.

B. Conditions to Close of Escrow. The purchase agreement and escrow instructions for the purchase of an Affordable Unit from the Developer may provide for conditions or contingencies of the type or nature commonly included within purchase agreements and escrow instructions for the purchase of new homes (including, but not limited to, financing contingencies, inspection rights, and preliminary title report approvals), provided that the escrow period shall be not less than sixty days from the date of the purchase agreement. The Qualified Purchaser's qualifications are subject to prior review and approval by the City.

C. Purchase Price. The purchase price paid by the Qualified Purchaser shall not exceed an Affordable Sales Price.

5. Maintenance. Until the sale of an Affordable Unit, the Developer shall maintain the Affordable Unit in compliance with all applicable housing quality standards, and all applicable local code requirements, and shall keep the Land free from any unreasonable accumulation of debris or waste materials. The Developer shall also maintain in a healthy condition any landscaping required to be planted pursuant to the Scope of Development.

6. Non Discrimination and Non Segregation Clauses. Developer shall refrain from restricting the sale of Affordable Units on the basis of race, color, religion, sex, marital status, disability, ancestry or national origin of any person. All deeds or contracts shall contain or be subject to substantially the following nondiscrimination or non-segregation clauses:

(a) In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, 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 any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

"Notwithstanding the immediately preceding paragraph, with respect to familial status, the immediately preceding 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 immediately preceding paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to the immediately preceding paragraph."

(b) In contracts: "There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, transfer, use, occupancy, tenure, or enjoyment of the premises which are the

subject of the Agreement, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.”

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7. The covenants established in these Restrictions and any amendments hereto approved by the City and Developer shall, without regard to technical classification and designation, be binding for the benefit and in favor of City, and its successors and assigns.

8. City is deemed to be the beneficiary of the terms and provisions of these Restrictions and the covenants herein, both for and in its own right and for the purposes of protecting the interests of the community and other parties, public or private, for whose benefit these Restrictions and the covenants running with the land have been provided. City shall have the right if the covenants are breached, to exercise all rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breaches to which it or any other beneficiaries of these Restrictions and covenants are entitled.

9. The covenants and agreements contained herein shall run with the land and not be personal obligations of Developer. Upon the sale, conveyance or other transfer of an Affordable Unit (“**Transfer**”) in accordance with the requirements of these Restrictions, Developer’s liability for performance with respect to the transferred Affordable Unit shall be terminated as to any obligation to be performed hereunder after the date of such Transfer.

10. In connection with a sale of an Affordable Unit and in accordance with these Restrictions and recordation of the Grant Deed Rider in the form attached hereto as Exhibit “C”, these Restrictions shall cease to apply to the applicable Affordable Unit that is the subject of such sale, and City shall execute a release of these Restrictions from that Affordable Unit.

11. The provisions of these Restrictions shall be deemed independent and severable, and a determination of invalidity or partial invalidity or unenforceability of any one provision or portion hereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provisions hereof.

12. These Restrictions may be executed in one or more counterparts, each of which shall be deemed as original but all of which together shall constitute one and the same instrument.

13. These Restrictions shall be governed by, construed, and enforced in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the City and the Developer have executed these Restrictions as of the date on the date set forth herein above.

**CITY:**

CITY OF COMPTON,  
a municipal corporation

By: \_\_\_\_\_  
Cecil W. Rhambo, Jr., City Manager

ATTEST:

By: \_\_\_\_\_  
Alita Godwin, City Clerk

**DEVELOPER:**

CITY VENTURES HOMEBUILDING, LLC,  
a Delaware limited liability company

By: CITY VENTURES COMMUNITIES,  
LLC,  
a Delaware limited liability company  
its sole member

By: \_\_\_\_\_  
Authorized Signatory

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COUNTY OF LOS ANGELES

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, and that by his/her/their signature(s) on the instrument the person(s), or the entity(ies) upon behalf of which the person(s) acted, executed the instrument.

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WITNESS my hand and official seal.

\_\_\_\_\_

Place Notary Seal Above

Signature of Notary Public



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\_\_\_\_\_

Place Notary Seal Above

Signature of Notary Public

## **EXHIBIT A TO REGULATORY AGREEMENT**

### **LEGAL DESCRIPTION**

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THE NORTHERLY 223.5 FEET OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF LOT "G" OF THE TEMPLE AND GIBSON TRACT, IN THE CITY OF COMPTON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 2 PAGE 540 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

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ALSO EXCEPT THEREFROM THAT PORTION OF SAID LAND AS DESCRIBED IN THE DEED TO THE CITY OF COMPTON, RECORDED OCTOBER 1, 1948 IN BOOK 28405 PAGE 79, OFFICIAL RECORDS, AS INSTRUMENT NO. 1844, AS DESCRIBED IN PARCELS 1 AND 2 BELOW:

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BEGINNING AT A POINT ON THE NORTHERLY LINE OF SAID LOT "G" (SAID NORTHERLY LINE BEARS NORTH 89 DEGREES 58 MINUTES 40 SECONDS EAST), DISTANT THEREON 592.62 FEET EASTERLY FROM THE NORTHWESTERLY CORNER OF SAID LOT "G"; THENCE SOUTH 13 DEGREES 19 MINUTES 40 SECONDS EAST, A DISTANCE OF 223.80 FEET; THENCE SOUTH 89 DEGREES 38 MINUTES 40 SECONDS WEST, A DISTANCE OF 30 FEET; THENCE NORTH 13 DEGREES 19 MINUTES 40 SECONDS WEST TO THE NORTHERLY LINE OF SAID LOT "G"; THENCE EASTERLY ALONG SAID NORTHERLY LINE OF SAID LOT "G" TO THE POINT OF BEGINNING TO BE KNOWN AS KEMP STREET.

#### PARCEL 2:

THE WESTERLY 27 FEET OF THE NORTHERLY 223.50 FEET OF THE NORTHWEST QUARTER OF LOT "G" OF TEMPLE AND GIBSON TRACT, IN THE CITY OF COMPTON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 2 PAGE 540 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, TO BE KNOWN AS DWIGHT STREET. EXCEPT THEREFROM ALL OIL, GAS, MINERAL AND HYDROCARBON SUBSTANCES LYING BELOW A DEPTH OF 500 FEET FROM THE SURFACE OF SAID LAND, WITHOUT RIGHT OF SURFACE ENTRY, WHICH RIGHT IS RESERVED IN THE DEED FROM ROBERT L.

HOROWITZ AND ELEANOR HOROWITZ, HIS WIFE, CLARENCE K. HOROWITZ AND ROSALIE H. HOROWITZ, HIS WIFE, AND

FREDRICK G. HOROWITZ AND BARBARA J. HOROWITZ; HIS WIFE, RECORDED MARCH 3, 1970 AS INSTRUMENT NO. 215.

APN: 6161-001-902

**EXHIBIT “B” TO REGULATORY AGREEMENT**

**DIAGRAM/SITE PLAN**

(Attached)

[To Be Provided]

## **EXHIBIT C TO REGULATORY AGREEMENT**

Form of Grant Deed Rider to be used by Developer  
In Connection with a Sale of an Affordable Unit  
To Qualified Moderate Income Household Purchaser

### **GRANT DEED RIDER** **(AFFORDABLE HOUSING DEED RESTRICTIONS)**

Grantee, by acceptance and recordation of this Grant Deed Rider, expressly accepts, covenants, and agrees to be bound by and assume performance of all the applicable provisions and requirements set forth in this Grant Deed Rider, the provisions and requirements of which are acknowledged by Grantee to be reasonable, and which are incorporated in [this] Grant Deed by this reference, and this grant is expressly conditioned upon the performance of such provisions to be performed by Grantee. The use for which the Subject Property is intended is owner-occupied residential, and the restrictions on its use and subsequent transfer are fully set forth in this Grant Deed Rider, to which [the] Grant Deed is expressly made subject.

1. Affordable Housing Restrictions. The grant made by the Grant Deed is conditioned upon and subject to the following terms, conditions, covenants and restrictions of this Grant Deed Rider:

(a) Grantee will use and occupy the residential unit (i.e., the Subject Property) as Grantee's principal place of residence immediately upon the close of escrow and shall continue to so use and occupy the Subject Property for the duration of Grantee's ownership of the Subject Property. Grantee shall not lease or rent the Subject Property for any reason. Grantee shall devote and continuously maintain the Subject Property as a 3-bedroom residential dwelling unit affordable for "Qualified Purchaser(s)" (as hereinafter defined) until 12:01 A.M. on the day immediately succeeding the forty-fifth (45th) anniversary of the date of recordation of the Grant Deed by which the Subject Property is initially conveyed by Grantor to Grantee.

(b) If, during the duration of his/her/their ownership, Grantee shall fail to use and occupy the Subject Property as his/her/their principal place of residence, the City of Compton (the "City"), at its option, shall have the right to purchase the Subject Property upon the payment to Grantee of the lesser of (i) the then fair market value of the Subject Property, as determined by an appraisal obtained by the City, or (ii) an amount which is an "Affordable Sales Price" (as that term is defined in this Grant Deed Rider), subject to the Minimum Resale Amount set forth in Section 2(C) hereof. The City shall exercise its option to purchase the Subject Property by written notice to Grantee within thirty (30) days after providing Grantee written notice of the default that entitles City to the option, and shall close escrow on the purchase of the Subject Property within sixty (60) days after the date of the notice of exercise of the Option. If City does not timely exercise its option, such option rights shall expire with respect to the default that entitled City to the option. The purchase price payable by City shall be applied first to pay off the unpaid principal balance of any first trust deed loan or any other encumbrance secured by a lien on the Subject Property upon such sale to the City (plus any interest or other sums due and payable thereon); and

(c) The provisions of the foregoing subparagraphs (a) and (b) and this subparagraph (c) shall terminate and become void automatically at 12:01 A.M. on the day immediately succeeding the forty-fifth (45th) anniversary of the date of the recordation of the Grant Deed which the Subject Property is initially conveyed by Grantor to Grantee, and the same shall constitute and be construed as covenants which shall run with the land.

(d) There shall be no discrimination against or segregation of any person, or group of persons on account of race, color, religion, disability, sex, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Subject Property hereby conveyed. Any owner of the Subject Property and all persons claiming under or through the owner shall not establish or permit any such practice or practices of discrimination against or segregation of, any person or group of persons on account of race, color, religion, disability, sex, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Subject Property, nor shall 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 in the Subject Property. The foregoing covenants shall run with the land in perpetuity. Each Owner of the Subject Property shall not be responsible for violations of this subparagraph (d) occurring after it has no interest in the Subject Property.

(e) All covenants without regard to technical classification or designation shall be binding for the benefit of City and such covenants shall run in favor of City for the entire period during which such covenants shall be in force and effect, without regard to whether City is or remains an owner of any land or interest therein to which such covenants relate. City, in the event of any breach of any such covenant, shall have the right to exercise all the rights and remedies, and to maintain any action at law or suits in equity or other proper proceedings to enforce the curing of such breach.

(f) In accepting the Grant Deed, the undersigned Grantee understands and acknowledges that the Subject Property is being sold to Grantee at a purchase price that is below the fair market value of the Subject Property as the result of terms and conditions contained in that Purchase and Sale Agreement dated as of \_\_\_\_\_, 2018 between City and Grantor (referred to as the “**Agreement**”), so as to make the Subject Property “affordable” to Grantee. In return for and in consideration of the opportunity for Grantor to sell and Grantee to purchase the Subject Property under the above-referenced terms, conditions, covenants and restrictions, and for other good and valuable consideration, the receipt and legal sufficiency of which the undersigned hereby acknowledges, Grantee, on behalf of himself, herself, or themselves and with the express intent to bind all those defined as “Owner” as hereinafter defined, hereby agrees to comply with all of the requirements of this Grant Deed Rider.

(g) For purposes of this Grant Deed Rider, the following terms shall have the following definitions:

“**Area Median Income**” shall mean the median income for Los Angeles County as annually published by the Department of Housing and Community Development pursuant to California Health and Safety Code Section 50093, or the most closely related successor thereto.

**“Area Median Income adjusted for family size”** shall mean the Area Median Income adjusted for the actual number of persons in the applicable household.

**“Area Median Income adjusted for household size appropriate for the unit”** shall mean the Area Median Income for a household of four persons, unless pertinent federal statutes applicable to the Affordable Unit specify otherwise.

**“Affordable Sales Price”** shall mean a sales price which is established at a level which ensures that the Housing Costs of (a) any Moderate Income Household purchaser who earns not greater than one hundred and ten percent (110%) of the Area Median Income adjusted for family size, is not less than twenty-eight percent (28%) of the Gross Income of the household, nor exceeds the product of thirty-five percent (35%) multiplied by one hundred and ten percent (110%) of the Area Median Income Adjusted for Household Size Appropriate for the Unit, and (b) any Moderate Income Household purchaser whose Gross Income exceeds one hundred and ten percent (110%) of the Area Median Income adjusted for family size, is not less than twenty-eight percent (28%) of the Gross Income of the household and does not exceed the greater of (i) thirty-five percent (35%) of the Gross Income of such purchaser or (ii) the product of thirty-five percent (35%) multiplied by one hundred and ten percent (110%) of the Area Median Income Adjusted for Household Size Appropriate for the Unit.

**“Gross Income”** shall have the meaning ascribed to such term in Section 6914 of Title 25 of the California Code of Regulations, as amended from time to time, and any successor statutes and regulations.

**“Housing Cost”** shall have the meaning ascribed to such term in Section 6920 of Title 25 of the California Code of Regulations, as amended from time to time, and any successor statutes and regulations.

**“Moderate Income Household”** or **“Qualified Purchaser”** shall mean persons and families whose income does not exceed one hundred and twenty percent (120%) of the Area Median Income adjusted for family size.

**“Owner”** shall mean and include the undersigned Grantee and any or all successors in interest (whether voluntary or involuntary), transferees, assigns, heirs, executors, or administrators of the undersigned.

## 2. Method of Sale.

A. Notice of Proposed Sale. If at any time during the duration of this Grant Deed Rider, the Owner desires or elects to sell, transfer, convey, assign or otherwise dispose of the Subject Property (“dispose”), the Owner in such event is required to do so only to a Qualified Purchaser and is required to dispose of the Subject Property to such Qualified Purchaser in its entirety. If the Owner of the Subject Property desires to dispose of the Subject Property, the Owner shall notify City Manager in writing to that effect not less than thirty (30) days prior to the anticipated closing date and shall provide such information as City may reasonably require regarding the proposed Qualified Purchaser. That writing (hereinafter referred to as the **“Notice of Intended Sale”**) shall state the street address of the Subject Property, the Owner’s name(s), the

name(s) and existing address of the proposed Qualified Purchaser, and the terms of the proposed transaction, including the proposed purchase price, and documentation reasonably demonstrating to City Manager (or his or her designee) that the proposed purchase price will result in an Affordable Sales Price, and that the proposed purchaser qualifies as a Moderate Income Household. The Notice of Intended Sale, together with the City-required information shall be personally delivered or deposited into the U.S. mail, postage prepaid, first class, certified mail, return postage prepaid, first class, certified mail, return receipt requested, addressed to:

CITY OF COMPTON  
205 South Willowbrook Avenue  
Compton, CA 90220  
Attn: City Manager

B. Submission of Additional Information. Representatives of City may at any time after the submission of the Notice of Intended Sale request the Owner or the proposed Qualified Purchaser to provide additional information regarding the proposed Qualified Purchaser and/or the proposed transaction for the disposal of the Subject Property, and the Owner and/or Qualified Purchaser shall supply such information as soon as practicable.

C. City Approval of Sale of Subject Property. If City determines that the proposed purchaser is a Qualified Purchaser, and the proposed terms of sale make the sale price an Affordable Sales Price, City shall allow the disposition of the Subject Property subject to this Grant Deed Rider which shall be deemed to have been assigned to and assumed by the proposed Qualified Purchaser pursuant to and in conformance with the provisions hereof.

D. Notice of Default Under Deed of Trust. The Owner covenants to cause to be filed in the office of the Recorder of the County of Los Angeles a request for a copy of any notice of sale or notice of default under any deed of trust with power of sale encumbering the Subject Property or any part thereof. Such request shall specify that any such notice shall be mailed to:

CITY OF COMPTON  
205 South Willowbrook Avenue  
Compton, CA 90220  
ATTN: City Manager

E. Disposition of the Subject Property Contrary to Grant Deed Rider. If the Owner disposes of the Subject Property contrary to this Grant Deed Rider, City shall at any time thereafter, at its election, have the right to declare such disposition or other act null and void and/or seek enforcement of the terms and conditions hereof in any manner allowed by law or equity.

3. Terms of Purchase. Upon sale of the Subject Property, the following provisions shall govern:

A. Escrow. The Owner acknowledges and agrees that the percentage amount of any deposit required pending close of escrow shall not exceed that customarily required for the purchase of residential units in Los Angeles County, California at the time of the escrow. Closing



costs shall be allocated between buyer and seller according to the customary practices in Los Angeles County in effect at the time of an offer to purchase by a Qualified Purchaser. The Owner shall agree to reasonable terms of sale that are consistent with promoting the purpose of Grant Deed Rider.

B. Condition to Close of Escrow. The purchase agreement and escrow instructions may provide for conditions or contingencies of the type or nature commonly included within residential purchase escrows to the obligation of the purchaser to purchase the Subject Property from the then Owner (including, but not limited to, financing contingencies, inspection rights, and preliminary title report approvals), provided that such purchase agreement and escrow instructions shall provide for an escrow period of at least sixty (60) days. The Qualified Purchaser's qualifications are subject to review and approval by City.

C. Purchase Price. Owner shall have the right to sell the Subject Property to another Qualified Purchaser, for an Affordable Sales Price, for use as owner occupied housing, upon terms and conditions that are in accordance with the following restrictions:

Prior to any such resale of the Subject Property, Owner shall provide Notice of Intended Sale to City, as provided in Paragraph 2.A., above.

The Grant Deed from Owner to any such proposed purchaser shall restrict the use of the Subject Property to owner-occupancy, and shall restrict subsequent resales of the Subject Property to Qualified Purchasers, at an Affordable Sales Price, who agree to occupy the Subject Property as their principal place of residence. This restriction shall continue to apply until the date set forth in Section 1 hereof.

Notwithstanding the requirement herein that the resale price of the Subject Property must be at an Affordable Sales Price, Owner shall not be prohibited by this Grant Deed Rider from obtaining a resale price (whether the sale is to a Qualified Purchaser or to City) which recovers the sum of Owner's original purchase price for the Subject Property, plus Owner's reasonable costs of sale of the Subject Property, plus the reasonable costs of improvements made to the Subject Property by Owner (the "**Minimum Amount**").

To implement this Paragraph 3, Owner agrees that the grant deed conveying the Subject Property to any such proposed Qualified Purchaser shall provide that the grant of the Subject Property is subject to the terms of this Grant Deed Rider.

4. Limits on Liability. City shall not be liable to the Owner or become obligated in any manner to the Owner by reason of the enforcement of this Grant Deed Rider, nor shall City be in any way obligated or liable to the Owner for any failure of any Qualified Purchaser to consummate a purchase of the Subject Property or to comply with the terms of any agreement of escrow for the sale of the Subject Property. Only the purchaser executing a purchase agreement or escrow instruction shall be liable to the Owner pursuant to the terms of any such agreement or escrow instructions. City shall not be liable or responsible for any defect in the condition of the Subject Property of whatever nature and the Owner agrees to release City from any such liability and/or responsibility and further agrees to hold City harmless from any claim or cause of action brought by third parties arising out of any such defect.

5. Transfers and Conveyances. Until such time as this Grant Deed Rider is released by City or expires, the Subject Property and any interest in title thereto shall not be disposed of or rented to any person or entity except with the express written consent of City (except for Permitted Transfers, as provided in Paragraph 6, or Permitted Encumbrances, as provided in Paragraph 7, which do not require the consent of City). Owner acknowledges that its purchase of the Subject Property is being assisted with assistance made available by City, which is available exclusively for the purpose of increasing, improving or preserving the community's supply of Moderate Income Household housing, in accordance with applicable state and federal laws, and that City's purpose in restricting the disposition of the Subject Property is to ensure that the Subject Property remains part of City's affordable housing inventory. In light of these purposes, City shall not unreasonably withhold, condition or delay approval of a request by Owner to dispose of the Subject Property, and shall approve sales to Qualified Purchasers, as defined herein, in accordance with and subject to the terms and conditions of this Grant Deed Rider, and any disposition of the Subject Property reasonably requested by Owner as the result of extreme hardship, determined by City in its sole and absolute discretion. Any request for the consent of City to a transfer or disposition of the Subject Property shall be in writing, and City shall approve or disapprove such request, in writing, within thirty (30) days after its receipt of Owner's written request. Any transfer or disposition of the Subject Property without the express written consent of City shall be null and void and City shall have the right to seek judicial enforcement hereof. Owner shall use and occupy the Subject Property as his or her principal place of residence immediately upon the close of escrow and shall continue to so use and occupy the Subject Property for the duration of the Owner's ownership thereof, except as provided in this Paragraph 5.

6. Permitted Transfers. The following transfers of title or any interest therein shall not require the prior written consent of City: transfer by gift, devise or inheritance to the Owner's spouse or issue; the taking of title by a surviving joint tenant; the transfer of title to a spouse in connection with a divorce or dissolution proceeding; acquisition of title or interest therein in conjunction with marriage; provided, however, that the covenants contained in and the restrictions imposed upon the Owner and the Subject Property by Grant Deed (including this Grant Deed Rider) shall continue to encumber and run with the title to the Subject Property following any such transfer.

7. Permitted Encumbrances; Termination Upon Foreclosure. Notwithstanding Paragraph 5, deeds of trusts or any other form of conveyance required for any reasonable method of financing are permitted to be recorded against title to the Subject Property, but only for the purpose of securing loans to be used for financing the acquisition of the Subject Property. (Such deed of trust or other security instrument shall be referred to herein as a "**Deed of Trust**" and the holder thereof shall be referred to as a "**Beneficiary**"). City agrees that the terms, conditions, covenants and restrictions herein contained shall be subject and subordinate to the rights of Beneficiary under any such Deed of Trust and shall automatically terminate if title to the Subject Property is transferred by foreclosure or deed in lieu of foreclosure.

8. Runs with the Land. Unless otherwise provided by the terms herein, all of the terms and provisions of this Grant Deed Rider constitute covenants which shall run with the Subject Property, shall further and independently constitute an encumbrance upon the Subject Property, and shall be binding upon the Owner, the Owner's heirs, executors, administrators, successors, transferees and assigns, and all parties having or acquiring any right, title or interest in or to any

part of the Subject Property. As long this Grant Deed Rider has not expired, any attempt to transfer title to any interest in the Subject Property in violation of this Grant Deed Rider shall be voidable at the election of City.

9. Acceptance of Terms by Owner. By acceptance of this Grant Deed Rider, the Owner accepts and agrees to be bound by all of the covenants and restrictions contained in this Grant Deed Rider and further acknowledges receipt of and agrees to be bound by all of the terms and provisions of this Grant Deed Rider.

10. Terms of Restriction. The provisions of this Grant Deed Rider shall terminate and become void automatically at 12:01 A.M. on the day immediately succeeding the forty-fifth (45th) anniversary of the date of the recordation of the Grant Deed by which the Subject Property is initially conveyed by Grantor to Grantee.

11. Miscellaneous Provisions.

A. Independent and Severable Provisions. In the event that any provision of this Grant Deed Rider is held by a court of competent jurisdiction to be unenforceable or invalid, such holding shall not render unenforceable any other provision hereof, each provision hereof being expressly severable and independently enforceable to the fullest extent permitted by law.

B. Further Assurances and Restrictions. Grantee covenants that upon the request of City, he, she or they will execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such further instruments and agreements and do such further acts as may be necessary, desirable or proper to carry out more effectively the purpose of this Grant Deed Rider and other instruments required hereunder, and upon the sale or other transfer of an interest in the Subject Property, the Grantee shall cause the purchaser or transferee to execute and acknowledge a Grant Deed Rider in a form acceptable to City, which shall be attached to a grant deed by which the Owner conveys title to the Subject Property.

C. Captions and Paragraph Headings. Captions and paragraph headings used herein are for convenience only and shall not be used in construing this Attachment.

D. Waiver. No waiver by City of any breach by the Owner of any covenant, restriction or condition herein contained shall be effective unless such waiver is in writing, signed by City and delivered to the undersigned. The waiver by City of any such breach or breaches, or the failure by City to exercise any right or remedy in any such breach or breaches, shall not constitute a waiver or relinquishment for the future of any such covenant or condition nor bar any right or remedy of City in respect of any such subsequent breach.

12. City as Third-Party Beneficiary. The City is hereby designated a third-party beneficiary under this Grant Deed Rider with the right to enforce the terms, conditions, covenants and restrictions herein contained.

By signature herein below, Grantee hereby accepts and approves the foregoing, agrees to be bound by the provisions of this Grant Deed and the Attachment thereto, and grants to City such powers and rights that are set forth in this Grant Deed Rider.

“GRANTEE”

Date: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

## CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

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

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

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, and that by his/her/their signature(s) on the instrument the person(s), or the entity(ies) upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

\_\_\_\_\_

Place Notary Seal Above

Signature of Notary Public

## CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

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STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

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, and that by his/her/their signature(s) on the instrument the person(s), or the entity(ies) upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

\_\_\_\_\_

Place Notary Seal Above

Signature of Notary Public

**EXHIBIT “G”**

**FORM OF NOTICE OF AFFORDABILITY RESTRICTIONS**

(Attached)

RECORDING REQUESTED BY:

City of Compton  
205 South Willowbrook Avenue  
Compton, California 90220

AND WHEN RECORDED MAIL TO:

City of Compton  
205 South Willowbrook Avenue  
Compton, California 990220  
Attn: \_\_\_\_\_

With a copy to:

Richards, Watson & Gershon  
355 S. Grand Ave., 40th Floor  
Los Angeles, CA 90071  
Attn: Jim g. Grayson, Esq.

APN: 6161-001-902

SPACE ABOVE THIS LINE FOR RECORDER'S USE

FREE RECORDING REQUESTED PURSUANT TO GOVERNMENT CODE §6103

**NOTICE OF AFFORDABILITY RESTRICTIONS ON TRANSFER OF PROPERTY**

**IMPORTANT NOTICE TO OWNERS, PURCHASERS, TENANTS, LENDERS, BROKERS, ESCROW AND TITLE COMPANIES, AND OTHER PERSONS, REGARDING AFFORDABLE HOUSING RESTRICTIONS ON THE REAL PROPERTY DESCRIBED IN THIS NOTICE:** RESTRICTIONS HAVE BEEN RECORDED WITH RESPECT TO THE PROPERTY DESCRIBED BELOW WHICH RESTRICT FOUR (4) OF THE TOWNHOMES AS DESCRIBED BELOW.

This NOTICE OF AFFORDABILITY RESTRICTIONS (the "Notice"), is dated as of \_\_\_\_\_, \_\_\_, 2018, and is executed by CITY VENTURES HOME BUILDING, LLC, a Delaware limited liability company ("Owner"), whose address is 3121 Michelson Drive, Suite 150, Irvine, California 92612, and by the CITY OF COMPTON ("City") in connection with that certain Regulatory Agreement between Owner and the City dated substantially concurrently herewith and recorded in the Official Records of Los Angeles County substantially concurrently herewith (the "Regulatory Agreement").



## RECITALS

A. Owner owns the land located at 930 W. Compton Boulevard described on Exhibit “A” in the City of Compton, State of California and the improvements thereon (the “Property”).

B. Owner and City are entering into the Regulatory Agreement substantially concurrently herewith.

C. Capitalized terms used herein but not defined shall have the meaning set forth as described in the Regulatory Agreement.

## TERMS OF NOTICE

1. Requirement for Recorded Notice. This Notice is being executed and recorded pursuant to California Health and Safety Code Section 33334.3(f)(3)(B).

2. Regulatory Agreement. This Notice is being recorded substantially concurrently with the recordation of the Regulatory Agreement, which is incorporated herein by reference.

3. Summary of Affordability Restrictions; Term. The Regulatory Agreement restricts four (4) of the townhomes (the “Affordable Units”) for sale to Moderate Income Households (as defined in the Regulatory Agreement) at an Affordable Sales Price (as defined in the Regulatory Agreement) for forty-five (45) years from the date of recordation of the grant deed conveying the Affordable Unit from Owner to a Moderate Income Household at an Affordable Sales Price.

This Notice does not contain a full description of the details of all of the terms and conditions of the Affordable Housing Restrictions. You will need to obtain and read the Regulatory Agreement to fully understand the restrictions and requirements which apply to the Property. In the event of any conflict between the terms of this Notice and the terms of the Regulatory Agreement, the terms of the Regulatory Agreement shall control.

IN WITNESS WHEREOF, this Notice has been executed and made effective on the day and year first above written.

**CITY:**

CITY OF COMPTON,  
a municipal corporation

By: \_\_\_\_\_  
Cecil W. Rhambo, Jr., City Manager

**OWNER:**

CITY VENTURES HOME BUILDING,  
a Delaware limited liability company

By: CITY VENTURES COMMUNITIES, LLC,  
a Delaware limited liability company,  
its sole member

By: \_\_\_\_\_  
Authorized Signatory

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT**

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

State of California )  
County of \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_  
\_\_\_\_\_,

(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

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, \_\_\_\_\_,  
(insert name and title of the officer)

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

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, \_\_\_\_\_,  
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

**EXHIBIT "A"**

**LEGAL DESCRIPTION OF LAND**

Real property in the City of Compton, County of Los Angeles, State of California, described as follows:

THE NORTHERLY 223.5 FEET OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF LOT "G" OF THE TEMPLE AND GIBSON TRACT, IN THE CITY OF COMPTON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 2 PAGE 540 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THE EASTERLY 70 FEET THEREOF.

ALSO EXCEPT THEREFROM THAT PORTION OF SAID LAND AS DESCRIBED IN THE DEED TO THE CITY OF COMPTON, RECORDED OCTOBER 1, 1948 IN BOOK 28405 PAGE 79, OFFICIAL RECORDS, AS INSTRUMENT NO. 1844, AS DESCRIBED IN PARCELS 1 AND 2 BELOW:

PARCEL 1:

THAT PORTION OF SAID LOT "G" OF THE TEMPLE AND GIBSON TRACT, IN THE CITY OF COMPTON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 2 PAGE 540 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTHERLY LINE OF SAID LOT "G" (SAID NORTHERLY LINE BEARS NORTH 89 DEGREES 58 MINUTES 40 SECONDS EAST), DISTANT THEREON 592.62 FEET EASTERLY FROM THE NORTHWESTERLY CORNER OF SAID LOT "G"; THENCE SOUTH 13 DEGREES 19 MINUTES 40 SECONDS EAST, A DISTANCE OF 223.80 FEET; THENCE SOUTH 89 DEGREES 38 MINUTES 40 SECONDS WEST, A DISTANCE OF 30 FEET; THENCE NORTH 13 DEGREES 19 MINUTES 40 SECONDS WEST TO THE NORTHERLY LINE OF SAID LOT "G"; THENCE EASTERLY ALONG SAID NORTHERLY LINE OF SAID LOT "G" TO THE POINT OF BEGINNING TO BE KNOWN AS KEMP STREET.

PARCEL 2:

THE WESTERLY 27 FEET OF THE NORTHERLY 223.50 FEET OF THE NORTHWEST QUARTER OF LOT "G" OF TEMPLE AND GIBSON TRACT, IN THE CITY OF COMPTON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 2 PAGE 540 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, TO BE KNOWN AS DWIGHT STREET. EXCEPT THEREFROM ALL OIL, GAS, MINERAL AND HYDROCARBON SUBSTANCES LYING BELOW A DEPTH OF 500 FEET FROM THE SURFACE OF SAID LAND, WITHOUT RIGHT OF SURFACE ENTRY, WHICH RIGHT IS RESERVED IN THE DEED FROM ROBERT L.

HOROWITZ AND ELEANOR HOROWITZ, HIS WIFE, CLARENCE K. HOROWITZ AND ROSALIE H. HOROWITZ, HIS WIFE, AND

FREDRICK G. HOROWITZ AND BARBARA J. HOROWITZ; HIS WIFE, RECORDED MARCH 3, 1970 AS INSTRUMENT NO. 215.

APN: 6161-001-902

**EXHIBIT "H"**

**FORM OF SUBORDINATION AGREEMENT**

RECORDING REQUESTED BY:

The City of Compton  
205 S. Willowbrook Ave.  
Compton, CA 90220

AND WHEN RECORDED MAIL TO:

Wells Fargo Bank, National Association  
Home Building Banking Western  
401 B Street, Suite 1100  
San Diego, CA 92101  
Attention: Jacquelyn Alexander  
Loan No.: 1015342

*SPACE ABOVE THIS LINE FOR RECORDER'S USE*

**This Subordination Agreement is exempt from Recording Fees pursuant to California Government Code Sections 6103 and 27383**

**SUBORDINATION AGREEMENT**

**NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR RIGHTS IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.**

THIS SUBORDINATION AGREEMENT (this "**Agreement**") is made as of \_\_\_\_\_, 2018 by and between CITY VENTURES HOMEBUILDING, LLC, a Delaware limited liability company, owner of the real property hereinafter described ("**Developer**"), and THE CITY OF COMPTON, a municipal corporation ("**City**"), in favor of WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent (collectively with its successors or assigns, "**Administrative Agent**"), for its benefit and the benefit of the Lenders (as defined in the Security Instrument referred to below).

**R E C I T A L S**

A. Pursuant to the terms and provisions of that certain Purchase and Sale Agreement dated as of [\_\_\_\_], executed by City Ventures Homebuilding, LLC, a Delaware limited liability company ("**Developer**"), in favor of Beneficiary (as amended, restated, amended and restated, supplemented, replaced or otherwise modified from time to time, the "**PSA**"), a memorandum of



which was recorded on [ ] in the Official Records of the County of Los Angeles, State of California, as Document No. [ ], certain conditions (including but not limited to, construction requirements, operating covenants, and transfer restrictions) were imposed on the real property described on the Exhibit "A" attached hereto (which property, together with all improvements now or hereafter located on the property, is hereinafter referred to as the "**Property**").

B. Developer has executed, or proposes to execute, that certain Construction Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement, and Fixture Filing (as amended, restated, amended and restated, supplemented, replaced or otherwise modified from time to time, the "**Security Instrument**") securing, among other things, one or more Revolving Notes or Swingline Notes (as each may be amended, restated, supplemented, increased, replaced or otherwise modified from time to time, collectively, the "**Note**") in the aggregate principal amount of Two Hundred Fifty Million Dollars (\$250,000,000) (collectively, and as the same may be increased, the "**Loan**"), executed by Developer and payable to the order of Lenders. The Security Instrument is to be recorded concurrently herewith.

C. As a condition to Administrative Agent and Lenders continuing to make the Loan secured by the Security Instrument, Administrative Agent and Lenders require that the Security Instrument be unconditionally and at all times remain a lien or charge upon the Property, prior and superior to all the rights of City under the PSA, the Grant Deed (as defined in the PSA), the PSA Memorandum (as defined in the PSA) and the Regulatory Agreement (as defined in the PSA), and that City specifically and unconditionally subordinate its rights under the PSA, the Grant Deed, the PSA Memorandum and the Regulatory Agreement to the lien or charge of the Security Instrument.

D. Developer and City agree to the subordination in favor of Administrative Agent, for its benefit and the benefit of Lenders.

**NOW THEREFORE**, for valuable consideration and to induce Administrative Agent and Lenders to continue to make the Loan, Developer and City hereby agree for the benefit of Administrative Agent, for its benefit and the benefit of Lenders, as follows:

1. **Subordination**. Developer and City hereby agree that:

1.1. **Prior Lien**. The Security Instrument securing the Note in favor of Lenders, and any modifications, renewals or extensions thereof, shall unconditionally be and at all times remain a lien on the Property prior and superior to the PSA and the Regulatory Agreement;

1.2. **Subordination**. Administrative Agent and Lenders would not continue to make the Loan without this agreement to subordinate; and

1.3. **Whole Agreement**. This Agreement shall be the whole agreement with regard to the subordination of the PSA and the Regulatory Agreement to the lien of the Security Instrument and shall supersede and cancel, but only insofar as would affect the priority of the Security Instrument, any prior agreements as to such subordination, including, without limitation, those provisions, if any, contained in the PSA and/or Regulatory Agreement which provide for the

subordination of the PSA and/or Regulatory Agreement to a deed or deeds of trust or to a mortgage or mortgages.

CITY FURTHER DECLARES, AGREES AND ACKNOWLEDGES FOR THE BENEFIT OF ADMINISTRATIVE AGENT, FOR ITS BENEFIT AND THE BENEFIT OF LENDERS, THAT:

1.4. **Use of Proceeds.** Administrative Agent and Lenders, in continuing to make disbursements pursuant to the Note, the Security Instrument or any loan agreements with respect to the Property, are under no obligation or duty to, nor has Administrative Agent or any Lender represented that it will, see to the application of such proceeds by the person or persons to whom Administrative Agent or any Lender disburses such proceeds, and any application or use of such proceeds for purposes other than those provided for in such agreement or agreements shall not defeat this agreement to subordinate in whole or in part; and

1.5. **Waiver, Relinquishment and Subordination.** City intentionally and unconditionally waives, relinquishes and subordinates all of City's right, title and interest in and to the Property to the lien of the Security Instrument and understands that in reliance upon, and in consideration of, this waiver, relinquishment and subordination, specific loans and advances are being and will be made by Administrative Agent and Lenders and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into which would not be made or entered into but for said reliance upon this waiver, relinquishment and subordination.

2. **Notice of Holder.** By execution of this Agreement, the City hereby acknowledges the existence of and consents to the Loan and the Security Instrument, which Security Instrument will be a lien on the Property. The City further agrees and acknowledges (a) that Administrative Agent, for its benefit and the benefit of Lenders, qualifies as a "Holder" and is entitled to all of the rights of Holder under the PSA (including, without limitation, the right to receive notices from the City (which notices shall be sent to Administrative Agent at the address specified in Section 4.1 of this Agreement or such other address as provided to City by written notice from time to time) and to cure Developer's defaults); (b) that the Security Instrument is a "deed of trust" for all purposes under the PSA; (c) that Administrative Agent, for its benefit and the benefit of Lenders, qualifies as a "Beneficiary" and is entitled to all of the rights of a Beneficiary under the Regulatory Agreement; and (d) that the Security Instrument is a "Deed of Trust" for all purposes under the Regulatory Agreement.

3. **Notice of Default and Cure Rights.** Notwithstanding anything to the contrary contained in this Agreement, the PSA or the Regulatory Agreement, City will notify Administrative Agent in writing concurrently with any notice given to Developer of any default by Developer under the PSA and/or the Regulatory Agreement, and City agrees that Administrative Agent has the right (but not the obligation) to cure any breach or default specified in such notice and City will not declare a default of the PSA and/or the Regulatory Agreement, as to Administrative Agent, if Administrative Agent cures such default within thirty (30) days from and after the expiration of the time period provided in the PSA and/or the Regulatory Agreement for the cure thereof by Developer; provided, however, that if such default cannot with diligence be cured by Administrative Agent within such thirty (30) day period, the commencement of action by

Administrative Agent within such thirty (30) day period to remedy the same shall be deemed sufficient so long as Administrative Agent pursues such cure with diligence.

4. **Miscellaneous**

4.1. **Notices**. All notices, demands, or other communications under this Agreement shall be in writing and shall be delivered to the appropriate party at the address set forth below (subject to change from time to time by written notice to all other parties to this Agreement). All notices, demands or other communications shall be considered as properly given if delivered personally or sent by first class United States Postal Service mail, postage prepaid, or by Overnight Express Mail or by overnight commercial courier service, charges prepaid, except that notice of any default may be sent by certified mail, return receipt requested, charges prepaid. Notices so sent shall be effective three (3) days after mailing, if mailed by first class mail, and otherwise upon delivery or refusal; provided, however, that non-receipt of any communication as the result of any change of address of which the sending party was not notified or as the result of a refusal to accept delivery shall be deemed receipt of such communication. For purposes of notice, the address of the parties shall be:

|                       |                                                                                                                         |
|-----------------------|-------------------------------------------------------------------------------------------------------------------------|
| Developer:            | City Ventures Homebuilding, LLC<br>3121 Michelson Drive, Suite 150<br>Irvine, CA 92612<br>Attention: Scott Homan        |
| with a copy to:       | Troutman Sanders LLP<br>5 Park Plaza, Suite 1400<br>Irvine, CA 92614<br>Attention: Martin W. Taylor, Esq.               |
| City:                 | City of Compton<br>205 S. Willowbrook Ave.<br>Compton, CA 90220<br>Attention: Cecil W. Rhambo, Jr.<br>City Manager      |
| with a copy to:       | City of Compton<br>205 S. Willowbrook Ave.<br>Compton, CA 90220<br>Attention: Laurence Adams,<br>Assistant City Manager |
| with a copy to:       | Richards, Watson & Gershon<br>355 S. Grand Ave., 40th Floor<br>Los Angeles, CA 90071<br>Attention: Jim Grayson, Esq.    |
| Administrative Agent: | Wells Fargo Bank, National Association<br>401 B Street, Suite 1100<br>San Diego, CA 92101                               |

Attention: John Wickenhiser  
Loan No.: 1015342

with a copy to:

Wells Fargo Bank, National Association  
401 B. Street, Suite 1100  
San Diego, CA 92101  
Attention: Jacquelyn Alexander  
Loan No.: 1015342

Any party shall have the right to change its address for notice hereunder to any other location within the continental United States by the giving of thirty (30) days' notice to the other party in the manner set forth hereinabove.

4.2. **Heirs, Successors and Assigns.** Except as otherwise expressly provided under the terms and conditions herein, the terms of this Agreement shall bind and inure to the benefit of the heirs, executors, administrators, nominees, successors and assigns of the parties hereto.

4.3. **Headings.** All articles, sections or other headings appearing in this Agreement are for convenience of reference only and shall be disregarded in construing this Agreement.

4.4. **Counterparts.** To facilitate execution, this document may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature of, or on behalf of, each party, or that the signature of all persons required to bind any party, appear on each counterpart. All counterparts shall collectively constitute a single document. It shall not be necessary in making proof of this document to produce or account for more than a single counterpart containing the respective signatures of, or on behalf of, each of the parties hereto. Any signature page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures thereon and thereafter attached to another counterpart identical thereto except having attached to it additional signature pages.

4.5. **Exhibits, Schedules and Riders.** All exhibits, schedules, riders and other items attached hereto are incorporated into this Agreement by such attachment for all purposes.

4.6. **Governing Law.** This Agreement and the rights and obligations shall be governed by California law.

*[Remainder of this page intentionally left blank]*

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as of the day and year first above written.

**DEVELOPER:**

**CITY VENTURES HOMEBUILDING, LLC,**  
a Delaware limited liability company

By: City Ventures Communities, LLC  
a Delaware limited liability company,  
its sole member

By: \_\_\_\_\_  
Name: R. Mark Buckland  
Title: Chief Executive Officer

By: \_\_\_\_\_  
Name: Scott Homan  
Title: Chief Financial Officer

CALIFORNIA ALL PURPOSE ACKNOWLEDGEMENT

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

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

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, and that by his/her/their signature(s) on the instrument the person(s), or the entity(ies) upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature of Notary Public

Place Notary Seal Above

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

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

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WITNESS my hand and official seal.

\_\_\_\_\_

Signature of Notary Public

Place Notary Seal Above

**CITY**

**THE CITY OF COMPTON,**  
a municipal corporation

By: \_\_\_\_\_  
Cecil W. Rhambo, Jr.  
City Manager

ATTEST:

\_\_\_\_\_  
Alita Godwin, City Clerk

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Craig J. Cornwell, City Attorney



CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

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WITNESS my hand and official seal.

\_\_\_\_\_

Signature of Notary Public

Place Notary Seal Above

## **EXHIBIT "A"**

### **LEGAL DESCRIPTION OF LAND**

Real property in the City of Compton, County of Los Angeles, State of California, described as follows:

THE NORTHERLY 223.5 FEET OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF LOT "G" OF THE TEMPLE AND GIBSON TRACT, IN THE CITY OF COMPTON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 2 PAGE 540 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THE EASTERLY 70 FEET THEREOF.

ALSO EXCEPT THEREFROM THAT PORTION OF SAID LAND AS DESCRIBED IN THE DEED TO THE CITY OF COMPTON, RECORDED OCTOBER 1, 1948 IN BOOK 28405 PAGE 79, OFFICIAL RECORDS, AS INSTRUMENT NO. 1844, AS DESCRIBED IN PARCELS 1 AND 2 BELOW:

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BEGINNING AT A POINT ON THE NORTHERLY LINE OF SAID LOT "G" (SAID NORTHERLY LINE BEARS NORTH 89 DEGREES 58 MINUTES 40 SECONDS EAST), DISTANT THEREON 592.62 FEET EASTERLY FROM THE NORTHWESTERLY CORNER OF SAID LOT "G"; THENCE SOUTH 13 DEGREES 19 MINUTES 40 SECONDS EAST, A DISTANCE OF 223.80 FEET; THENCE SOUTH 89 DEGREES 38 MINUTES 40 SECONDS WEST, A DISTANCE OF 30 FEET; THENCE NORTH 13 DEGREES 19 MINUTES 40 SECONDS WEST TO THE NORTHERLY LINE OF SAID LOT "G"; THENCE EASTERLY ALONG SAID NORTHERLY LINE OF SAID LOT "G" TO THE POINT OF BEGINNING TO BE KNOWN AS KEMP STREET.

#### **PARCEL 2:**

THE WESTERLY 27 FEET OF THE NORTHERLY 223.50 FEET OF THE NORTHWEST QUARTER OF LOT "G" OF TEMPLE AND GIBSON TRACT, IN THE CITY OF COMPTON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 2 PAGE 540 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, TO BE KNOWN AS DWIGHT STREET. EXCEPT THEREFROM ALL OIL, GAS, MINERAL AND HYDROCARBON SUBSTANCES LYING BELOW A DEPTH OF 500 FEET FROM THE SURFACE OF SAID LAND, WITHOUT RIGHT OF SURFACE ENTRY, WHICH RIGHT IS RESERVED IN THE DEED FROM ROBERT L.

HOROWITZ AND ELEANOR HOROWITZ, HIS WIFE, CLARENCE K. HOROWITZ AND ROSALIE H. HOROWITZ, HIS WIFE, AND

FREDRICK G. HOROWITZ AND BARBARA J. HOROWITZ; HIS WIFE, RECORDED MARCH 3, 1970 AS INSTRUMENT NO. 215.

APN: 6161-001-902

## **EXHIBIT "I"**

### **TERMS OF DEVELOPMENT AGREEMENT**

1. Developer shall have a vested right to construct the Project in accordance with the Agreement, and City shall have the right to control development of the Project in accordance with the provisions of the Agreement. The types, density, intensity, and configuration of uses allowed, size, and location of the buildings and other improvements and provisions for the reservation or dedication of land for public purposes, location of public improvements, together with other terms and conditions of development applicable to the Project, shall be as set forth in the Agreement, the Scope of Development and the Regulatory Agreement, and the land use approvals and plans and specifications approved by the City as of the effective date of the Development Agreement.
2. All substantive and procedural requirements and provisions contained in City's ordinances, specific plans, rules and regulations, including, but not limited to, the zoning ordinance, in effect as of the effective date of the Development Agreement, shall apply to the construction and development of the Project.
3. The City shall not be precluded from the application to the development of the Project of those changes in City ordinances, regulations, plans or specifications which are specifically mandated and required by changes in state or federal laws or regulations as provided in California Government Code Section 65869.5 or any successor provision or provisions. In the event such changes in the law prevent or preclude compliance with one or more of the provisions of the Agreement, such provisions of the Agreement shall be modified or suspended or performance thereof delayed, as may be necessary to comply with such changes in the law.
4. The payment of fees associated with the construction of the Project, including land use approvals, development fees, building permits, etc., in effect as of the effective date of the Development Agreement, shall be pursuant to the rate and amount associated with such fees in effect at the time application is made for such approvals or permits. The Project shall not be subject to fees, ordinances, rules, and regulations not in effect as of the effective date of the Development Agreement.
5. Nothing in the Development Agreement shall prevent the application of health and safety regulations (i.e., fire, building, seismic, plumbing and electric codes) that become applicable to the City as a whole.
6. The Developer shall pay the City a fee of \$400,000 ("Development Agreement Fee"). The Development Agreement Fee shall be payable by Developer on or prior to the Close of Escrow.
7. The Developer shall not be required to underground the above-ground utility lines along Compton Boulevard.
8. The term of the Development Agreement shall be seven (7) years from the effective date thereof.

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**SUMMARY REPORT**

**CONSIDERATION OF A PURCHASE AND SALE AGREEMENT FOR THE  
CONVEYANCE OF PROPERTY AND DEVELOPMENT OF MARKET RATE AND  
AFFORDABLE TOWNHOMES**

**930 WEST COMPTON BOULEVARD  
COMPTON, CALIFORNIA**

**March 19, 2019**

## **I. INTRODUCTION**

The City of Compton (the “City”) is considering entering into a Purchase and Sale Agreement (the “Agreement”) with City Ventures Homebuilding LLC, a Delaware limited liability company (the “Developer”), governing the conveyance by the City to the Developer of the property located at 930 West Compton Boulevard (the “Land”), for the development of market rate and affordable housing consisting of 24 Townhomes (the “Development”). Four of the Townhomes will be required to be sold at affordable sales prices to moderate-income households. The former Community Redevelopment Agency of the City of Compton (the “Agency”) acquired the Land. Following the dissolution of the Agency, the Land was conveyed to the City as the housing successor to the former Agency.

A copy of the proposed Purchase and Sale Agreement is attached to the proposed resolution as Exhibit A.

## **II. DESCRIPTION OF THE PROPOSED AGREEMENT**

### **A. Land to be Conveyed**

The Land which is the subject of the Agreement is an approximately 2.45 acre parcel located in the City at 930 West Compton Boulevard. A legal description of the Land is attached to the Agreement as Exhibit “A”. The former Agency acquired the Land, and following the dissolution of the Agency, the Land was conveyed to the City as the housing successor to the former Agency.

### **B. The Proposed Development**

The Developer intends to construct market rate and affordable single-family for-sale housing, and other associated improvements, including open space, on the Land. The housing will include 24 3-bedroom/2.5 Bath Townhomes, with 20 of the Townhomes for sale at market rate and 4 of the Townhomes restricted for sale to moderate-income households at affordable sales prices.

## **III. COST OF THE AGREEMENT TO THE CITY**

The former Agency purchased the Land for \$2,100,000 in June of 2011 with proceeds of bonds issued by the Agency. The former Agency (and now the Successor Agency to the Agency) pays interest on the bonds (the bonds bear interest at the rate of approximately 5.6% per year), and the Successor Agency also paid ordinary legal and consulting fees and maintenance expenses in connection with the Land. After the Agency was dissolved, the Land was conveyed to the City, as housing successor to the former Agency, at no cost. The City has incurred ordinary legal and consulting fees and maintenance expenses in connection with the Land. Pursuant to the Agreement, the City will be responsible for the cost of CLTA title coverage and transfer taxes and one-half of the escrow charges and recording fees in connection with the conveyance of the Land to the Developer.

## **IV. ESTIMATED VALUE OF INTEREST TO BE CONVEYED**

As of April 2018, the City estimated that the fair market value of the Land, at its highest and best use, assuming no affordability restrictions, is \$2,569,000. The City also estimated that the value



of the Land at the use and with the conditions, covenants and development costs required by the Agreement (the “fair reuse value”) is \$0.00. Pursuant to the Agreement, the City will convey the Land to the Developer for \$0.00, which is not less than the fair reuse value. Conveying the Land to the Developer at no cost will allow the Development to be feasible notwithstanding the price restrictions for the four affordable units required by the Agreement.

**EXPLANATION OF WHY SALE OF THE LAND WILL ASSIST IN THE ELIMINATION OF BLIGHT**

The Land has remained vacant for an extended time, resulting in a loss to the community of property taxes, jobs and related economic benefits. The proposed Development will transform a vacant, unproductive site into new market rate and affordable housing.

March 19, 2019

**TO: HONORABLE MAYOR AND CITY COUNCIL**

**FROM: VAN WILSON, GENERAL SERVICES DIRECTOR  
AUBREY RELF, GRANTS COMPLIANCE MANAGER**

**SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON TO AMEND THE 2018-2019 FISCAL YEAR BUDGET TO TRANSFER FUNDS AND AUTHORIZE THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH MCWIL SPORT SURFACE, INC. FOR REPLACEMENT OF BASKETBALL COURT FLOORING AT WILSON PARK GYMNASIUM (\$89,855.00).**

### **SUMMARY**

Adoption of this resolution will amend the 2018-2019 Fiscal Year Budget to increase U.S. Department of Housing and Urban Development expenditures in the amount of Seventy Nine Thousand Seven Hundred Forty Dollars (\$79,740.00) and authorize the City Manager to enter into a construction contract with McWil Sport Surfaces, Inc. ("McWil") for replacement of indoor basketball court flooring at Wilson Park Gymnasium in the amount Eighty Nine Thousand Eight Hundred Fifty Five Dollars (\$89,855.00).

### **BACKGROUND**

The City of Compton owns certain real property located at 123 North Rose Street, commonly known as "Wilson Park." The Park's indoor basketball court is in need of new hardwood flooring in that the current hardwood floors has worn areas and is beyond repair making the basketball court unusable. The indoor basketball court hardwood floor is a specialty trade repair that cannot be performed in-house; therefore, there is a need to employ the services of an experienced and licensed outside contractor to perform the work.

### **STATEMENT OF ISSUE**

Staff released and solicited bids for the subject Project. The bid opening was held on January 31, 2019, with only one bid received:

| <b><u>VENDOR</u></b>        | <b><u>AMOUNT</u></b> |
|-----------------------------|----------------------|
| McWil Sports Surfaces, Inc. | \$89,855.00          |

Staff reviewed the submitted bid and after review determined that it was responsive to the needs of the City at a reasonable price and thus, recommends that the contract be awarded to McWil Sport Surfaces, Inc.

**Staff Report – Resolution Transferring Funds & Authorizing  
Construction Contract with McWil Sports Surfaces  
Replacement of Wilson Park Indoor Basketball Court Floor  
March 19, 2019, page 2**

**ALTERNATIVE**

None proposed. Council may reject the bid submitted and request staff to re-advertise the project.

**FINANCIAL IMPACT**

During Fiscal Year 2017-2018, the City Council approved this project with the usage of available Community Development Block Grant (“CDBG”) funds; however, bids received exceeded the allotted budget. Staff is requesting to use funds available in CDBG fund balance to finance the project.

This Project is to be financed using available CDBG funds from Fiscal Year 2017-2018 that were not allocated in Fiscal Year 2018-2019 budget. The 2018-2019 Fiscal Year budget will need to be amended to increase expenditures as follows:

**Increase Expenditures in following Accounts:**

| <b><u>ACCOUNT NO.</u></b> | <b><u>DESCRIPTION</u></b>      | <b><u>INCREASE</u></b> |
|---------------------------|--------------------------------|------------------------|
| 2800-840-E162-4238        | CDBG – Parks – Special Project | \$79,740.00            |

Succeeding the budget amendment, funds for this expenditure will be available in the Fiscal Year 2018-2019 annual budget as follows:

| <b><u>Account</u></b> | <b><u>Description</u></b>           | <b><u>Amount</u></b> |
|-----------------------|-------------------------------------|----------------------|
| 2800-840-E162-4238    | CDBG – Parks – Special Project      | \$79,740.00          |
| 1004-610-000-4269     | Measure P – Other Contract Services | \$10,115.00          |

**Staff Report – Resolution Transferring Funds & Authorizing  
Construction Contract with McWil Sports Surfaces  
Replacement of Wilson Park Indoor Basketball Court Floor  
March 19, 2019, page 3**

**RECOMMENDATION**

Staff recommends that the attached Resolution be adopted.

**VAN WILSON, DIRECTOR  
GENERAL SERVICES DEPARTMENT**

**AUBREY RELF, GRANTS COMPLIANCE MANAGER  
CITY MANAGER’S OFFICE**

**APPROVED FOR FORWARDING:**

**CECIL W. RHAMBO, JR.  
CITY MANAGER**

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON TO AMEND THE 2018-2019 FISCAL YEAR BUDGET TO TRANSFER FUNDS AND AUTHORIZE THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH MCWIL SPORT SURFACE, INC FOR REPLACEMENT OF BASKETBALL COURT FLOORING AT WILSON PARK GYMNASIUM (\$89,855.00).**

**WHEREAS**, the City of Compton owns certain real property located at 123 North Rose Street, commonly known as “Wilson Park”; and

**WHEREAS**, the City of Compton owns certain real property located at 123 North Rose Street, commonly known as “Wilson Park;” and

**WHEREAS**, the Park’s indoor basketball court is in need of new hardwood flooring in that the current hardwood floors has worn areas and is beyond repair making the basketball court unusable, additionally, the hardwood flooring is a specialty trade repair that cannot be performed in-house; therefore, there is a need to employ the services of an experienced and licensed outside contractor to perform the work; and

**WHEREAS**, staff released and solicited bids for the subject project. The bid opening was held on January 31, 2019, with only one bid received:

| <u><b>VENDOR</b></u>        | <u><b>AMOUNT</b></u> |
|-----------------------------|----------------------|
| McWil Sports Surfaces, Inc. | \$89,855.00          |

**WHEREAS**, staff reviewed the submitted bid and after review determined that it was responsive to the needs of the City at a reasonable price and thus, recommends that the contract be awarded to McWil Sport Surfaces, Inc.; and

**WHEREAS**, during Fiscal Year 2017-2018, the City Council approved this project with the usage of available Community Development Block Grant (“CDBG”) funds; however, bids received exceeded the allotted budget; thus, staff is requesting to use funds available in CDBG fund balance to finance the project.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMPTON DOES HEREBY RESOLVE AS FOLLOWS:**

**Section 1.** That the bid of McWil Sport Surfaces, Inc. in the amount of Eighty Nine Thousand Eight Hundred Fifty Five Dollars (\$89,855.00) for replacement of the indoor basketball court flooring at Wilson Park Gymnasium is hereby accepted.

**Section 2.** That the City Manager, on the advice and approval of the City Attorney is hereby authorized to enter into a construction contract with McWil Sport Surface, Inc. for replacement of the hardwood flooring in the indoor basketball court at Wilson Park.

**Section 3.** That the 2018-2019 Fiscal Year budget shall be amended to increase the CDBG expenditure account by Seventy Nine Thousand Seven Hundred Forty Dollars (\$79,740.00) to accommodate this expenditure.

**Increase Expenditures in following Accounts:**

| <u><b>ACCOUNT NO.</b></u> | <u><b>DESCRIPTION</b></u>      | <u><b>INCREASE</b></u> |
|---------------------------|--------------------------------|------------------------|
| 2800-840-E162-4238        | CDBG – Parks – Special Project | \$79,740.00            |

**Section 4.** Succeeding the budget amendment, funds for this expenditure will be available in the Fiscal Year 2018-2019 annual budget as follows:

| <u>Account</u>     | <u>Description</u>                  | <u>Amount</u> |
|--------------------|-------------------------------------|---------------|
| 2800-840-E162-4238 | CDBG – Parks – Special Project      | \$79,740.00   |
| 1004-610-000-4269  | Measure P – Other Contract Services | \$10,115.00   |

**Section 5.** That a purchase order in the amount of \$89,855.00 is authorized to be established for McWil Sport Surface, Inc.

**Section 6.** That a copy of this Resolution shall be filed in the offices of the City Clerk, City Attorney, City Manager, General Services, Grants Department, and the City Controller.

**Section 7.** That the Mayor shall sign and the City Clerk shall attest to the adoption of this Resolution.

**ADOPTED** this \_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
**MAYOR OF THE CITY OF COMPTON**

**ATTEST:**

\_\_\_\_\_  
**CLERK OF THE CITY OF COMPTON**

STATE OF CALIFORNIA            )  
COUNTY OF LOS ANGELES    )     ss  
CITY OF COMPTON                )

I, Alita Godwin, City Clerk of the City of Compton, hereby certify that the foregoing Resolution was adopted by the City Council of the City of Compton, signed by the Mayor and attested by the City Clerk at a regular meeting thereof held on this \_\_\_\_ day of \_\_\_\_\_, 2019.

That said Resolution was adopted by the following vote, to wit:

**AYES:       COUNCILMEMBERS -**  
**NOES:       COUNCILMEMBERS -**  
**ABSTAIN:   COUNCILMEMBERS -**  
**ABSENT:    COUNCILMEMBERS -**

\_\_\_\_\_  
**CITY CLERK OF THE CITY OF COMPTON**



**CITY OF COMPTON  
GENERAL SERVICES DEPARTMENT**

**2019 Wilson Park Indoor Basketball Court Project**

**"NOTICE INVITING BIDS"**

**SEALED BIDS** will be received at the office of the City Clerk, City of Compton, 205 South Willowbrook Avenue, Compton, CA 90220 on or before **Thursday, January 31, 2019 at 2:00 PM**, opened and read in the City Clerk's Office, 205 South Willowbrook Avenue, Compton, CA 90220.

All Bids shall be enclosed in a sealed envelope addressed to:

**City Clerk, City of Compton  
205 South Willowbrook Avenue  
Compton CA 90220**

And marked outside with: **"2019 Wilson Park Indoor Basketball Court Project"**

**Indoor Basketball Court Job Specifications:**

- Field-verify Indoor basketball gymnasium dimensions (approximately 100' x 63').
- Provide whatever means necessary to protect all existing park features to remain, including existing structures, light poles, underground conduit/wires, walkways and drives, grass, and plantings.
- Provide and install signage indicating that the basketball court area is closed and when it will reopen.
- Place new wood flooring, court striping, and finish per manufactures specifications.
- All demolished/removed material should be moved off-site to an appropriate construction land field.
- Once started, all work is to be completed within 60 calendar days.

Bid Package, Special Provisions and Proposal Forms will be available by **January 16, 2019**, at 10:00am. **Mandatory Pre-Bid Meeting** is scheduled for **Tuesday, January 22, 2019 at 10:00am** at Wilson Park.

If you need additional information, please call Nebraska Jones (310) 605-5519 or E-mail at [njones@comptoncity.org](mailto:njones@comptoncity.org).

The Agency reserves the right, after opening bids, to reject any or all bids, or to make award to the lowest responsible bidder and reject all other bids; to waive any informality in the bidding; and to accept any bid or portion thereof; and to take all bids under advisement for a period of Ninety (90) calendar days. Bids will be compared on the basis of the Project Manager's estimate of the quantities of the several items of work as shown on the Bid Sheets. Only such plans, specifications, and items of work as are appropriate shall apply to the work as bid.

**ALITA GODWIN, MMC  
CITY CLERK**

BID OPENING CHECK LIST:

DATE OF THE BID OPENING: 1.31.19

PROJECT: 2019 Wilson Park Indoor Basketball Court Project

PROJECT MANAGER/CONTACT PERSON: Nebraska Jones

[illegible]





135 W. 155th St. Gardena, CA 90248  
 O: 424-233-1818 F: 424-233-1819  
 Lic. #676605 DIR #1000003457

# Estimate

| Date      | Estimate No. |
|-----------|--------------|
| 1/16/2019 | 314178       |

Estimator

| Project                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| Wilson Park - Compton                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |          |
| Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Total    |
| <p>We will remove and dispose of the existing wood floor and supply and install the Connor Duracushion flooring system as specified. This includes all materials, labor, painted game lines, finishes and vented wall base.</p> <p>25/32" x 2 1/4" 2nd grade maple<br/>           Duracushion sleeper<br/>           1/2" plywood, APA rated<br/>           Connor vented cove base II<br/>           Installation<br/>           Paint, tape, staples, sanding materials, finish<br/>           painted Logo<br/>           Freight<br/>           Demo Costs</p> | \$89,855 |

Signature



135 W. 155th St. Gardena, CA 90248  
 O: 424-233-1818 F: 424-233-1819  
 Lic. #676605 DIR #1000003457

# Estimate

| Date      | Estimate No. |
|-----------|--------------|
| 1/16/2019 | 314178       |

Estimator

| Project                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| Wilson Park - Compton                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |       |
| Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Total |
| <p>Exclusions:</p> <ul style="list-style-type: none"> <li>*Major floor prep including, but not limited to, floating or resheeting floor due to uneven or damaged concrete or plywood.</li> <li>*Moisture abatement due to calcium chloride or relative humidity test results above the manufacturers specified limits.</li> <li>*Demo and removal of existing surface unless otherwise noted herein.</li> <li>*Asbestos abatement, if necessary.</li> <li>*Moving of furniture unrelated building materials or debris from work site unless otherwise noted herein.</li> <li>*Acceptance of substrate not within 1/8" in 10' using a 10' straight edge.</li> <li>* Thresholds at door transitions</li> </ul> |       |

Signature \_\_\_\_\_

March 19, 2019

**TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS**

**FROM: MARVIN HUNT, DIRECTOR  
PARKS AND RECREATION DEPARTMENT**

**SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AMENDING THE 2018-2019 FISCAL YEAR BUDGET TO TRANSFER FUNDS AND AUTHORIZING THE CITY MANAGER TO ESTABLISH PURCHASE ORDERS TO VENDORS LISTED IN "APPENDIX A" FOR THE PROCUREMENT OF MATERIALS AND SUPPLIES ON AN "AS NEEDED" BASIS DURING FISCAL YEAR 2018-2019 FOR THE PARKS AND RECREATION DEPARTMENT (\$39,500.00).**

### **SUMMARY**

Adoption of the attached resolution amends the 2018-2019 Fiscal Year budget to transfer funds in the amount of Seven Thousand Eight Hundred Dollars (\$7,800.00) and authorize the City Manager to establish purchase orders totaling Thirty Nine Thousand Five Hundred Dollars (\$39,500.00) for the vendors listed in "Appendix A" for the procurement of materials and supplies on an "as-needed" basis for the remainder of Fiscal Year 2018-2019 for the Parks & Recreation Department.

### **BACKGROUND**

The Parks and Recreation Department ("Department") is responsible for the daily maintenance of the City's seventeen (17) parks, facilities, Par 3 Golf Course, and medians.

Several resources are required to deliver these services effectively, and a streamlined administrative process is needed to render these services efficiently. The Department seeks to streamline the process by combining as-needed vendors on a single resolution to expedite the time it takes to procure adequate equipment. This procurement process will help the Department minimize any delay when providing quality services to the City of Compton.

### **STATEMENT OF ISSUE**

The Department is requesting to combine the requests for materials and supplies in a single resolution, in an amount not to exceed \$39,500.00. Although several of the vendor amounts listed are within the City Manager's spending authority of \$5,000, the City-wide policy limiting the single vendor expenditures exceeding the \$5,000 threshold has already been reached for a number of the listed vendors; thus, requiring City Council approval for issuance of a purchase order.

Vendors listed in “Appendix A” have been selected based on having the best competitive prices and services. The Department has used these vendors in the past and is requesting City Council approval through resolution to establish purchase orders for the vendors listed in Appendix A.

### **ALTERNATIVE**

Should City Council choose not to authorize the City Manager to issue purchase orders to the vendors listed in “Appendix A”, staff will be required to prepare and submit resolutions and staff reports for each vendor. However, the outcome would result in delays in acquiring the necessary equipment and materials for the Parks & Recreation Department to provide sufficient services to the community.

### **FISCAL IMPACT**

Adoption of this resolution will amend the Parks & Recreation Department’s 2018-19 Fiscal Year Annual Budget and transfer \$7,800 from other Parks & Recreation accounts as follows:

| <b><u>From</u></b> | <b><u>To</u></b>  | <b><u>Object Code</u></b> | <b><u>Amount</u></b> |
|--------------------|-------------------|---------------------------|----------------------|
| 1001-840-000-4238  | 1001-840-000-4236 | Contract services         | \$5,000.00           |
| 1001-840-000-4216  | 1001-840-000-4237 | Maint & Repair            | \$2,800.00           |

After the transfers, funds will be available in the Department of Parks & Recreation Fiscal Year 2018-2019 Annual Budget. A detailed expenditure list accompanies this staff document labeled “Appendix A”.

### **RECOMMENDATION**

Staff recommends that adoption of the attached Resolution.

**MARVIN HUNT, DIRECTOR  
PARKS AND RECREATION DEPARTMENT**

**APPROVED FOR FORWARDING:**

**CECIL W. RHAMBO, JR.  
CITY MANAGER**

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AMENDING THE 2018-2019 FISCAL YEAR BUDGET TO TRANSFER FUNDS AND AUTHORIZING THE CITY MANAGER TO ESTABLISH PURCHASE ORDERS TO VENDORS LISTED IN “APPENDIX A” FOR THE PROCUREMENT OF MATERIALS AND SUPPLIES ON AN “AS NEEDED” BASIS DURING FISCAL YEAR 2018-2019 FOR THE PARKS AND RECREATION DEPARTMENT (\$39,500.00).**

**WHEREAS**, the Parks and Recreation Department (“Department”) is responsible for the daily maintenance of the City’s seventeen (17) parks, facilities, Par 3 Golf Course, and medians; and

**WHEREAS**, several resources are required to deliver these services effectively and the process of combining as-needed vendors on a single resolution has been successful in past budgets to expedite the time it takes to procure adequate supplies and equipment for the Parks & Recreation Department; and

**WHEREAS**, due to the City’s daily demands, staff is requesting the ability to efficiently manage multiple procurement requests by combining the requests for materials and supplies in a single resolution, in an amount not to exceed \$39,500.00; and

**WHEREAS**, amendment of the Parks & Recreation Department’s 2018-19 Fiscal Year annual budget to transfer \$7,800 from other Parks and Recreations accounts; and

**WHEREAS**, funds in the amount of \$39,500.00 are available in the Parks & Recreation Department approved FY 2018-19 annual budget.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMPTON DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** That the City Manager is hereby authorized to amend the Parks & Recreation Department’s 2018-19 Fiscal Year annual budget to transfer \$7,800 from other Parks and Recreations accounts as follows:

| <u>From</u>       | <u>To</u>         | <u>Amount</u> |
|-------------------|-------------------|---------------|
| 1001-840-000-4238 | 1001-840-000-4236 | \$5,000.00    |
| 1001-840-000-4216 | 1004-840-000-4237 | \$2,800.00    |

**SECTION 2.** That the City Manager is hereby authorized to establish purchase orders to the vendors listed in “Appendix A” in the total amount not-to-exceed \$39,500.00 for the procurement of materials and supplies on an “as-needed” basis for the Parks & Recreation Department for the remainder of the Fiscal Year 2018-2019.

**SECTION 3.** That a copy of this Resolution shall be filed in the offices of the City Manager, City Controller, City Clerk and Parks & Recreation Department.

**SECTION 4.** That the Mayor shall sign and the City Clerk shall attest to the adoption of this Resolution.

**ADOPTED** this \_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
**MAYOR OF THE CITY OF COMPTON**

ATTEST:

\_\_\_\_\_  
CITY CLERK OF THE CITY OF COMPTON

STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES  
CITY OF COMPTON: ss

I, Alita Godwin, City Clerk of the City of Compton, hereby certify that the foregoing Resolution was adopted by the City Council, signed by the Mayor and attested by the City Clerk at a regular meeting thereof held on the \_\_\_\_ day of \_\_\_\_\_, 2019.

That said Resolution was adopted by the following vote to wit:

AYES: COUNCIL MEMBERS-  
NOES: COUNCIL MEMBERS-  
ABSENT: COUNCIL MEMBERS-  
ABSTAIN: COUNCIL MEMBERS-

\_\_\_\_\_  
CITY CLERK OF THE CITY OF COMPTON

## APPENDIX A

### PARKS & RECREATION VENDOR LIST

| VENDOR                               | DESCRIPTION                                                                                           | FUND                         | ACCOUNT NO        | AMOUNT             |
|--------------------------------------|-------------------------------------------------------------------------------------------------------|------------------------------|-------------------|--------------------|
| Horizon Mechanical                   | Purchase of mechanical parts and equipment for City parks, facilities, and pools.                     | Maintenance & Repair         | 1001-840-000-4236 | \$5,000            |
| Miracle Recreation Equipment Company | Purchase of playground parts and supplies at City owned Parks and Recreational Facilities             | Recreation Supplies          | 1001-840-000-4244 | \$5,000            |
| BSN Sports                           | Purchase of recreational sporting goods and supplies for City sponsored youth programs and activities | Recreation Supplies          | 1001-840-000-4244 | \$3,500            |
| Waterline Technologies               | Purchase of chemicals used for City pools                                                             | Horticulture                 | 1001-840-000-4248 | \$10,000           |
| Greenland Supplies                   | Purchase of irrigation and maintenance supplies                                                       | Horticulture                 | 1001-840-000-4248 | \$5,000            |
| Knorr Systems Inc                    | Purchase of chemicals for City pools                                                                  | Horticulture                 | 1001-840-000-4248 | \$7,000            |
| Bishop                               | Purchase of small power tools and maintenance equipment for the Parks Maintenance Division            | Maintenance & Repair/Special | 1001-840-000-4237 | \$4,000            |
|                                      |                                                                                                       |                              |                   |                    |
|                                      |                                                                                                       |                              | <b>Total</b>      | <b>\$39,500.00</b> |

**March 19, 2019**

**TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS**

**FROM: RAFAELA KING, CITY CONTROLLER  
CITY CONTROLLER DEPARTMENT**

**SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON  
AUTHORIZING THE CITY MANAGER TO AMEND THE OFFICE OF THE  
CITY CONTROLLER'S 2018-2019 FISCAL YEAR BUDGET TO MODIFY  
CURRENT AUTHORIZED STAFFING.**

### **SUMMARY**

The adoption of this Resolution will authorize the City Manager to amend the Office of the City Controller's 2018-2019 Fiscal Year Budget to modify current authorized staffing.

### **BACKGROUND**

On June 26, 2018, the City Council adopted Resolution No. 24,804, which adopted the City of Compton's 2018-2019 Fiscal Year Budget.

Pursuant to the City Charter of the City of Compton, Section 1408 states in pertinent part, "at any meeting after the adoption of the budget, the City Council may amend or supplement the budget by motion adopted by the affirmative votes of at least four members so as to authorize the transfer of unused balances appropriated for one purpose to another purpose." Based on current authorized staffing in the Office of the City Controller, it is necessary to amend the City Controller's 2018-2019 Fiscal Year Budget.

### **STATEMENT OF ISSUE**

The City Controller's Office is responsible for the General Ledger, Accounts Payables, Payroll, Purchasing, and the Business License Division. The current authorized staffing requires modification to best meet the demands to perform assigned responsibilities efficiently and effectively. Therefore, it is necessary to add one (1) Financial Analyst position to the City Controller's 2018-2019 Fiscal Year Budget. The Financial Analyst position will assist the City Controller with analyzing current and past financial data, develop, review, and evaluate contracts for compliance with the City's purchasing policy, prepare Request for Proposals (RFPs) and Request For Qualifications (RFQs), conduct research and complete required reports, assist in the budget process for the City Controller's Office, produce weekly, monthly, quarterly, and annual reports to identify trends and performance, and perform a variety of assignments within the classified specifications.



**FISCAL IMPACT**

The City Controller’s 2018-2019 Fiscal Year Budget shall be amended as follows:

**Delete:**

|                             | <u>RANGE</u> |
|-----------------------------|--------------|
| Contract Compliance Officer | 133          |

**Add:**

|                   | <u>RANGE</u> |
|-------------------|--------------|
| Financial Analyst | 145          |

The salary savings from the first eight (8) months of the vacancy in the Purchasing Manager position (Range 176) will be utilized to fund the additional cost of the Financial Analyst position (Range 145) for the remaining four (4) months of the 2018-19 Fiscal Year.

**RECOMMENDATION**

Staff recommends that the City Council adopt the attached Resolution.

**RAFAELA KING  
CITY CONTROLLER**

**APPROVED FOR FORWARDING:**

**CECIL W. RHAMBO, JR.  
CITY MANAGER**

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO AMEND THE OFFICE OF THE CITY CONTROLLER'S 2018-2019 FISCAL YEAR BUDGET TO MODIFY CURRENT AUTHORIZED STAFFING.**

**WHEREAS**, on June 26, 2018, the City Council adopted Resolution No. 24,804 which adopted the City of Compton's 2018-2019 Fiscal Year budget; and

**WHEREAS**, pursuant to Section 1408 of the City Charter of the City of Compton, the City Council may amend or supplement the budget by motion adopted by the affirmative votes of at least four members; and

**WHEREAS**, the Office of the Controller is responsible for the General Ledger, Accounts Payables, Payroll, Purchasing, and the Business License Division; and

**WHEREAS**, based on current authorized staffing in the Office of the City Controller, it is necessary to amend the City Controller's 2018-2019 Fiscal Year Budget; and

**WHEREAS**, the current authorized staffing requires modification to best meet the demands to perform assigned responsibilities efficiently and effectively; and

**WHEREAS**, it is necessary to delete the Contract Compliance Officer position and add a Financial Analyst position to the City Controller's 2018-2019 Fiscal Year Budget; and

**WHEREAS**, the salary savings from the first eight (8) months of vacancy in the Purchasing Manager position (Range 176) will be utilized to fund the additional cost of the Financial Analyst position (Range 145) for the remaining four (4) months of the 2018-2019 Fiscal Year.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMPTON DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** That the City Manager is hereby authorized to amend the Office of the City Controller's 2018-2019 Fiscal Year Budget to modify current authorized staffing.

**SECTION 2.** That the Office of the City Controller's 2018-2019 Fiscal Year Budget shall be amended as follows:

**Delete:**

|                             | <u>RANGE</u> |
|-----------------------------|--------------|
| Contract Compliance Officer | 133          |

**Add:**

|                   | <u>RANGE</u> |
|-------------------|--------------|
| Financial Analyst | 145          |

**SECTION 3.** That the salary savings from the first eight (8) months of the vacancy in the Purchasing Manager position (Range 176) shall be utilized to fund the additional cost of the Financial Analyst position (Range 145) for the remaining four (4) months of the 2018-2019 Fiscal Year.

**SECTION 4.** That a certified copy of this Resolution shall be filed in the offices of the City Manager, City Attorney, City Controller, City Clerk and the Human Resources Department.

**SECTION 5.** That the Mayor shall sign and the City Clerk shall attest to the adoption of this Resolution.

**ADOPTED** this \_\_\_\_ day of \_\_\_\_\_ 2019.

\_\_\_\_\_  
**MAYOR OF THE CITY OF COMPTON**

**ATTEST:**

\_\_\_\_\_  
**CITY CLERK OF THE CITY OF COMPTON**

STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES  
CITY OF COMPTON: ss

I, Alita Godwin, City Clerk of the City of Compton, hereby certify that the foregoing Resolution was adopted by the Board, signed by the Mayor, and attested by the City Clerk at a regular meeting thereof held on the \_\_\_\_ day of \_\_\_\_\_, 2019.

That said Resolution was adopted by the following vote, to wit:

|                 |                         |
|-----------------|-------------------------|
| <b>AYES:</b>    | <b>COUNCIL MEMBERS-</b> |
| <b>NOES:</b>    | <b>COUNCIL MEMBERS-</b> |
| <b>ABSENT:</b>  | <b>COUNCIL MEMBERS-</b> |
| <b>ABSTAIN:</b> | <b>COUNCIL MEMBERS-</b> |

\_\_\_\_\_  
**CITY CLERK OF THE CITY OF COMPTON**

March 19, 2019

TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS

FROM: CITY ATTORNEY

**SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO AMEND THE PROFESSIONAL SERVICES AGREEMENT WITH DUDEK TO PERFORM ADDITIONAL CORRECTIVE ACTION SERVICES IN ACCORDANCE WITH DIRECTIVES OF THE LOS ANGELES REGIONAL WATER QUALITY CONTROL BOARD REGARDING REMEDIATION AT COMPTON FIRE STATION NO.1 (\$260,000).**

### **SUMMARY**

Adoption of the attached resolution will authorize the City Manager to enter into a fourth (4<sup>th</sup>) amendment to the professional services agreement (effective as of July 1, 2018) with Dudek for performance of additional corrective action remediation services in accordance with the March 24, 2016 and December 2, 2016 directives from the Los Angeles Regional Water Quality Control Board ("Regional Board") and the September 19, 2017 review from the State Water Resources Control Board ("SWRCB"), in regards to the City's continuing remedial efforts at Compton Fire Station No. 1 and provide additional compensation for such services in the amount of \$260,000.00.

### **BACKGROUND**

The City's Fire Station No. 1, located at 201 South Acacia Avenue, was found to have groundwater contaminated with petroleum products that apparently leaked from underground gasoline storage tanks that were used to refill fire trucks. Remediation has been taking place at Fire Station No. 1 since 1998. The City initially contracted with Amnat Environmental but ended the contract in 2010 after receiving a directive from the Regional Board on June 10, 2010 to develop a more aggressive remedial approach.

Staff solicited proposals from environmental engineering firms and Dudek was awarded a contract pursuant to Resolution No. 23,241, adopted by the City Council on November 9, 2010, to review existing data, evaluate the effectiveness of the existing remediation system and prepare a Remedial Action Plan ("RAP") for submission and approval of the Regional Board.

In accordance with a 2012 Regional Board directive, on December 3, 2013, the City Council adopted Resolution No. 23,880, which authorized the City Manager to enter into a first (1<sup>st</sup>) amendment to the agreement with Dudek to continue conducting annual and semi-annual groundwater samplings, destruction of six (6) vapor extraction wells and rehabilitation of four (4) monitoring wells. The Regional Board issued another directive

to the City on December 17, 2013, requesting a revised Interim Remedial Action Plan (“IRAP”) pursuant to their review of the City’s Annual Groundwater Monitoring Report and the IRAP, prepared by Dudek on the City’s behalf. The City was also required to submit a workplan to conduct soil gas investigations by February 17, 2014. The Regional Board issued a directive on March 12, 2014, concurring with Dudek’s workplan and requiring the City to include historical groundwater analytical data by July 15, 2014. On February 27, 2015, the Regional Board further required the City to take corrective action pursuant to the Semi-Annual Groundwater Monitoring Report.

In the Regional Board’s directive of March 12, 2014, it was also required that the City perform soil vapor samples, a Soil Vapor Investigation, Soil Vapor Extraction (“SVE”) and High Vacuum Dual Phase Extraction (“HVDPE”). Dudek conducted the work as outlined by the Regional Board’s directive and submitted a plan. Dudek performed the work on June 11, 2014, October 15, 2014 and February 13, 2015.

Pursuant to the Regional Board’s directive of June 22, 2015, the City Council adopted Resolution No. 24,266, approving a second (2<sup>nd</sup>) amendment to the agreement authorizing Dudek to perform additional cleanup, continue semi-annual and annual event, in-situ chemical oxidation inspection, a Health and Safety Workplan and updated RAP.

The Regional Board issued March 24, 2016 and December 2, 2016 directives requiring cleanup continue at the remediation site. Thus, on March 28, 2017, the City Council adopted Resolution No. 24,545, approving a third (3<sup>rd</sup>) amendment to the agreement authorizing Dudek to perform continuing cleanup at the site.

### **STATEMENT OF ISSUE**

The March 24, 2016 and December 2, 2016 directives from the Regional Board and the September 19, 2017 review from the SWRCB require continuance of the clean up efforts. The SWRCB report indicates that the site does not meet groundwater media-specific criteria; that the contaminant plume is not stable or decreasing based on an upward trend in contaminant concentrations; that free product is present off-site; in addition to other continuing issues. Based on the Regional Board directives and the SWRCB review, Dudek will provide the following for this site:

1. Database management and upload of historical data requested by Regional Board
2. Monthly over-purge events for 12 months
3. Active remediation/free product removal from wells MW-3, MW-4, MW-8, MW-15, MW-16, MW-17 and MW-18 for 12 months
4. Continue annual and semi-annual events (sampling)

Due to the time constraints in complying with the directives of the Regional Board, staff recommends authorization of an amendment to the current agreement with Dudek rather than seeking further competitive proposals at this time. Dudek is intimately

knowledgeable of and familiar with the remediation efforts and status of the subject site, thus retaining their services will assure critical continuity on the project. Additionally, Dudek has assisted the City in complying with the various and numerous directives issued by the Regional Board in a manner satisfactory to the City and, more importantly, the Regional Board.

### **FINANCIAL IMPACT**

Dudek has estimated the cost of materials and time for the events as directed by the Regional Board and SWRCB to be: \$8,000.00 database management and upload of Regional Board's historical data; \$48,000.00 monthly over-purge events; \$84,000.00 active remediation/free product removal from wells MW-3, MW-4, MW-8, MW-15, MW-16, MW-17 and MW-18; and, \$120,000.00 two (2) annual and one (1) semi-annual events for a total of \$260,000.00.

Funds in the amount of \$260,000.00 are currently available in the Risk Management Account Fund No. 6400 042 000 4269 for Fiscal Year 2018-19.

### **ALTERNATIVE**

No alternative is proposed at this time. Should Council decide not to authorize the contract amendment, untimely compliance with the directives of the Regional Board may result in imposition of fines and exposure to protracted litigation regarding the possible groundwater contamination.

### **RECOMMENDATION**

Staff recommends the adoption of the attached Resolution.

**MONICA TURNER**  
**RISK MANAGER**

**CRAIG J. CORNWELL**  
**CITY ATTORNEY**

**APPROVED FOR FORWARDING:**

**CECIL W. RHAMBO, JR.**  
**CITY MANAGER**

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON  
AUTHORIZING THE CITY MANAGER TO AMEND THE PROFESSIONAL  
SERVICES AGREEMENT WITH DUDEK TO PERFORM ADDITIONAL  
CORRECTIVE ACTION SERVICES IN ACCORDANCE WITH DIRECTIVES OF  
THE LOS ANGELES REGIONAL WATER QUALITY CONTROL BOARD  
REGARDING REMEDIATION AT COMPTON FIRE STATION NO.1 (\$260.000).**

**WHEREAS**, the City's Fire Station No. 1, located at 201 South Acacia Avenue was found to have groundwater contaminated with petroleum products that apparently leaked from underground gasoline storage tanks that were used to refill fire trucks; and

**WHEREAS**, Dudek was awarded a contract pursuant to Resolution No. 23,241, adopted by the City Council on November 9, 2010, to review existing data, evaluate the effectiveness of the existing remediation system and prepare a Remedial Action Plan ("RAP") for submission and approval of the Los Angeles Regional Water Quality Control Board ("Regional Board"); and

**WHEREAS**, in accordance with a 2012 Regional Board directive, on December 3, 2013, the City Council adopted Resolution No. 23,880, which authorized the City Manager to enter into a first (1<sup>st</sup>) amendment to the agreement with Dudek to continue conducting annual and semi-annual groundwater samplings, destruction of 6 vapor extraction wells and rehabilitation of 4 monitoring well; and

**WHEREAS**, the Regional Board issued another directive to the City on December 17, 2013, requesting a revised Interim Remedial Action Plan ("IRAP") pursuant to their review of the City's Annual Groundwater Monitoring Report and the Revised Interim Remedial Action Plan prepared by Dudek on the City's behalf, in addition to submittal of a workplan to conduct soil gas investigations by February 17, 2014; and

**WHEREAS**, the Regional Board issued a directive on March 12, 2014, concurring with Dudek's workplan and requiring the City to include historical groundwater analytical data by July 15, 2014 and on February 27, 2015, the Regional Board further required the City to take corrective action pursuant to the Semi-Annual Groundwater Monitoring Report and perform soil vapor samples, a Soil Vapor Investigation, Soil Vapor Extraction and High Vacuum Dual Phase Extraction; and

**WHEREAS**, the Regional Board issued a directive on June 22, 2015, requiring additional cleanup, continue semi-annual and annual event, in-situ chemical oxidation inspection and a Health and Safety Workplan and updated Remedial Action Plan, therefore, on December 22, 2015, the City Council adopted Resolution No. 24,266, approving a second (2<sup>nd</sup>) amendment to the agreement authorizing Dudek to perform the services required by the June 2015 directive; and

**WHEREAS**, the Regional Board has issued March 24, 2016 and December 2, 2016 directives requiring cleanup continue at the remediation site; more specifically, to provide an updated Remedial Action Plan for free product removal and evaluation, monthly over-purge events, continued passive remediation/free product removal and evaluation from wells MW-3, MW-8 and MW-17, destruction/abandonment of 50 remediation wells and continue annual and semi-annual sampling; thus, on March 28, 2017, the City Council adopted Resolution No. 24,545, approving a third (3<sup>rd</sup>) amendment to the agreement authorizing Dudek to perform continuing cleanup at the site; and

**WHEREAS**, the March 24, 2016 and December 2, 2016 directives from the Regional Board and the September 19, 2017 review from the State Water Resources Control Board ("SWRCB") require continuance of the clean up efforts, in that the SWRCB report indicates that the site does not meet groundwater media-specific criteria; that the contaminant plume is not stable or decreasing based on an upward trend in contaminant concentrations; that free product is present off-site; in addition to other continuing issues; and

**WHEREAS**, due to the time constraints in complying with the directives of the Regional Board, staff recommends authorization of a fourth (4<sup>th</sup>) amendment to the current agreement with Dudek, particularly since Dudek is intimately knowledgeable of and familiar with the remediation efforts and status of the subject site, thus retaining their services will assure critical continuity on the project; and

**WHEREAS**, Dudek has estimated the cost of materials and time for the scope of work directed by the Regional Board and SWRCB to be \$260,000.00; and

**WHEREAS**, funding for this expenditure is available in the Fiscal Year 2018-2019 budget.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMPTON DOES HEREBY RESOLVE AS FOLLOWS:**

**Section 1.** That the City Manager, on the advice and approval of the City Attorney is hereby authorized to enter into a fourth (4<sup>th</sup>) amendment (effective retroactive to July 1, 2018) to the Professional Services Agreement with Dudek to perform the additional remedial work specified within the March 24, 2016 and December 2, 2016 directives of the Los Angeles Regional Water Quality Control Board and the September 19, 2017 review from the State Water Resources Control Board regarding the continuing remediation efforts at the Compton Fire Station No. 1 location.

**Section 2.** That funding in the amount of \$260,000.00 for this expenditure is available in the Risk Management Account Fund No. 6400 042 000 4269 for Fiscal Year 2018-2019 budget.

**Section 3.** That a purchase order is authorized to be established in the amount of \$260,000.00 on behalf of Dudek.

**Section 4.** That copies of this Resolution shall be filed in the offices of the City Manager, City Controller, City Clerk and City Attorney.

**Section 5.** That the Mayor shall sign and the City Clerk shall attest to the adoption of this Resolution.

**ADOPTED** this \_\_\_\_ day of \_\_\_\_\_, 2019.

---

**MAYOR OF THE CITY OF COMPTON**



ATTEST:

\_\_\_\_\_  
CITY CLERK OF THE CITY OF COMPTON

STATE OF CALIFORNIA            )  
COUNTY OF LOS ANGELES    ) ss  
CITY OF COMPTON                )

I, Alita Godwin, City Clerk of the City of Compton, hereby certify that the foregoing Resolution was adopted by the City Council of the City of Compton, signed by the Mayor and attested to by the City Clerk at a regular meeting thereof held on the \_\_\_\_ day of \_\_\_\_\_, 2019.

That said Resolution was adopted by the following vote, to wit:

AYES:           COUNCIL MEMBERS –  
NOES:           COUNCIL MEMBERS –  
ABSTAIN:       COUNCIL MEMBERS –  
ABSENT:        COUNCIL MEMBERS –

\_\_\_\_\_  
CITY CLERK OF THE CITY OF COMPTON

**FOURTH AMENDMENT  
PROFESSIONAL SERVICES AGREEMENT  
BETWEEN  
CITY OF COMPTON  
AND  
DUDEK**

This **FOURTH AMENDMENT** is entered into by and between the **CITY OF COMPTON**, a municipal corporation of the State of California (hereinafter referred to as “**CITY**”) and **DUDEK** (hereinafter referred to as “**CONSULTANT**”).

**RECITALS**

**WHEREAS**, the City’s Fire Station No. 1, located at 201 South Acacia Avenue, Compton (the “Site”), was found to have groundwater contaminated with petroleum products that apparently leaked from underground gasoline storage tanks that were used to fuel the fire trucks; and

**WHEREAS**, on November 9, 2010, pursuant to Resolution No. 23,241, Dudek was awarded a contract to review existing data, evaluate the effectiveness of the existing remediation system and prepare a Remedial Action Plan for submission and approval of the Los Angeles Regional Water Quality Control Board (“Regional Board”); and.

**WHEREAS**, in accordance with a 2012 Regional Board directive, on December 3, 2013, the City Council adopted Resolution No. 23,880, which authorized the City Manager to enter into a first (1<sup>st</sup>) amendment to the agreement with Dudek to continue conducting annual and semi-annual groundwater samplings, destruction of 6 vapor extraction wells and rehabilitation of 4 monitoring wells; and

**WHEREAS**, pursuant to further directives issued by the Regional Board on June 22, 2015, on December 22, 2015, the City Council adopted Resolution No. 24,266, approving a second (2<sup>nd</sup>) amendment to the agreement authorizing Dudek to perform additional cleanup, continue semi-annual and annual event, in-situ chemical oxidation inspection, a Health and Safety Workplan and updated Remedial Action Plan; and

**WHEREAS**, pursuant to further directives issued by the Regional Board, on March 28, 2017, the City Council adopted Resolution No. 24,545, approving a third (3<sup>rd</sup>) amendment to the agreement authorizing Dudek to perform continued cleanup at the remediation site; more specifically, provide an updated RAP for free product removal and evaluation, monthly over-purge events, continued passive remediation/free product removal and evaluation from wells MW-3, MW-8 and MW-17, destruction/abandonment of 50 remediation wells and continue annual and semi-annual sampling; and

**WHEREAS**, March 24, 2016 and December 2, 2016 directives from the Regional Board and the September 19, 2017 review from the State Water Resources Control Board (“SWRCB”) require continuance of the clean up efforts, in that the SWRCB report indicates that the site does not meet groundwater media-specific criteria; that the contaminant plume is not stable or decreasing based on an upward trend in contaminant

**Fourth Amendment to Professional Services Agreement – Dudek  
Environmental Remediation Services/Fire Station #1  
Risk Management/City Attorney's Office  
(Resolution No. \_\_\_\_\_)**

concentrations; that free product is present off-site; in addition to other continuing issues; and

**WHEREAS**, there is a need to amend the Agreement with the Consultant to revise the scope of services to provide for implementation of the additional services required by the March 24, 2016 and December 2, 2016 directives issued by the Regional Board and the September 19, 2017 review from the State Water Resources Control Board and provide for additional compensation for such services to be rendered; and

**WHEREAS**, Section 26 of the original Agreement provides that the Agreement may be amended by a written document executed by both parties.

**NOW, THEREFORE**, the parties do hereby mutually agree to amend the Agreement as follows:

**AMENDMENTS**

1. The parties agree to amend **Section 1 – Services to be Rendered by Consultant** of the original Agreement to include the following additional services to be performed by the Consultant pursuant to the March 24, 2016 and December 2, 2016 directives of the Los Angeles Regional Water Quality Control Board and the September 19, 2017 review from the State Water Resources Control Board:

- a. Database management and upload of historical data requested by Regional Board
- b. Monthly over-purge events for 12 months
- c. Active remediation/free product removal from wells MW-3, MW-4, MW-8, MW-15, MW-16, MW-17 and MW-18 for 12 months
- d. Continue annual (2) and semi-annual (1) events (sampling)

2. The parties agree to amend **Section 2 – Duration of Contract** of the original Agreement to revise the duration of the contract by adding the provision that Consultant has began performing the additional services as provided for within this Fourth (4<sup>th</sup>) Amendment, retroactively as of July 1, 2018, and shall continue to perform said services in a diligent and professional manner until the work required by the March 24, 2016 and December 2, 2016, directives of the Los Angeles Regional Water Control Board and the September 19, 2017 review from the State Water Resources Control Board are completed, the authorized additional compensation is exhausted or the original Agreement or this Fourth (4<sup>th</sup>) Amendment is terminated, whichever occurs sooner.

3. The parties agree to amend **Section 3 – Compensation** of the original Agreement to revise the maximum amount of compensation payable to Consultant for services performed and completed pursuant to this Fourth (4<sup>th</sup>) Amendment by adding that City agrees to pay and Consultant agrees to accept as full and complete compensation for satisfactory performance of all additional services performed by the Consultant pursuant to the provisions of this Fourth (4<sup>th</sup>) Amendment the following maximum sums:

**Fourth Amendment to Professional Services Agreement – Dudek  
Environmental Remediation Services/Fire Station #1  
Risk Management/City Attorney's Office  
(Resolution No. \_\_\_\_\_)**

- a. Materials and time for database management and upload of Regional Board's historical data - **\$8,000.00**
- b. Monthly over-purge events - **\$48,000.00**
- c. Active remediation/free product removal from wells MW-3, MW-4, MW-8, MW-15, MW-16, MW-17 and MW-18 - **\$84,000.00**
- d. Material and time for the annual and semi-annual events - **\$120,000.00**

**4.** Except as provided for above, all other terms and conditions of the original Agreement and any amendments thereto between the City and the Consultant all remain in effect.

**IN WITNESS WHEREOF**, the authorized representatives of the parties have executed this **FOURTH AMENDMENT** to the above-identified **PROFESSIONAL SERVICES AGREEMENT**.

**DUDEK/CONSULTANT**

By \_\_\_\_\_  
Joseph Monaco, President

Dated: \_\_\_\_\_

**CITY OF COMPTON**  
**Recommended for Approval:**

By \_\_\_\_\_  
Monica Turner, Risk Manager  
Risk Management/City Attorney's Office

Dated: \_\_\_\_\_

**Approved by:**

Dated: \_\_\_\_\_

By \_\_\_\_\_  
Cecil Rhambo, Jr., City Manager

Fourth Amendment to Professional Services Agreement – Dudek  
Environmental Remediation Services/Fire Station #1  
Risk Management/City Attorney's Office  
(Resolution No. \_\_\_\_\_)

Approved as to form:

By \_\_\_\_\_  
Craig J. Cornwell, City Attorney

Dated: \_\_\_\_\_

ATTEST:

Dated: \_\_\_\_\_

By \_\_\_\_\_  
Alita Godwin, City Clerk

March 19, 2019

**TO: MAYOR AND COUNCIL MEMBERS**

**FROM: CITY MANAGER**

**SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON ACCEPTING THE PROPOSAL OF AKM CONSULTING ENGINEERS AND ESTABLISHING A PURCHASE ORDER AND ENTERING INTO A CONTRACT FOR ENGINEERING SERVICES FOR THE PREPARATION OF THE WATER SYSTEM MASTER PLAN UPDATE (\$115,440.00)**

### **SUMMARY**

This resolution authorizes the City Manager to issue a purchase order and enter into a contract with AKM Consulting Engineers, in the amount of not to exceed One Hundred Fifteen Thousand Four Hundred Forty Dollars and Zero Cents (\$115,440.00) for Engineering services for preparation of the Water System Master Plan Update and Hydraulic Model Calibration.

### **BACKGROUND**

The Compton Municipal Water Department ("Department") is an Urban Retail Water Supplier providing water services to approximately 80% of the incorporated City limits. The Water system consists of approximately 156 miles of water mains, 1,000 fire hydrants, 1,000 valves, 8 water wells, two water storage tank locations with five storage tanks total and one booster pump station.

### **STATEMENT OF THE ISSUE**

The Municipal Water Department from time to time will require professional engineering services for the preparation of a Water System Master Plan Update and Hydraulic Model Calibration. This plan will evaluate the water system facilities, and prioritize rehabilitation or replacement based on age, and or ability to provide adequate hydraulic capacity. The water system facilities needs to be updated regularly to provide reliable water supply for economic development growth and fire fighting.

A Request for Proposals was advertised on December 10, 2018 and proposals were solicited from nine (9) Consulting Firms experienced in this type of engagement. A Pre-Proposal meeting was held on December 20, 2018, where seven of the nine firms attended. On January 10, 2019 proposals were received from three (3) consulting firms. Proposals were independently evaluated and scored on six (6) criteria;

- Proposed Scope of Work and Project approach.
- Plan for managing the work rate, project management methods.
- Project experience and staff qualifications.
- Proposed schedule.
- Overall quality of proposal.
- Cost proposal.

The Ranking Scores are as follows:

- |                             |       |
|-----------------------------|-------|
| • AKM Consulting Engineers. | 17.38 |
| • Wood Rogers               | 16.23 |
| • Stetson Engineering Inc.  | 15.93 |

### **FINANCIAL IMPACT**

The estimated cost to perform Engineering Services for preparation of the Water System Master Plan Update and Hydraulic Model Calibration is \$115,440.00.

Funds for this expenditure are available in Account 5000-900-000-4269 (Other Contract Services) in the amount of \$115,440.00 for FY 2018/19.

### **ALTERNATIVE**

None suggested.

### **RECOMMENDATION**

It is staff recommendation that the City Council adopt the attached Resolution.

**BRIAN DICKINSON, GENERAL MANAGER  
COMPTON MUNICIPAL WATER DEPARTMENT**

**APPROVED FOR FORWARDING**

**CECIL W. RHAMBO, JR.  
CITY MANAGER**

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON  
ACCEPTING THE PROPOSAL OF AKM CONSULTING ENGINEERS AND  
ESTABLISHING A PURCHASE ORDER AND ENTERING INTO A  
CONTRACT FOR ENGINEERING SERVICES FOR PREPARATION OF THE  
WATER SYSTEM MASTER PLAN UPDATE AND HYDRAULIC MODEL  
CALIBRATION (\$115,440.00)**

**WHEREAS**, the Compton Municipal Water Department ("Department") from time to time will require professional engineering services for the preparation of a Water System Master Plan Update and Hydraulic Model Calibration; and

**WHEREAS**, this plan will evaluate the water system facilities, and prioritize rehabilitation or replacement based on age, and or ability to provide adequate hydraulic capacity; and

**WHEREAS**, the water system facilities should be updated regularly to provide reliable water supply for economic development growth and firefighting; and

**WHEREAS**, the Department advertised for proposals for Engineering Services for Preparation of the Water System Master Plan Update and Hydraulic Model Calibration. Proposals were opened on January 10, 2019 from the following:

**VENDOR**

**AKM Consulting Engineers**

Wood Rogers  
Stetson Engineers Inc.

**WHEREAS**, AKM Consulting Engineers., was the highest rated proposer and its Rate Schedule is in line for services which may be required; and

**WHEREAS**, funds are allocated in the 2018-19 Fiscal Year budget in Account No. 5000-900-000-4249 for this purchase.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMPTON DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** That the proposal of AKM Consulting Engineers., in the amount of One Hundred Fifteen Thousand Four Hundred Forty Dollars and Zero Cents (\$115,440.00) for Engineering Services for preparation of the Water System Master Plan Update and Hydraulic Model Calibration is hereby accepted.

**SECTION 2.** That the City Manager is hereby authorized to enter into a contract and establish a purchase order in the amount of \$115,440.00 for AKM Consulting Engineers, for the Engineering Services for Preparation of the Water System Master Plan Update and Hydraulic Model Calibration.

**SECTION 3.** That funds for this expenditure are available in the Compton Municipal Water Department's Fiscal Year 2018-2019 budget in Account No. 5000-900-000-4269.

**SECTION 4.** That a certified copy of this Resolution shall be filed in the offices of the City Clerk, City Manager, City Controller and Compton Municipal Water Department.

**SECTION 5.** That the Mayor shall sign and the City Clerk shall attest to the adoption of this Resolution.



**ADOPTED** this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
**MAYOR OF THE CITY OF COMPTON**

**ATTEST:**

\_\_\_\_\_  
**CITY CLERK OF THE CITY OF COMPTON**

STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES  
CITY OF COMPTON: ss

I, Alita Godwin, City Clerk of the City of Compton, hereby certify that the foregoing Resolution was adopted by the City Council, signed by the Mayor, and attested by the City Clerk at a regular meeting thereof held on the \_\_\_\_\_ day of \_\_\_\_\_, 2019.

That said Resolution was adopted by the following vote to wit:

**AYES: COUNCIL MEMBERS-**  
**NOES: COUNCIL MEMBERS-**  
**ABSENT: COUNCIL MEMBERS-**  
**ABSTAIN: COUNCIL MEMBERS-**

\_\_\_\_\_  
**CITY CLERK OF THE CITY OF COMPTON**



**AKM Consulting Engineers**  
553 Wald  
Irvine, CA 92618  
Telephone: 949.753.7333 Facsimile: 949.753.7320  
[www.akmce.com](http://www.akmce.com)

January 10, 2019

**City of Compton**  
**Municipal Water Department**  
205 S. Willowbrook Avenue  
Compton, CA 90220

**ATTN: Ms. Alita Godwin, City Clerk**

**Subject: Proposal for Engineering Services for the 2019 Water System Master Plan Update**

Dear Ms. Godwin:

In response to your request for proposals dated November 12, 2018, AKM Consulting Engineers is pleased to submit our proposal to provide professional engineering services for the 2019 Water System Master Plan Update for the City of Compton. Our submittal elaborates on AKM's unsurpassed ability and project experience in modeling and master planning, as well as our Team's condition assessment expertise. AKM Consulting Engineers is a multi-disciplinary professional organization that specializes in providing water resources engineering and related services to a client list of over 70 cities and public agencies in the Southern California area. From our office located in Irvine, with a staff specializing in water resources projects, AKM can provide immediate, responsive and effective service to the City of Compton (City). Our proposal is valid 90 days from the date of this submittal. Contact information for this proposal is:

|                               |                                                                                                                                 |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| <b>Legal Name of Firm:</b>    | <b>AKM CONSULTING ENGINEERS, INC.</b><br>553 Wald, Irvine, California 92618<br><a href="http://www.akmce.com">www.akmce.com</a> |
| <b>Year Firm Established:</b> | 1990                                                                                                                            |
| <b>Contact Information:</b>   | Diann Pay, P.E., <a href="mailto:dpay@akmce.com">dpay@akmce.com</a><br>Phone: (949) 753-7333 FAX: (949) 753-7320                |
| <b>General Description:</b>   | California Corporation                                                                                                          |
| <b>Federal Employer ID:</b>   | 33-0422066                                                                                                                      |

The project team for water master plan project includes:

- **Diann Pay, P.E.**, a Principal Engineer with AKM for 22 years, is our Director of Planning, and has been responsible for successful completion of twenty six (26) water and nine (9) recycled water master plans and updates. **She will serve as the Project Manager.**
- **Zeki Kayiran, P.E.** a Principal with AKM for over 28 years, has 44 years of water resources engineering and management expertise. He has been responsible for completion of over forty (40) water and recycled water master plans and updates. He will serve as the Principal-in Charge / Quality Assurance and Quality Control Manager.
- **Jon Nitta, P.E.**, a Senior Engineer with AKM for 16 years, is an expert in developing and calibrating hydraulic models, and conducting analyses of water and recycled water systems. He has prepared and updated calibrated water system models and master plans for the Irvine Ranch Water District, Moulton Niguel Water District and

Mesa Water District, and the Cities of Camarillo, Seal Beach, Monterey Park, Port Hueneme, Manhattan Beach, El Segundo, Glendora, Inglewood, San Clemente, and San Juan Capistrano. He will serve as the Project Engineer.

- **Haly Herrera**, will develop and calibrate the system model and conduct hydraulic analyses, and will complete the condition assessment work. Ms. Herrera is an Associate Engineer, and has been with AKM for 5 years. She has been responsible for developing calibrated models for the Mesa Water District, Irvine Ranch Water District, and Moulton Niguel Water District, as well as for the City of Norwalk, and Montebello Land and Water Company. She also completed condition assessment of Irvine Ranch Water District and East Orange County Water District's sewer system assets (linear and vertical).
- **Mr. Steve Patterson**, a construction manager with AKM for the past 10 years, will be responsible for collecting field data with the use of pressure data loggers, and conducting fire hydrant flow tests, which will be used in calibrating the system model. He will also install Meter Masters on select high water user meters as well as different meter types to aid in developing user specific diurnal use curves and calibrating the model (optional task).

Combined as a group, we offer the City of Compton a superb team that will provide full efficiency and attention to all elements of project detail, as well as provide technical and managerial depth ensuring the development of a successful water master plan within the desired schedule.

We have reviewed all available documents in detail, and familiarized ourselves with the City's system. We have the resources to complete the project within the desired schedule. Our experience includes master plans for the City of Buena Park (2019), Irvine Ranch Water District (potable 2014 and recycled 2014), Mesa Water District (2014), City of Norwalk (2014), City of Camarillo (potable 2016 and recycled 2014), City of Monterey Park (2012), City of Ontario (2019, potable water update 2012; recycled model 2012), City of Seal Beach (2003 and 2012), City of Port Hueneme (2011), City of Manhattan Beach (2010), City of Whittier (2008), City of Arcadia (2000 and 2008), City of Glendora (1994 and 2005), City of Inglewood (2004), City of El Segundo (2005), City of San Clemente (water 1994 and 2006; recycled water 1994, 2007, and 2017), City of San Juan Capistrano (potable water 1999 and 2004; non-domestic water 2000 and 2006), City of Corona (water 2005 and recycled water 2010), as well as South Montebello Irrigation District, Moulton Niguel Water District (recycled water 2017), West Basin Municipal Water District (ten recycled water system models and master plan 2009), Montebello Land and Water Company, and Tri-Cities Municipal Water District. AKM maintains the models for the Cities of El Segundo, San Clemente, Seal Beach, Corona, Ontario, Port Hueneme, South Montebello Irrigation District, and West Basin Municipal Water District, and conducts as needed special studies. Our Project Team members have prepared model manuals and conducted training for agency staff in the use, maintenance, and updating of the models.

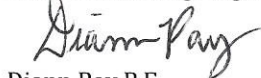
Our Project Team has recently completed condition assessment assignments for the Irvine Ranch Water District, East Orange County Water District and the City of Buena Park utilizing Innovyze InfoMaster. We have experience developing scores for likelihood of failure, consequence of failure, and risk, as well as generating survival probability curves for estimating pipe remaining useful life.

AKM has not had any contracts with the City of Compton. AKM has reviewed the agreement and is willing and able to execute the contract. AKM is an equal opportunity employer.

We appreciate the opportunity to submit our proposal, and look forward to being of service to the City of Compton on this most important project. Should you have any questions or require any additional information, please do not hesitate to contact the undersigned or Mr. Zeki Kayiran.

Very truly yours,

**AKM Consulting Engineers**



Diann Pay P.E.  
Principal Engineer



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*\*\*\*Fee Proposal is being submitted under separate envelope as requested in the RFP*

### ***Section 1 - Executive Summary***

CMWD completed a Master Water Study in 2008. As a part of this study, a hydraulic model was developed as a steady state simulation in Innovyze's InfoWater program.

According to the 2015 UWMP, the service area water demands have declined dramatically from 9,690 AFY in 2008 to 7,381 AFY in 2015 due to the implementation of a series of water conservation regulations in California. Additionally, significant future growth and redevelopment within the City of Compton are expected.

Since 2008, the following water facilities have been constructed:

- 2 new wells
- 1 new reservoir
- 1 new booster pump station
- New/replacement piping
- Additional fire hydrants

The Compton Municipal Water Department would like to update its hydraulic model and water master plan. The model needs to be updated with the new facilities and current demand conditions. CMWD would like an existing analysis identifying current capacity deficiencies as well as a future analysis that plans for future growth of the service area and identifies needed improvements.

It is expected that the water master plan will be developed in a way that will allow CMWD to evaluate proposed developments in the future. They must have the ability to clearly define the infrastructure improvements that a development must agree to complete before it can be occupied.

CMWD has prepared a comprehensive scope of work to develop a Water System Master Plan with a 20-year CIP addressing both existing and future hydraulic deficiencies. The primary goals of the project are as follows:

1. Develop a potable water system hydraulic model utilizing the most currently available information.
2. Calibrate the hydraulic model to represent current conditions.
3. Evaluate the existing water system's adequacy to meet the established criteria.
4. Determine future demand projections.
5. Develop a future system model to identify future system infrastructure improvements needed
6. Develop a 20-year Capital Improvement Program

This proposal has been prepared to address the aforementioned goals. The requirements of the Request for Proposal are presented in our proposal as follows:

- Section 1 - Executive Summary
- Section 2 - Project Team
- Section 3 - Related Project Experience and References
- Section 4 - Contracts with City of Compton
- Section 5 - Fee Proposal
- Section 6 - List of Outside Funding Sources
- Section 7 - Project Background and Scope of Work
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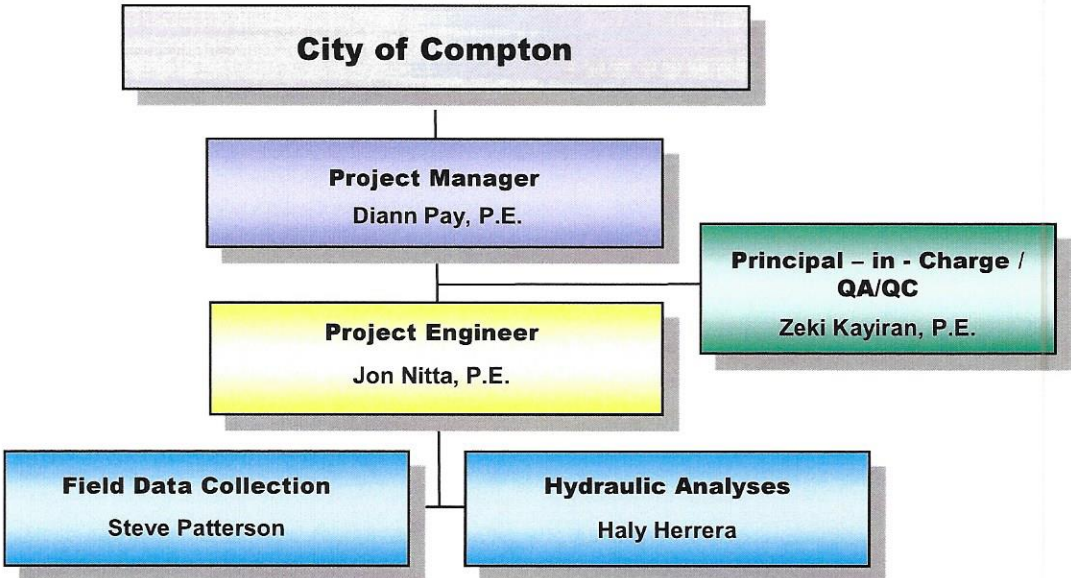
### ***Section 2 - Project Team***

The engineering organization and the Project Team proposed by AKM Consulting Engineers are structured to respond to the technical and managerial requirements of the project by assigning very senior, highly qualified personnel to the work. They will function in a simple organization with clear lines of delegated authority and responsibility.



Our project manager will be the principal point of contact with the City, and will have full technical and administrative responsibility for the work. All identified personnel will be assigned to the project. All project team members have long tenure with AKM, and we do not reassign or substitute staff assigned to specific projects. The following provides brief descriptions of their roles and experience.

The Project Team organization is illustrated on the project organizational chart below. Detailed resumes describing specific experience of the Project Team members are included in this section.



| Name                                                                                                                                                                                                                                                                                                                                                                                                                                  | Area of Expertise                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>DIANN PAY, P.E.</b><br><b>AKM Consulting Engineers, Irvine, CA</b><br><b>Project Role:</b> Project Manager<br><b>Registration:</b> Registered Civil Engineer CA C60298; NASCCO PACP Certified (T-1003-947)<br><b>Education:</b> M.S. Environmental Water Resources, University of California Berkeley; B.S. Civil Engineering, University of California Los Angeles<br><b>Years of Experience:</b> 22<br><b>Years with AKM:</b> 22 | Ms. Diann Pay, P.E. is the Company’s Director of Planning. She will be the Project Manager for the Water System Master Plan Update. Ms. Pay has served as Project Engineer /or Project Manager during the preparation of twenty six (26) water master plans and updates, and nine (9) recycled water master plans and updates. She and her team developed calibrated models for nearly all these projects, including water quality models for some. She has been responsible for conducting hydraulic analyses leading to pump selections for wells and pump stations, pressure reducing station valve selections, development of operational procedures for scheduled shutdown of major sources of supply, preparing model user manuals and training agency staff in model development and use; and conducting special studies as needed by AKM clients. She oversees the maintenance of the hydraulic models of several AKM clients. |



| Name                                                                                                                                                                                                                                                                                                                                                                                                                          | Area of Expertise                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ZEKI KAYIRAN, P.E.</b><br><b>AKM Consulting Engineers, Irvine, CA</b><br><b>Project Role:</b> Principal / QA/QC Manager<br><b>Registration:</b> Registered Civil Engineer, California (C29330)<br><b>Education:</b> Master of Science, Civil Engineering – California State University, Long Beach; Bachelor of Science, Civil Engineering – Robert College<br><b>Years of Experience:</b> 44<br><b>Years with AKM:</b> 28 | Mr. Zeki Kayiran, P.E., will be the Principal-in-Charge and QA/QC Manager, responsible for quality control/quality assurance for the project. He will monitor methods and procedures of project implementation. His responsibilities will include reviewing work weekly with the Project Manager as well as at key milestones ensuring that the work product meets the high standards for technical excellence. Mr. Kayiran has 44 years of water resources engineering experience, including the completion of over forty (40) water and recycled water master plans; 28 wells; 30 water and recycled water pump stations; 16 reservoirs; and over 500,000 feet of transmission and distribution pipelines.                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>JON NITTA, P.E.</b><br><b>AKM Consulting Engineers, Irvine, CA</b><br><b>Project Role:</b> Project Engineer<br><b>Registration:</b> Registered Civil Engineer CA C69987; NASCCO PACP and MACP Certified (U-1106-4046)<br><b>Education:</b> B.S. Civil Engineering, University of California Los Angeles<br><b>Years of Experience:</b> 16<br><b>Years with AKM:</b> 16                                                     | <p>Mr. Nitta will serve as the Project Engineer. He has been responsible for the development of 14 calibrated hydraulic potable and non-potable water models, capital improvement programs, and water master plans, including for the Irvine Ranch Water District, the Moulton Niguel Water District, West Basin Municipal Water District, the Cities of Seal Beach, Manhattan Beach, Port Hueneme, San Clemente, El Segundo, Inglewood and San Juan Capistrano.</p> <p>Mr. Nitta used InfoMaster to evaluate the remaining useful life of Buena Park's water pipelines. He developed survival probability curves for each material using the available pipe break history data. In addition, Mr. Nitta was responsible for developing the risk and reliability analysis, utilizing the InfoMaster platform, for the Irvine Ranch Water District and East Orange County Water District sewer systems. He made recommendations for consequence of failure and likelihood of failure elements, scores, and weightings. He also was instrumental in the development of the decision trees which prioritized the facilities and action items.</p> |
| <b>HALY HERRERA</b><br><b>AKM Consulting Engineers, Irvine, CA</b><br><b>Project Role:</b> Hydraulic Analysis and Pipeline Condition Assessment<br><b>Education</b> Bachelor of Science, Civil Engineering, University of California Irvine<br><b>Years of Experience:</b> 5<br><b>Years with AKM:</b> 5                                                                                                                      | <p>Ms. Herrera was responsible for the development of calibrated hydraulic models for the City of Norwalk, Mesa Water District, Irvine Ranch Water District, and Moulton Niguel Water District. She also updated the water model and ran analyses for the City of Corona, City of Alhambra, West Basin Municipal Water District, and Montebello Land and Water Company.</p> <p>Ms. Herrera was responsible for developing and implementing the risk and reliability analysis for the Irvine Ranch Water District and East Orange County Water District sewer systems. For each project, she utilized the InfoMaster software to develop risk profile for the gravity sewer pipes, siphons, pump stations, and force mains. She developed scores and weightings for consequence of failure and likelihood of failure elements; set up the risk matrix; and developed the decision tree to prioritize the facilities and assign action items.</p>                                                                                                                                                                                               |



| Name                                                                                                                                                                               | Area of Expertise                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>STEVE PATTERSON</b><br><b>AKM Consulting Engineers, Irvine, CA</b><br><b>Project Role:</b> Field Data Collection<br><b>Years of Experience:</b> 30<br><b>Years with AKM:</b> 10 | Mr. Steve Patterson, an AKM Construction Manager, will be in charge of the field data collection effort. He has been responsible for installation, maintenance, and data retrieval of temporary flow measuring devices, such as Meter Masters; pump start and stop monitors such as Track-it input modules; and pressure data loggers which are used in developing diurnal pressure variations for the master plan assignments for West Basin MWD, Irvine Ranch Water District, Mesa Water District, Moulton Niguel Water District, as well as the Cities of Port Hueneme, Camarillo, Seal Beach, Norwalk, and Monterey Park. He was also responsible for conducting hydrant flow testing used in refining model calibrations for the Cities of Port Hueneme, Seal Beach, Norwalk, and Monterey Park, as well as for Mesa Water District and Irvine Ranch Water District. |

RESUMES

Brief resumes of our proposed project team members are located in the Appendix.

Section 3 - Related Project Experience / References

AKM Consulting Engineers has a long and distinguished track record in the performance of quality engineering services, specifically, in the areas of water and recycled water system master planning, system analysis, system hydraulic and condition assessment, facility design and associated construction support/construction management.

Specific examples of AKM's experience follow. These projects are representative of the types of work that the team members have completed, and are directly relevant for consideration within the content of the proposed project. All projects were performed by the individuals listed for assignment and required a level of performance and addressed technical issues similar to those required by the City's proposed project. AKM was the "Prime" on the projects listed, and they were completed within budget and schedule.



**WATER MASTER PLAN**  
**CITY OF BUENA PARK** – 6650 BEACH BLVD., BUENA PARK, CA 90622  
**CONTACT:** MR. FRANCISCO GUTIERREZ, PE, ASSOCIATE ENGINEER (714) 562-3677  
**A/E FEES:** \$387,000 **YEAR COMPLETED:** ESTIMATED 2019  
**AKM STAFF:** Z. KAYIRAN (PIC), D. PAY (PM), J. NITTA (ASSET. MANAGEMENT), H. HERRERA (HYDRAULIC MODELING)

Buena Park's water system service area covers 6,600 acres, with an existing population of 84,000 and 19,400 services. The sources of supply consist of groundwater from Orange County Groundwater Basin, and imported water through four connections to MWDOC's West Orange County Feeder. The system has one large open zone (Zone 1) with the 20 mg Rosecrans Reservoir providing hydraulic control, normally served by wells; and four (4) closed zones normally served by OC-25 Turnout off the WOCF. Rosecrans Booster Pump Station, located adjacent to the 20 mg reservoir can supply the closed zones when the imported water supply is out.

AKM prepared the system model from GIS, supplemented by as-built drawings, and billing data tied to specific parcels. Two diurnal demand patterns were developed. Customer specific diurnal curves were developed using Meter Master equipment, which were separated out from the zonal diurnal curves. AKM calibrated the model with the use of SCADA data and field pressures recorded with the use of 35 data loggers collected in August and September 2017. AKM analyzed the system with extended period average day, and maximum day demand periods, including peak hour, as well as maximum day demands with fire flows. AKM developed mitigation projects for all identified capacity deficiencies.



AKM conducted what-if scenario analyses including: Loss of Rosecrans Reservoir, serving Zone 1 with the wells as a closed zone; Loss of MWD Supply, serving the closed zones with the Rosecrans Pump Station (7-day analysis); Providing fire flow to an area on the east side of the system from a connection with the City of Fullerton; Combining the lowest closed zone with Zone 1; Providing redundant supply to a closed zone; and Combining the two lowest closed zones into a single zone. Improvement recommendations were developed for all identified deficiencies.

AKM conducted condition assessment of the Rosecrans Reservoir, as well as all wells (the booster pump station was under construction during the project), based upon field inspections, review of maintenance / repair and staff interviews, and provided improvement recommendations, which addressed operational and condition issues.

AKM conducted an analysis of the horizontal assets' likelihood of failure (LoF) by evaluating the remaining useful life (RUL) of the pipe network. Buena Park's water system pipe data was inputted into Innovyze's InfoMaster capital planning software. The failure/deterioration tools within InfoMaster evaluated the City's pipe break historical data to calculate the survival probability curve. The anticipated useful life was developed for each pipe material within the City, utilizing these results.



**WATER MASTER PLAN UPDATE**  
**CITY OF ONTARIO MUNICIPAL UTILITIES COMPANY** – 1425 SOUTH BON VIEW AVENUE, ONTARIO CA 91761  
**CONTACT:** MR. DENNIS MEJIA, UTILITIES ENGINEERING DIVISION MANAGER (909) 395-2682  
[dmejia@ci.ontario.ca](mailto:dmejia@ci.ontario.ca)  
**A/E FEES:** \$298,000 **YEAR COMPLETED:** 2012 (UPDATE 2019)  
**AKM STAFF:** Z. KAYIRAN (PM), D. PAY (PE), J. NITTA (LE ENGINEER)

The City of Ontario provides water service to an area of 50 square miles (31,345 acres). The existing City population is 175,000 and is primarily concentrated in the northern portion of the City, referred to as the Old Model Colony. The southern portion of the City (New Model Colony) primarily consists of agricultural land uses but is expected to be developed over the next 20 years. With the development of New Model Colony, the ultimate City population is estimated at 358,270, which is more than double the existing population.

The existing potable water system consists of five (5) pressure zones, 546 miles of transmission and distribution pipe ranging in size from 2-inches to 42-inches in diameter, twenty three (23) active wells, twelve (12) reservoirs, four (4) active booster pump stations, 16 pressure reducing stations, four (4) imported water connections, and an ion exchange treatment facility. There are about 36,658 water service connections. The existing potable water demand is 37,500 AFY, which is supplied by 8,500 AFY of imported water and 29,000 AFY of local groundwater. Potable water demand will increase to 74,700 AFY at ultimate development of the service area. The City extracts groundwater from the Chino Groundwater Basin, and purchases imported water from the Water Facilities Authority and the Chino Basin Desalter Authority.

In conjunction with City staff, AKM developed detailed water use estimates for the City's ultimate expected population. A number of resources were used to develop demand estimates for each type of land use specified in the City's latest General Plan. These included the General Plan land use, density and population estimates; historical water meter records; Inland Empire Utilities Agency's Long Term Water Use Efficiency Master Plan, Traffic Area Zone information; 2010 census data; and flow monitoring data from new developments in New Model Colony. A technical memorandum was submitted detailing each step taken in developing the demand factors.

The City's existing hydraulic model was updated in InfoWater using the City's current Water GIS, as-built plans, recent water sales information, the latest General Plan land use, and current well, booster pump station, and pressure regulating station operational settings. The City's criteria was updated and then used to conduct analyses of the existing system. Extended period analyses were run for average day, maximum day and maximum day plus fire flow conditions. A \$346 million capital improvement program, including a pipeline replacement program was developed to eliminate existing system deficiencies as well as prepare for the future system expansion.

AKM also worked with the City to update the recycled water system model. The City identified the potential recycled water users and demands. AKM updated the demands and peaking factors in the model and then sized the future pipes that would be required to serve the potential customers in accordance with the established criteria.





**WATER MASTER PLAN**  
**CITY OF CAMARILLO** - 601 CARMEN DRIVE, CAMARILLO, CA 93010  
**CONTACT:** LUCIA MCGOVERN, DEPUTY DIRECTOR/ENVIRONMENTAL ENGINEER - (805) 388-5334  
LMCGOVERN@CI.CAMARILLO.CA.US  
**A/E FEES:** \$303,000 **YEAR COMPLETED:** 2016  
**AKM STAFF:** Z. KAYIRAN (PM), D. PAY (PE), J. NITTA (LEAD ENGINEER), H. HERRERA (STAFF ENGINEER)

Camarillo's water system service area covers 6,200 acres, with an existing population of 43,000. The sources of supply consisted of groundwater from Fox Canyon Aquifer (42%) and imported water through Calleguas Municipal Water District (58%). The City had been planning the North Pleasant Valley Desalter (NPVD) project to use groundwater for its entire supply. The NPVD project will also mitigate the rising groundwater levels and lower the total dissolved solids to make it suitable for potable use.

AKM created the model of the potable water system from GIS, as built plans, and water billing records; calibrated the model with the use of SCADA data, field pressure recordings, and hydrant flow tests; conducted analyses of the system with the existing and future demands; assessed the condition of the system's assets; formulated a capital improvement program to mitigate existing deficiencies, provide for future demands, and mitigate the condition deficiencies; and prepared of the Master Plan Report.

AKM evaluated the system operation with imported supplies only, as well as with groundwater supplies following the construction of the NPVD project.

AKM conducted condition assessment of all reservoirs, wells, and pump stations based upon physical inspections, review of maintenance/repair records, and staff interviews, and provided improvement recommendations, which addressed operational and condition issues. AKM also evaluated the transmission and distribution pipes based upon break history and pipe age.



**POTABLE WATER SYSTEM CALIBRATED MODEL AND WATER RESOURCES MASTER PLAN UPDATE IRVINE RANCH WATER DISTRICT** - 15600 SAND CANYON AVENUE, IRVINE, CA 92619  
**CONTACT:** BARKEV MESERLIAN, ENGINEER (949) 453-5617, BMESERLIA@IRWD.COM  
**A/E FEES:** \$500,000 **YEAR COMPLETED:** 2015  
**AKM STAFF:** Z. KAYIRAN (PM), D. PAY (PE), J. NITTA (LEAD ENGINEER), H. HERRERA (STAFF ENGINEER), S. PATTERSON (FIELD DATA COLLECTION)

AKM was responsible for preparation of IRWD's potable water system model, the Potable Water System Hydraulic Model Report, and updates to IRWD's Water Resources Master Plan. The hydraulic model included 22 open pressure zones, 5 closed zones, and 58 pressure reduced zones as well as 1,332 miles of transmission and distribution piping, 36 reservoirs, 35 booster pump stations, 26 wells, 15 imported water supply turnouts, 137 pressure regulating stations and 11 flow control facilities. Water consumption data, geocoded water meter locations, and Theissen polygons were utilized to distribute and apply demands to the model junctions. Ten (10) diurnal use curves were developed from SCADA data and individual high water user diurnal flow information to account for different water use patterns throughout the study area. The model was calibrated based upon SCADA data and field pressure records obtained through fifty-one (51) data loggers over the calibration period.

The existing system was evaluated with average day and maximum day demands, which included the peak hour demands. The system was also evaluated with maximum day demand plus fire flow conditions. Hydrant flow tests were conducted in the model identified fire flow deficiency areas. The tests verified the model identified deficiencies in many areas. Where the field data did not match the model results, as-built records were reviewed, which discovered incorrect GIS data. The analyses were re-run with the corrected geometry, which then matched the field data closely. Fire flow deficiency mitigation recommendations included adjustments to PRS settings.

The existing and future system capabilities were evaluated during two (2) emergency events: the outage of the Metropolitan Water District of Southern California (MWD) Diemer Treatment Plant and the outage of the Dyer Road Well Field (IRWD's primary groundwater supply) 54-inch transmission line. The analysis showed that system could not recover if the Diemer Plant outage is unplanned and Zone 1 Reservoir level is lower than 21 feet at the start of the outage with future demands. Unplanned outage of the Dyer Road Wellfield resulted in a similar deficiency. The results of the hydraulic analyses were utilized to update IRWD's capital improvement program





**WATER MASTER PLAN**  
**CITY OF NORWALK** – 12700 NORWALK BLVD., NORWALK, CA 90650  
**CONTACT:** GRISSEL CHAVEZ, PUBLIC SERVICES SUPERINTENDENT (CURRENTLY DIRECTOR OF SAFETY FOR THE CITY OF NORWALK) – (562) 929 – 5729  
**A/E FEES:** \$120,718 **YEAR COMPLETED:** 2014  
**AKM STAFF:** Z. KAYIRAN (PM), D. PAY (PE), J. NITTA (STAFF ENGINEER), H. HERRERA (STAFF ENGINEER), S. PATTERSON (FIELD DATA COLLECTION)

The Norwalk Municipal Water System (NMWS) serves an estimated population of 18,500 through 5,362 service connections in portions of the City of Norwalk, the City of Artesia, and a small unincorporated Los Angeles County area. Golden State Water Company, Park Water Company, the City of Santa Fe Springs and the City of Cerritos provide water service to the remaining areas of the City. The service area covers 1,331 acres (2.1 square miles) and includes nine non-contiguous areas. The existing water system facilities include approximately 291,800 feet (55.3 miles) of distribution water mains, 3 operating wells, 7 interconnections, 1 imported water connection, 9 emergency interconnections, 5 pressure regulating stations. The system also includes a High Pressure Fire Pipeline System, which was constructed to serve fire flows to portions of the Central and West Service Areas, provide domestic supply to the Central Service Area through pressure regulating stations, and provide emergency backup to the West Service Area. The distribution system is made up of mostly cast iron pipe and asbestos cement pipe. The total demand is 2,134 acre feet per year (AFY)

The scope of work included developing a hydraulic system model based on the City’s existing water map in AutoCAD; allocating the existing system demands by connecting water sales data to parcels; developing diurnal demand curves based upon collected flow meter data; calibrating the hydraulic model utilizing pressure data collected utilizing data loggers and data from fire hydrant flow tests conducted; developing system criteria; conducting existing and future system analyses; preparing a phased and prioritized CIP; and preparing a Master Plan report.

This project also involved field investigation and analysis of a surging problem experienced in the City’s High Pressure Zone. The causes of the surges were identified through installation of pressure data recorders at the import water connection location and field testing to simulate the unintended shut down of one of the system wells. Based on field testing and analysis of results, detailed recommendations to remedy the surge issue were made in the Master Plan.

**Section 4 - List of Contracts with the City of Compton**

AKM Consulting Engineers has not worked with the City of Compton in the past, however, we are looking forward to starting a long time and mutually beneficial working relationship with the City.

**Section 5 - Fee Proposal**

AKM’s proposed Staff Hours and Total Fee is presented in a separate envelope as requested by the RFP. It has been prepared to properly address the project’s detailed scope of services and assumptions contained in our proposal. Should the scope of services significantly change, we will be happy to discuss the necessary changes in services with the City and make any required adjustments to our budget and schedule.

The submitted fee proposal does not include the “Additional Services” discussed the scope of work section of this proposal. Additional services includes development of individual water use patterns for specific high water users, hydrant flow testing, and pipeline risk assessment.

**Section 6 - List of Outside Funding Sources**

AKM Consulting Engineers assisted its clients with obtaining Prop 50, and EPA grants, and State Revolving Fund Low Interest Loans.

City of Corona Nitrate and Perchlorate Treatment Plant - California Prop 50 Grant – 50% of Ion Exchange Treatment Plant cost of \$6.5 million – completed in 2018



Section 7 - Project Background / Scope of Work

Project Background

As detailed in the 2015 Urban Water Management Plan (UWMP), the City of Compton is served potable water through the following purveyors:

- Compton Municipal Water Department
- California Water Company
- Los Angeles Department of Water and Power
- Golden State Water Company
- Sativa Water (Currently served by Los Angeles County Department of Public Works)
- Park Water Company

The Compton Municipal Water Department (CMWD) service area encompasses approximately 7.8 square miles of predominantly residential, industrial and commercial land. The CMWD’s potable water system includes the following facilities:

- Approximately 156 miles of pipe
- 5 storage tanks
- 1 booster pump station
- 8 active wells
- 1 groundwater treatment plant (1,000 gpm capacity)
- 3 MWD Connections (total capacity of 16,900 gpm)
- 1,000 fire hydrants
- 2,000 valves
- Approximately 14,500 services

Figure 1 shows CMWD’s existing water system based on the current GIS data.

The CMWD operates a single open pressure zone regulated by reservoirs with a maximum high water elevation of 187’. Currently, the system is primarily served water directly by eight (8) active wells. The City of Compton is a Metropolitan Water District (MWD) member agency, and has three (3) connections (CB01, CB03, and CB04) with a total capacity of 16,900 gpm, capable of supplying the full service area demand.

Groundwater is pumped from the Central Groundwater Basin, which is adjudicated. CMWD has the right to extract 5,780 AFY (total allowable pumping allocation or APA). The remaining supply is generally leased from other nearby water agencies, such as the City of Norwalk, the City of Lakewood, and the La Mirada Unified School District. The 2015 UWMP reported that the 2015 potable water demand was 7,381 AFY. This resulted in an average water use of 67 gallons per day per person.

CMWD is evaluating the feasibility of creating a recycled water system and converting existing irrigation and/or industrial process uses to recycled water use. While CMWD does not currently have a recycled water system, it is adjacent to recycled water supplies from the West Basin Municipal Water District (WBMWD) and the Central Basin Municipal Water District (CBMWD). Concurrent to this water system master plan, CMWD has issued a request for proposal to perform a recycled water feasibility study. Any information regarding the potential feasible conversion of potable water customers to recycled water use that may be identified through the recycled water feasibility study, will be incorporated in this water system master plan.

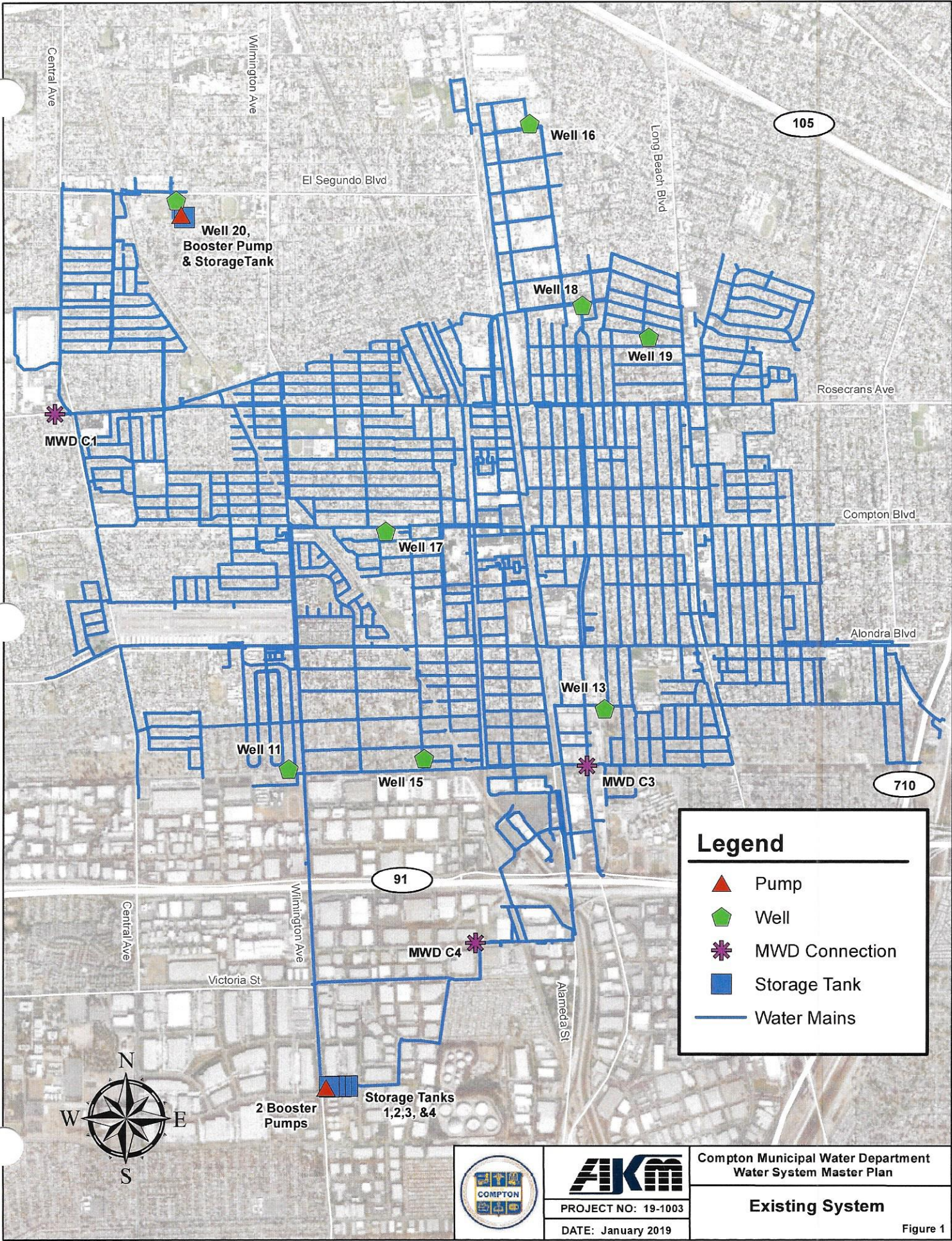
SCOPE OF WORK

The following subsections describe the tasks which will be included in Basic Services for the 2019 Water System Master Plan. Possible Additional Services, which would enhance the overall value of the Water System Master Plan and could be performed at CMWD’s request under a separate authorization, are also described.

Task 1. Project Management

A capable and effective project manager is critical to the success of the Water System Master Plan effort. Diann Pay, P.E. will serve as AKM’s Project Manager. As an experienced project manager of a multitude of successful master planning projects in Southern California, Diann will serve as the primary point of contact with CMWD and facilitate







all communication with CMWD staff. She will also direct and facilitate the completion of all project management related tasks, as follows:

- Facilitation of a “kick-off” meeting with CMWD staff
- Monthly coordination meetings with CMWD staff, including distribution of meeting agendas no less than three (3) days prior to the meeting and distribution of meeting minutes no more than five (5) days after the meeting date
- Bi-weekly project updates via email and phone to discuss budget, schedule, data requests and any project issues
- Presentation at one City Council meeting upon the completion of the Water Master Plan to discuss the results, recommendations and implementation.
- Submission of invoices and monthly progress reports summarizing work performed, project concerns and schedule impacts, work anticipated for the upcoming month, outstanding data requests, anticipated dates of deliverables, as well as status of project budget and an updated project schedule
- In cooperation with our QA/QC Manager, she will provide quality control/quality assurance for all deliverables

## **Task 2. Document Gathering and Site Visits**

We will obtain and review all available information relevant to the Water System Master Plan including, but not limited to the following:

- 2008 Master Water Study (AKM has reviewed this document)
- 2015 Urban Water Management Plan (AKM has reviewed this document)
- Planning Data (General Plan, Zoning Map, Land-use documents, proposed developments, population projections, vacancy rates)
- Design plans and information for existing and proposed development and CMWD projects
- Geographical information system (GIS) geodatabase – water infrastructure, parcels, land use, street centerlines, contours, service boundaries, break data, etc.
- Existing InfoWater hydraulic model
- Record drawings of facilities (wells, pump stations, storage tanks, turnouts, etc.)
- Record drawings of newly added pipes, not included in CMWD existing GIS geodatabase
- Available fire flow results
- Supervisory control and data acquisition (SCADA) information
- Customer billing information
- Historical production and purchase data
- Well and pump station information (pump specifications, pump curves, efficiency tests)
- Well maintenance reports and groundwater level history
- Water quality information
- Permits and cooperative agreements
- Known system issues
- Water system atlas maps

As a part of this task, we will also collect and review operational control information. We will first collect as much data as possible, including SCADA data, and then meet with CMWD Operations staff to discuss operational procedures of the system and how it may change throughout the year. We have also assumed one (1) field visit to supplement the collection of this operational information.

## **Task 3. Existing Data Analysis**

We will review all data, detailed in Task 2. Summary tables of CMWD existing facilities (wells, MWD connections, storage tanks, pump station) will be developed. A hydraulic schematic of the existing potable water system will also be created. The schematic will help us develop insight into the components of system, which in turn will aid in the preparation of the hydraulic model. The hydraulic schematic may be revised as the project progresses and more is learned about the system through the model development, interview with system operators, and field investigations.



We will provide a technical memorandum (TM) summarizing CMWD’s existing facilities. The hydraulic schematic will be provided at this time.

**Task 4. Evaluate Capacity and Reliability of Existing Facilities**

***Task 4.1 Water Demand Analysis***

Thorough analysis of historical water demands, distribution, variation, and trends is required to accurately simulate and predict the demands to be used in analyzing the water system. We will perform the following subtasks as a part of the water demand analysis:

***Task 4.1.1 Update Existing System Demands and Peaking Factors***

We will use the historical production and purchase (supply) data to establish average day and maximum month demands and identify any trends in demand reduction due to water conservation. Historical water billing demand data will also be evaluated for reasonableness.

If the total amount of water used for flushing and any other unmetered uses can be quantified, we will subtract this value from the average production and purchase values when determining the average day demand. Flushing is not an everyday activity and therefore flushing volumes should not be included as a part of unaccounted for (non-revenue) water. If it were to be included, the flushing volume would also be peaked for the model scenarios, which would technically be an inaccurate estimate of the water used. CMWD’s 2015 UWMP shows water losses were 6.8% of the total retail water deliveries when estimated using the DWR Water Audit Method.

We will compare the current production and purchase data to the current billing summary database to determine the average day and maximum month demand estimates and calculate non-revenue water.

Once the maximum demand months are identified, we will request SCADA data for the same time period and utilize it to calculate maximum day and peak hour demands for the total system. The CMWD water distribution system consists of one pressure zone. Based on our current understanding of the system operations, we will perform mass balance calculations with the following information to identify the maximum day demand:

- Production at 8 wells
- Flowrate through the booster pump station
- MWD Turnout flows (These is also available through the MWD website)
- Storage tank levels at each storage tank.

***Additional Services: Individual Use Patterns***

The following task is not included under basic services of the Water System Master Plan project, but could be completed at the request of CMWD under a separate authorization.

Individual Use Patterns may be developed for known high water use customers. If determined necessary, we would install Meter Master Equipment (Photograph 1) on select high water use customer meters to develop customer specific use patterns during the selected calibration period. High water use customers typically include commercial, industrial, and irrigation uses. Meter Masters can be installed over the customer meters and set to record flows in very short time increments. We would rent the equipment and install the Meter Masters with CMWD staff assistance. CMWD staff will be needed to accompany AKM staff for installation of equipment, locate and open the service meter boxes, and provide traffic control, if necessary. After consultation with CMWD, we will develop a plan for the field work.





#### **Task 4.1.2 Development of Diurnal Curves**

**SCADA Data Collection:** To develop diurnal demand curves, we will request SCADA data for the storage tank levels, well flows, pump station flows, and MWD turnout flows (this is also available through the MWD website).

SCADA data will be collected to develop the model diurnal patterns used to calibrate the hydraulic model. Because of the project's condensed schedule, we anticipate that the model calibration will occur in the spring time, when usage will likely reflect a typical average day demand (ADD) period. For this reason, the calculated diurnal curve developed for the calibration period will be used for the ADD scenario. In addition to the calibration period diurnal curve, we will utilize the SCADA data for the historical maximum day (over the past year) to develop a diurnal curve to be used for the maximum day demand (MDD) model scenarios.

Based on our current understanding of the system operations, we propose to develop the diurnal curves using the SCADA data by performing mass balance calculations with the following information:

- Production at 8 wells
- Flowrate through the booster pump station
- MWD Turnout flow
- Storage tank levels at each storage tank.

#### **Task 4.1.3 Development of Water Demand Factors**

We will develop average unit demand factors based upon the billing data for each meter type. We will utilize detailed development data, such as the number of residential units, number of people, or the square footage of commercial/industrial buildings, if available, to develop unit demand factors in units such as gallons per day/dwelling unit, gallons per day/capita, or gallons per day/thousand square feet.

#### **Task 4.2 Model Development**

A calibrated hydraulic model of the water system is an essential tool for analyzing the existing system conditions; planning for future expansions and facility replacements; evaluating options, including operational and fire flow storage; and formulating the most feasible supply portfolio. The hydraulic model has to be developed and calibrated based upon the best information available, and be well documented so that it can be updated as changes occur in the system, land use planning, and sources of supply.

Our approach to hydraulic modeling and water resources planning assignments involve several basic procedures which ensure that the finished product is used for accomplishing CMWD's goals

Hydraulic model development will consist of the following sub-tasks:

##### **Task 4.2.1 Hydraulic Model Geometry**

CMWD's existing hydraulic model was developed in 2008 using Innovyze's InfoWater software.

It is our understanding and assumption that CMWD's ESRI GIS water geodatabase is complete and current to actual conditions in the field. For this task, we will make the following checks to CMWD GIS files:

1. We will check connectivity of pipes and nodes. For instance, there may be some pipes missing in the GIS in the vicinity of the wells, tanks, and booster pump station. We will request the necessary plans and verify the accuracy of the GIS.
2. We will check that there are nodes at all end points of pipes to be added to the model, as it requires nodes at the ends of all pipes.
3. We will check to make sure all IDs are unique, and identify any missing IDs, which CMWD can then assign or we can assign in a similar manner.
4. We will check for duplicate data.
5. We will check that pipes are broken at tees and cross intersections, as this is necessary for developing a function hydraulic model.



We will create the hydraulic model geometry from CMWD's current water geodatabase and will include all mainline pipes (excluding meter connections, service laterals, and private lines that do not loop the system). The geometry for wells, pump stations, storage tanks, and imported water connections will be added to the model per as-built plans.

Modeling information for each pipe will include unique identification numbers, diameter, length, year of installation, and roughness coefficient. Pipe roughness coefficients will be developed based on pipe size, age, and material.

Model nodes will be located to represent points of intersection of pipes, ends of pipes, changes in pipe diameter or material, hydrant lateral connection locations, and/or locations where supplies are applied to the system. Demands will generally be applied to the nearest model node.

Modeling information associated with each node will include unique identification numbers, demand, diurnal pattern, user type, and elevation. It is recommended that the City of Compton become a member of the Los Angeles Imagery Acquisition Consortium (LAR-IAC) to obtain orthogonal, aerial, and infrared imagery and building outlines. A member also has access to digital terrain datasets and 1-foot elevation contour data, which may be used to allocate elevations for all model nodes. In absence of LAR-IAC contour data, we propose to allocate elevations based on USGS 10-foot contour data.

After the GIS data is initially imported to the model, we will evaluate the connectivity of the pipe network. We will meet with CMWD's engineering and operation staff to review the system maps and clarify any discrepancies between the various sources of data.

#### **Task 4.2.2 Demand Allocation**

Ideally, the water billing data would be linked to a GIS meter shapefile and then then demands would be allocated to the closest model node. This provides the most accurate demand distribution in a hydraulic water model. CMWD plans to create a water meter shapefile in the future, but it will not be available for this project.

In lieu of using a meter shapefile, we will use the most recent year of water billing data and the City's land use shapefile to develop demand factors by meter type (i.e. Single Family, Multi-Family, Commercial, Industrial). The total consumption for each meter type will be divided by the total number of parcels or acreage associated with that meter type. The demand factors will therefore be in gpm/parcel or gpm/ac and applied to each parcel. Customers with significantly high water consumption will be evaluated for reasonability, and their demands may be allocated manually using the service address.

Theissen polygons will be created around established demand model nodes. Nodes that do not have demands are typically those that are located near system facilities (wells, storage tanks, pump station, and MWD turnouts) or along major transmissions lines that do not have service lateral connections. Some nodes are also excluded when there are a cluster of nodes located in one area, such as an intersection. This prevents an immense number of Theissen polygons from being created.

#### **Task 4.2.3 Input Facility Data**

We will obtain all facility (wells, pump station, storage tanks, and MWD turnouts) information from CMWD. Each facility will be modeled based upon as-built construction drawings, current operating conditions, and control strategies. We will input the pump curves into the model based on the latest field performance tests. Pump curves will have at least seven (7) points, including the shutoff, rated conditions or design point, maximum flow, and two points between the end points and the rated/design conditions point.

The most recent groundwater level information will be used when creating the model at the well sites.

#### **Task 4.2.4 Operational Controls and Settings**

We will obtain all current facility controls and settings from CMWD staff and SCADA information. Upon reviewing CMWD's SCADA data, we will generate a table describing the facility control/settings that were observed. We will meet with CMWD operations staff to go over our results, to gain further insight into the operation of the system, and to discuss any operational problems that the system may be currently experiencing. If typical operational



controls and settings are different between ADD and MDD, we will create separate control sets in the model to reflect the various operational conditions under the scenario being modeled.

#### **Task 4.3 Model Calibration**

##### **Task 4.3.1 Field Data and SCADA Data Collection**

We will calibrate the hydraulic model to data collected from field installed instruments and SCADA. Pressure measurements and the SCADA data will be collected for 2 weeks. Typically, a 24-hour period is selected from the two weeks of data, which is used as the calibration period. For this proposal, we have assumed that SCADA data can be provided electronically in a database format (with intervals of 5 minutes or smaller) for the following items:

1. Wells – flow and discharge pressure
2. Storage tanks – levels
3. Pump Stations – suction pressure, discharge pressure, flows, pump on/off times, motor speed if operated by a variable frequency drive
4. Imported water connections – flow and pressure (MWD data can be obtained from their website in 15-minute intervals)

We will collect the system pressure data by attaching pressure data loggers (Photograph 2) to selected fire hydrants throughout the system. We anticipate that approximately 15 data loggers will be needed to cover the entire system adequately. *Our proposal includes the cost to rent 15 data loggers for a one month period.* We will install the data loggers with assistance from CMWD staff. We will direct and oversee the field calibration data collection process.

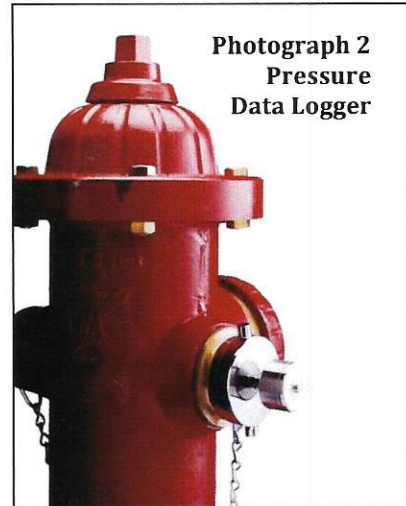
##### **Task 4.4.2 Hydraulic Model Calibration**

As described under Task 4.1.2, we will develop the diurnal water use curves from the collected SCADA data for the 24-hour calibration period. Pump operational settings active during the selected calibration period, as well as the initial conditions of facilities (storage tank levels, pump and well on/off status), will be input to model. We will adjust the system demands (based on available SCADA) to closely represent the demands experienced during the calibration period. We will then compare the model results to the SCADA data and field measured pressures to determine the accuracy of the calibration effort, including the 15 pressure data loggers installed throughout the system during the calibration work. If the model results are close to the field measurements (no more than 5 percent deviation in pressures, booster station flows and well flows; and tank levels to within 1 foot), the model will be deemed calibrated. Otherwise, we will determine the causes of the differences, make adjustments to the model, and re-run it until it closely matches the field conditions. The pipe roughness coefficients (Hazen-Williams C-values) will be the last variable adjusted in the model to reach calibration. Through an iterative process, the system calibration will be refined.

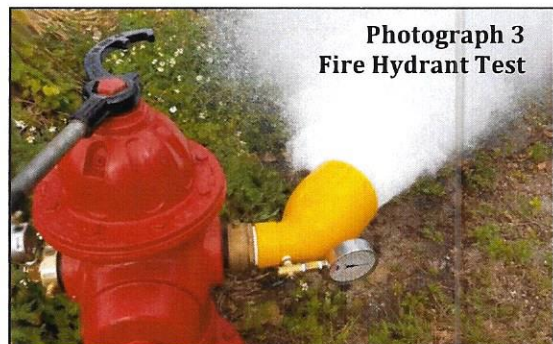
##### **Additional Services: Hydrant Flow Testing**

The following task is not included under basic services of the Water System Master Plan project, but could be completed at the request of CMWD under a separate authorization.

Fire hydrant flow testing could be conducted to further refine the calibration of the hydraulic model. Since it is best to conduct tests in areas where a measurable impact is expected, we would chose hydrant flow test locations from any existing known low pressure areas, or from existing fire hydrant flow tests results. We would use several pressure data loggers near the hydrants flowed (Photograph 3) to



**Photograph 2  
Pressure  
Data Logger**



**Photograph 3  
Fire Hydrant Test**



record actual conditions in each area during the hydrant flow tests. Likely, more than one hydrant will have to be opened in the same vicinity to develop sufficient flow velocity and pressure drop in the area for meaningful evaluations.

The fire hydrant flow tests would be conducted during the selected calibration period so that system SCADA data will be collected at the same time. Pump operational settings and initial conditions of facilities (storage tank levels, pump on/off status) will be known and could then be input into the model, and a simulation of each hydrant flow test performed. Typically we would compare the recorded static pressures as well as the residual pressures during the fire flow tests to the model calculated values. If necessary, we would make adjustments to model C-factors (and/or demands, where deemed appropriate) until the model results closely match the fire flow test results.

#### **Task 4.4 Performance Evaluation Criteria Development**

We will review CMWD's existing criteria, and evaluate its conformance to Title 17 and Title 22 of California Code of Regulations. We will recommend updates as needed. They will include performance evaluation criteria for source of supply, peaking factors, storage, fire flow, pumping capacity, redundancy, maximum and minimum pressures, minimum pipe size, as well as roughness coefficients, and velocity. We will consolidate all criteria in a separate section of the Water System Master Plan Report. We will review each criterion with CMWD prior to finalization.

Chapter 22-1 of the City of Compton's (City) Municipal Code is the City's Fire Prevention Code. It is stated that the California Fire Code and International Fire Code are adopted as the City's Fire Prevention Code. Accordingly, we will develop the fire flow criteria based on the current California Fire Code. In addition, we will recommend specific criteria such as, maximum flow at each hydrant, maximum flow velocity in the system and private fire lines, and approved pipe materials, so that clear direction can be provided to the future developers.

We will closely review the CMWD's SCADA data and production and purchase history to establish reasonable maximum day and peak hour flow factors, which will be incorporated into diurnal flow curves and used in extended period simulations. The criteria established will form the basis of subsequent analyses in verifying the adequacy and redundancy/reliability of the system and, if necessary, formulating deficiency mitigation projects.

#### **Task 4.5 Evaluate and Identify Existing System Improvements**

Upon properly calibrating the hydraulic model, we will conduct extended period simulations of the existing system and future conditions. The following subtasks describe the specific scenarios that will be evaluated.

##### **Task 4.5.1 Existing Pipe System Analyses**

The calibrated existing system model will be used to evaluate the following conditions:

- Average day demands
- Maximum day demands (peak hour conditions will be modeled in this scenario)
- Maximum day demands plus fire flows

The above described scenarios will be extended period simulations (EPS) of at least 24 hours in duration. We will review the modeling results with CMWD staff to ascertain that they are reasonable. If needed, we will make adjustments and repeat the analyses.

As necessary, pipe improvement projects will be developed to mitigate any existing system deficiencies.

##### **Task 4.5.2 Existing System Supply and Storage Analyses**

The following analyses will be conducted:

- Evaluation of existing system supply (wells/ MWD connections) to meet existing conditions (supply reliability / emergency analysis)
- Evaluation of existing pump stations to meet the criteria for the existing conditions (pump station capacity analysis)
- Evaluation of the storage tanks operations



As necessary, improvement projects will be developed to mitigate any deficiencies with source of supply, pump station, or storage.

**Task 5. Evaluate and Identify Future System Improvements**

If any future facilities are planned, we will add them into the future system model.

We will utilize the calibrated hydraulic model to conduct extended period simulations of the future system for the following conditions:

- Average day demands
- Maximum day demands (peak hour conditions will be modeled in this EPS scenario)
- Maximum day demands plus fire flow

The above described scenarios will be extended period simulations (EPS) of at least 24 hours in duration. We will review the modeling results with CMWD staff to ascertain that they are reasonable. If needed, we will make adjustments and repeat the analyses.

**Task 5.1 Demand Projections to Planning Year 2040**

Potential future developments identified during the proposal stages are listed in Table 1. We will meet with the CMWD and the City Planning Department to obtain planning data for any new development or redevelopment areas. We will calculate the future development demands based upon developed water use demand factors (Task 4.1.3) for similar type land uses and include them in the future system model. We will input specific future demands for identified proposed developments manually at selected model nodes located near the potential point(s) of connection.

**Table 1  
Potential Future Developments**

| Future Developers | Address                  | Development          |
|-------------------|--------------------------|----------------------|
| KBK               | 500 E Compton Blvd       | 37 MFR Units         |
| Prism             | 600 E Compton Blvd       | Retail Center        |
| Olson Company     | 250 N Central Ave        | 57 Townhomes         |
| City Ventures     | 930 W Compton Ave        | 24 SFR Units         |
| KBK               | 1117 S Long Beach Blvd   | 50 MFR Units         |
| Olson Company     | 1950 N Central Ave       | 30 SFR Units         |
| Red Mountain      | 2000-2014 W Compton Blvd | 21 KSF Retail Center |
| KBK Enterprises   | 1117 S Long Beach Blvd   | 50 MFR Units         |

The CMWD 2015 Urban Water Management Plan estimated an increase in total demand from 7,381 acre-feet in 2015 to 8,290 in 2035. This 12 percent increase in demand is driven by a projected 6 percent increase in service area population (from 98,119 in 2015 to 103,727 in 2040). As per the RFP, we will review the actual numbers of new dwelling units added each year in the service area and work with CMWD staff to develop a realistic population estimate, based on past growth rates and the speed with which new developments are estimated by developers to be completed in the next 10 years. Then we will extrapolate those estimates for an additional 10 years.

After known development projects are accounted for, remaining future demands estimated to be realized by 2040 will be distributed in the model in projected growth areas per the City’s direction.

**Task 5.2 Future Pipe System Analyses**

Mitigation projects for eliminating any deficiencies identified through the hydraulic analyses will be developed. This task will include the development of recommendations for expansion and/or replacement of facilities to ensure that established criteria are met. As necessary, pipe improvement projects will be developed to mitigate any future system deficiencies.

Fire flow analyses will generate the majority of the mitigation projects. Typically, for the fire flow analysis, the initial model simulation attempts to supply the entire fire flow from one location. This often results in low residual pressures at many locations. In reality, fire-fighting often takes place by using multiple fire hydrants. Therefore, the areas identified with low residual pressures will be reanalyzed using simultaneous fire flow analysis. This process is more manual and involves splitting of fire flows between multiple hydrants (typically 2 or 3). The analysis is then rerun to determine residual pressures. Often, the system will then be able to meet fire flow demands, eliminating the system deficiencies initially identified.



The simultaneous fire flow analysis is only proposed to be run for the future condition because the process is much more time consuming and because it would be prudent to plan system improvements that would meet established criteria under future demand conditions.

**Additional Services: Risk Assessment**

The following task is not included under basic scope of the Water System Master Plan project, but could be completed at the request of CMWD under a separate authorization.

It is our understanding that the majority of CMWD’s existing pipeline is over 50 years old, and it is mainly comprised of asbestos cement pipe (ACP) and unlined cast iron pipe (CIP). For this reason, it may be beneficial for CMWD to implement a risk assessment program. Risk relates to the probability of something bad happening, or the likelihood of a negative impact occurring, and how this can be avoided. Sometimes, risk is used to describe the severity of the consequence(s) related to a potential failure. Risk relates the combination of both **Likelihood of Failure (LoF)** and **Consequence of Failure (CoF)**. Risk therefore takes into account the asset’s physical condition, as well as the impact that its failure would have on system performance and stakeholders.

Machine learning technology to determine the LoF for the water pipes may be used to determine the condition of CMWD’s existing system. Machine learning algorithms use historical and geospatial data, which can be large and complex datasets containing more variables than a human can process with current tools to develop pipe break predictions customized to a utility. The algorithm “learns” as more and more data is available and input into the model. It is an efficient way to incorporate large amounts of data and improve on results over time. Information such as pipe age, material, joint types, main break history, soil data, location, and underground utility information can be utilized to develop the LoF of the water pipes using machine learning.

The resulting LoF data could then be input it into the InfoMaster software (by Innovyze) so that it could be combined with developed CoF factors to determine the risk of the pipes. A risk matrix could be developed to display the results of the risk analysis, which may be similar to what is shown on Figure 2.

The ultimate goal of the risk analysis would be to identify pipes that should be planned for replacement, condition assessment (physical or visual inspection) and/or monitoring. It should be noted, that if CMWD does not have historic records of its pipe breaks, a meaningful risk assessment might be difficult to achieve.

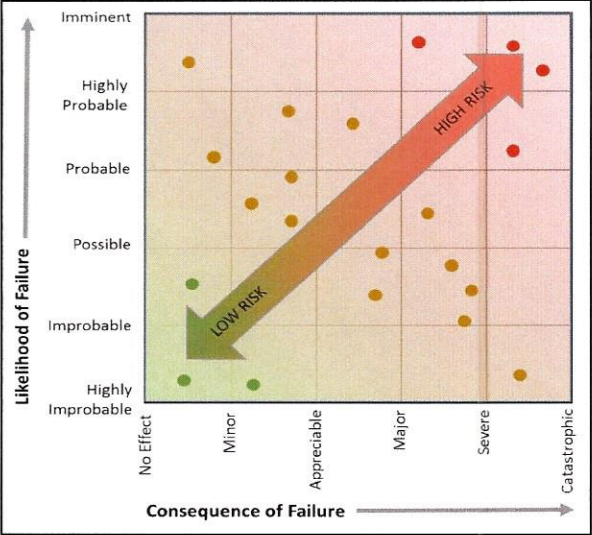
**Task 5.3 Future System Supply and Storage Analyses**

The following future supply and storage analyses will be conducted:

- Evaluation of future supply (wells/ MWD Connections) to meet future conditions (supply reliability / emergency analysis)
- Evaluation of existing pump stations to meet the criteria for the future conditions (pump station capacity analysis)
- Evaluation of the storage tanks operations under future demand and supply conditions

As necessary, improvement projects will be developed to mitigate any future deficiencies related to source of supply, pump station capacity, or storage capacity.

**Figure 2  
Risk Matrix**





#### **Task 5.4 Hydraulic Model Training**

Once the model analyses have been finalized, we will train up to three (3) CMWD employees on the use of the hydraulic model. CMWD will provide the training room, computers, and software. Training will include at a minimum:

- Data management (i.e., adding/modifying/deleting model elements, synchronization with GIS, etc.)
- Scenario management
- Fire-flow analysis
- Adding/modifying water supply sources
- Reporting results
- Common troubleshooting errors

At the conclusion of the workshop, we will deliver the final model files to CMWD.

#### **Task 5.5 Capital Improvement Program**

Based on the results of the hydraulic modeling analyses of the existing and future demand scenarios, we will develop a capital improvement program (CIP) list of potable water system projects required to meet the established system performance criteria. A summary table will be developed, including a description of the proposed improvements, priorities and total estimated implementation costs.

This table will also detail all assumptions, including the development/source of unit cost information, the current Engineering News Record (ENR) Construction Cost Index (CCI), and all contingencies used to estimate planning, design, and construction support effort costs.

#### **Task 5.6 Existing System and Future System Technical Memorandums**

Technical memorandums (TM) will be delivered as key project tasks are completed. Finalized versions of the TMs shall be included in the final Water Master Plan Report

##### **Task 5.6.1 Introduction, Study Area & Land Use, Water Production & Demand**

We will prepare a TM describing the purpose of background information and the purpose of the Water System Master Plan. We will include a general description of CMWD's water system, including existing and future land use projections.

At minimum, we will also discuss the methodology used to develop the following:

- Current and projected water demands
- Unit demand factors
- Water demand forecasting methods
- Population projections
- Locations of redevelopment and land use changes
- Demand factors (calibration period, average day, maximum day, and peak hour demand factors)
- Diurnal demand curves (calibration period and maximum day)

##### **Task 5.6.2 Existing System Description, Model Development & Calibration, Performance Evaluation Criteria**

We will prepare a TM describing the existing system and documenting the hydraulic model development and calibration, as well as the performance evaluation criteria. The TM will describe the methodology by which the model was developed, sources of data used to create and calibrate the model, and the resolution of any data gaps.

##### **Task 5.6.3 Existing System Evaluation, Future System Evaluation, Capital Improvement Program**

We will prepare a TM documenting the existing and future system evaluations, the results and the system improvement recommendations. The memorandum will include recommendations to the existing distribution pipelines, pump stations, water supply, and storage. The recommendations for the future system improvements, based on estimated growth of the service area, will also be included in a comprehensive Capital Improvement Program.

#### **Task 6. Final Master Plan Preparation**

The totality of the effort in developing the CMWD Water System Master Plan will be documented in a final report. After the completion of Task 5, we will prepare and submit the Draft Report for review and comment. The Draft Report submitted under this task will be a compilation of all the finalized deliverables provided throughout the course of the project. The Draft Report will include the following:

- Executive Summary
- Introduction and Background
- Study Area
- Water Supply
- Water Production and Demand
- Existing Water System
- System Evaluation Criteria
- Hydraulic System Analyses
- Hydraulic System Capital Improvement Program
- All previous deliverables as appendices

We will provide five (5) hard copies and one (1) electronic PDF file of and draft report. Upon review, CMWD will provide comments. A final report will then be generated which integrates CMWD's comments. Ten (10) hard copies and one (1) electronic PDF file of the Final report will be provided. Electronic files (Word or Excel) for each complete document along with the files for exhibits (typically ArcGIS files) will be provided.

#### **Task 7. Meetings and Communication**

As detailed in Task 1, we will facilitate a "kick-off" meeting, monthly progress meetings, bi-weekly project updates, and monthly invoices and progress reports to ensure that the Water System Master Plan remains on schedule. As necessary, meetings with water operations, engineering, and planning staff will be scheduled to resolve questions that are necessary for creating the calibrated water model, conducting system analyses, and developing the Water System Master Plan report.

We will keep the CMWD updated as all work performed. At a minimum, progress reports will summarize all tasks performed and completed, significant project developments, outstanding data requests, and work anticipated for the upcoming month.

#### **Task 8. Quality Assurance and Quality Control**

Quality Assurance and Quality Control (QA/QC) will be performed by the Principal-in-Charge, who will be responsible for monitoring methods and procedures of the project implementation. Weekly reviews of the work will be performed as part of the QA/QC process.

#### **Task 9. Project Schedule**

The project schedule has been developed based on the information provided during the proposal stages, and any assumptions listed throughout our detailed Scope of Work. The project schedule may change based on any of the following:

- Change to the date of contract approval by Compton's City Council (tentative date per RFP is 2/12/19)
- Change to the start date of the project (tentative date is 2/18/19)
- Missing or incomplete data. Our proposed schedule allows for 2 weeks of data gathering from the start of the project on 2/18/19. All requested data must be received by 3/1/19 in order to keep to the proposed schedule.

As necessary, we will update the project schedule as data is received and reviewed



Section 8 - Insurance



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
9/19/2018

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

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

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INSURER B: Trumbull Insurance Company 27120  
INSURER C: Travelers Casualty & Surety Co. America 31194  
INSURER D:  
INSURER E:  
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CERTIFICATE NUMBER: 9157578

REVISION NUMBER:

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

| INSR LTR | TYPE OF INSURANCE                                                                                                                                                                                                                                                                                                                                                                | ADDL SUBR INSD WVD                             | POLICY NUMBER | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS                                                                                                                                                                                                                                            |
|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|---------------|-------------------------|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A        | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY<br><div>CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR</div> <div>GEN'L AGGREGATE LIMIT APPLIES PER:<br/>POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC<br/>OTHER</div>                                                                                                | Y Y                                            | 57SBWL08719   | 9/20/2018               | 9/20/2019               | EACH OCCURRENCE \$ 2,000,000<br>DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000<br>MED EXP (Any one person) \$ 10,000<br>PERSONAL & ADV INJURY \$ 2,000,000<br>GENERAL AGGREGATE \$ 4,000,000<br>PRODUCTS - COMPIOP AGG \$ 4,000,000<br>\$ |
| A        | <input checked="" type="checkbox"/> AUTOMOBILE LIABILITY<br><div>ANY AUTO<br/><input checked="" type="checkbox"/> OWNED AUTOS ONLY<br/><input checked="" type="checkbox"/> HIRED AUTOS ONLY<br/><input checked="" type="checkbox"/> AUTOS ONLY</div> <div><input checked="" type="checkbox"/> SCHEDULED AUTOS<br/><input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY</div> | Y Y                                            | 57SBWL08719   | 9/20/2018               | 9/20/2019               | COMBINED SINGLE LIMIT (Ea accident) \$ 2,000,000<br>BODILY INJURY (Per person) \$<br>BODILY INJURY (Per accident) \$<br>PROPERTY DAMAGE (Per accident) \$<br>\$                                                                                   |
| A        | <input checked="" type="checkbox"/> UMBRELLA LIAB<br><input checked="" type="checkbox"/> EXCESS LIAB<br><div>DED RETENTION \$</div>                                                                                                                                                                                                                                              | Y Y                                            | 57SBWL08719   | 9/20/2018               | 9/20/2019               | EACH OCCURRENCE \$ 1,000,000<br>AGGREGATE \$ 1,000,000<br>\$                                                                                                                                                                                      |
| B        | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY<br>ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)<br>If yes, describe under DESCRIPTION OF OPERATIONS below                                                                                                                                                                                           | Y/N<br><input checked="" type="checkbox"/> N/A | 57WEGZ00250   | 9/20/2018               | 9/20/2019               | <input checked="" type="checkbox"/> PER STATUTE<br><input type="checkbox"/> OTH-ER<br>E L EACH ACCIDENT \$ 1,000,000<br>E L DISEASE - EA EMPLOYEE \$ 1,000,000<br>E L DISEASE - POLICY LIMIT \$ 1,000,000                                         |
| C        | Professional Liability                                                                                                                                                                                                                                                                                                                                                           |                                                | 105344511     | 9/20/2018               | 9/20/2019               | \$2,000,000 per Claim<br>\$2,000,000 Annual Aggregate                                                                                                                                                                                             |

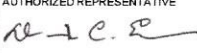
DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
FOR PROPOSAL PURPOSES ONLY. AN ACTUAL CERTIFICATE WILL BE ISSUED AT THE REQUEST OF THE NAMED INSURED.

CERTIFICATE HOLDER

CANCELLATION 30 Days Notice of Cancellation

\*\*\*\*\*SAMPLE CERTIFICATE\*\*\*\*\*

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE  


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AKM Proposal 19-1003

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Section 9 - Subconsultants

Not applicable

Section 10 - Company Profile

AKM Consulting Engineers (AKM) is a multi-disciplined professional organization established in 1990 as a California Corporation to provide water resources engineering services to public agencies. The scope of services offered by AKM includes all facets of planning, design and construction management for public works infrastructure. Our project experience comprises planning, design and construction management for potable water, wastewater, recycled water, and flood control projects. In addition, the AKM offices are fully equipped with the most up-to-date office and CADD equipment, design and modeling packages, word processing, estimating and project management software. A partial list of clients for whom AKM has provided water resources planning, design, and construction inspection/management services includes the following:

|                                                                          |                      |                                   |                          |
|--------------------------------------------------------------------------|----------------------|-----------------------------------|--------------------------|
| Alhambra                                                                 | Arcadia              | Anaheim                           | Buena Park               |
| Camarillo                                                                | Chino Hills          | Corona                            | Cypress                  |
| El Segundo                                                               | Fountain Valley      | Garden Grove                      | Glendora                 |
| Inglewood                                                                | Los Angeles          | Lompoc                            | Manhattan Beach          |
| Monterey Park                                                            | Newport Beach        | Norwalk                           | Ontario                  |
| Palmdale                                                                 | Palos Verdes Estates | Port Hueneme                      | Redondo Beach            |
| San Bernardino                                                           | San Clemente         | San Juan Capistrano               | Santa Fe Springs         |
| Stanton                                                                  | San Diego            | Seal Beach                        | Tustin                   |
| Whittier                                                                 | Camarillo San. Dist. | Central Basin Municipal WD        | Garden Grove San Dist.   |
| Inland Empire Utilities Agency                                           | Irvine Ranch WD      | Los Angeles County DPW            | Mesa Water District      |
| Monte Vista WD                                                           | Moulton Niguel WD    | Orange County Public Works        | Orange County San. Dist. |
| Orange County WD                                                         | Santa Margarita WD   | South Montebello Irrigation Dist. | South Coast WD           |
| Tri-Cities Municipal Water Replenishment District of Southern California | US Army COE          | US Navy                           | West Basin MWD           |

The focus of our experience is within Southern California, and all key project team members are fully acquainted with the local and regional issues affecting the planning, design and construction of water, recycled water, wastewater, and stormwater facilities. Our unmatched experience in water master planning, design, and regulatory compliance, as well as the technical and managerial depth of the team, will ensure successful implementation of the proposed project. A full listing of services offered by AKM is as follows:

|                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>PLANNING</b>                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                         |
| <ul style="list-style-type: none"><li>▪ Project Planning</li><li>▪ Potable Water, Recycled Water, Sewer, and Drainage Master Plans</li><li>▪ Sewer System Management Plans</li><li>▪ Economic and Financial Planning</li></ul>                                                             | <ul style="list-style-type: none"><li>▪ Conjunctive Use Planning</li><li>▪ Capital Improvement Plans</li><li>▪ Rate Studies</li><li>▪ Urban Water Management Plans</li><li>▪ Water Supply Assessments</li></ul>                                                         |
| <b>POTABLE WATER, RECYCLED WATER, WASTEWATER, AND STORMWATER</b>                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                         |
| <ul style="list-style-type: none"><li>▪ Master Plans</li><li>▪ Collection Facilities</li><li>▪ Pump and Lift Stations</li><li>▪ Permitting and Regulatory Compliance</li><li>▪ Pipeline and Transmission Facilities</li><li>▪ Wells</li><li>▪ Deficiency Reports and Inventories</li></ul> | <ul style="list-style-type: none"><li>▪ Hydrologic Studies and Analyses</li><li>▪ Flood Flow Retarding Facilities</li><li>▪ Channels</li><li>▪ Storm Drains</li><li>▪ Reservoirs and Lakes</li><li>▪ Capital and Facilities Plans</li><li>▪ Improvement Plans</li></ul> |
| <b>TECHNICAL SERVICES</b>                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                         |

|                                                                                                                                                                        |                                                                                                                                                  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>▪ Geographic Information Systems (GIS)</li><li>▪ Corrosion Control</li></ul>                                                     | <ul style="list-style-type: none"><li>▪ Scheduling</li><li>▪ CADD (Microstation, Autocad)</li></ul>                                              |
| <b>CONSTRUCTION SUPPORT</b>                                                                                                                                            |                                                                                                                                                  |
| <ul style="list-style-type: none"><li>▪ Contract Administration</li><li>▪ Inspection</li><li>▪ Construction Management</li><li>▪ Resident and Field Services</li></ul> | <ul style="list-style-type: none"><li>▪ Procurement</li><li>▪ Start-Up and Acceptance</li><li>▪ Project Close-Out</li><li>▪ Estimating</li></ul> |

**Section 11 - Project Schedule**

AKM's proposed project schedule is illustrated on the following page. It has been developed based on the information provided during the proposal stages, and any assumptions listed throughout our detailed Scope of Work. The schedule is contingent upon implementation of the scope of work as contained within this proposal and the receipt of requested information in a timely manner. Changes to the scope may affect the project schedule. However, it is acknowledged that time is and will remain of the essence throughout the course of the work. Correspondingly, all schedule modifications will be treated in a manner reflecting this consideration. AKM Consulting Engineers has the resources to accomplish the anticipated work within the schedule shown.

The project schedule may change based on any of the following:

- Change to the date of contract approval by Compton's City Council (tentative date per RFP is 2/12/19)
- Change to the start date of the project (tentative date is 2/18/19)
- Missing or incomplete data. Our proposed schedule allows for 2 weeks of data gathering from the start of the project on 2/18/19. All requested data must be received by 3/1/19 in order to keep to the proposed schedule.

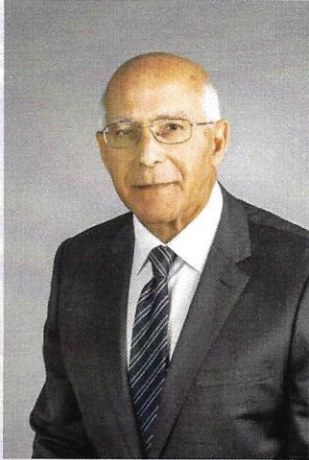






# APPENDIX - RESUMES





**Mr. Zeki Kayiran, P.E.**

**Project Role:** Principal /  
QA/QC Manager

**Professional Registration:**  
Registered Civil Engineer,  
California (C29330)

**Education:** Master of Science,  
Civil Engineering – California  
State University, Long Beach;  
Bachelor of Science, Civil  
Engineering – Robert College

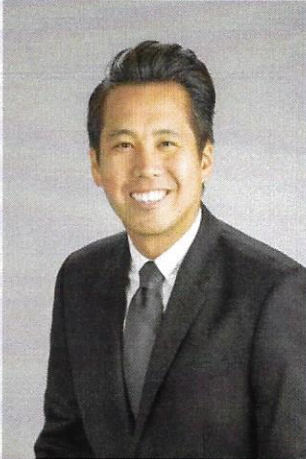
**Years of Experience:** 44

**Years with AKM:** 28

Mr. Kayiran provides comprehensive technical and management expertise in the planning and design of a wide variety of water resources engineering projects. His professional background includes a blend of consulting engineering and academic experience, including a part-time instruction in fluid mechanics and hydraulic design at California State University, Long Beach. He has been teaching water system planning and well and treatment facility design as part of the Senior Project Design class at the University of California, Irvine. Mr. Kayiran's experience includes the following:

- Water Master Plan for the City of Buena Park (2018) – Principal-in-Charge
- Water Master Plan for the City of Ontario (2019) – Principal-in-Charge
- Water Master Plan for the City of Camarillo (2016) – Principal-in-Charge
- Potable Water Model and Water Resources Master Plan Update for Irvine Ranch Water District (2014) – Principal-in-Charge
- Water Master Plan for the City of Norwalk (2014) – Principal-in-Charge
- Water Model Development, Calibration, and System Analyses for Mesa Water District (2014) – Principal-in-Charge
- Water Master Plan for the City of Monterey Park (2012) – Project Principal-in-Charge
- Water Master Plan Update for the City of Ontario (2012) – Project Manager
- Water Master Plan for the City of Seal Beach (2004 and 2012) – Project Manager, Principal-in-Charge
- Water Distribution System Master Plan for the City of Port Hueneme (2011) – Principal-in-Charge
- Water Master Plan for the City of Manhattan Beach (2010) – Principal-in-Charge
- Capital implementation Master Plan for the West Basin Municipal Water District (2009) – AKM Project Manager
- Water Master Plan for the City of Whittier (2008) – Project Manager
- Water Master Plan Update for the City of Arcadia (2001 and 2008) – Project Manager
- Water Master Plan Update for the City of San Clemente (1982, 1994, 2006) – Project Engineer, Project Manager
- Water Master Plan for the City of Corona (2005) - Project Manager
- Water Master Plan for the City of El Segundo (2005) - Project Manager
- Water Master Plan for the City of San Juan Capistrano (1999 and 2004) – Project Manager
- Water Master Plan and Update for the City of Glendora (1994, 2005) – Project Manager
- Water Master Plan Update for the City of Inglewood (2004) - Project Manager
- Water Master Plan for the South Montebello Irrigation District (1998) – Project Manager
- Water Master Plan for the Tri-Cities Municipal Water District (1998) - Project Manager
- Recycled Water Master Plan for Moulton Niguel Water District (2017) – Principal-in-Charge





**Mr. Jon Nitta, P.E.**

**Role:** Project Engineer

**Professional Registration:**

Registered Civil Engineer,  
California [2006] C69987

NASCCO PACP, MACP and LACP  
Certified [U-1106-4046]

**Education**

Bachelor of Science in Civil  
Engineering - University of  
California, Los Angeles

**Years of Experience:** 16

**Years with AKM:** 16

Mr. Nitta, a Senior Engineer with AKM, is an expert in hydraulic modeling and analysis, having prepared/updated the water/recycled water system models for the Irvine Ranch Water District and the Cities of Seal Beach, Port Hueneme, Manhattan Beach, San Clemente, El Segundo, Inglewood, and San Juan Capistrano. His related experience includes:

- Water Master Plan for the City of Buena Park (2018) – Asset Management
- Water Master Plan for the City of Ontario (2019) – Project Engineer
- Water Master Plan for the City of Camarillo (2016) – Project Engineer
- Water Model Development and Calibration for Mesa Water District (2014) – Project Engineer
- Water Master Plan for the City of Norwalk (2014) – Project Engineer
- Potable Water Model and Water Resources Master Plan for Irvine Ranch Water District (2014) – Project Engineer
- West Basin Municipal Water District Harbor Area Recycled Water Conveyance Pipeline (2014) – Hydraulic Analysis and Project Engineer
- Special Study of Cascadita Canyon Pipeline Failure and Service Alternatives to 14-590 and 9-721 Zones (2013) – Project Engineer
- Water Master Plan and Update for the City of Seal Beach (2012) – Project Engineer
- Water Distribution System Master Plan for the City of Port Hueneme (2011) – Project Engineer
- Water Master Plan for the City of Manhattan Beach (2010) – Project Engineer
- Initial Distribution System Evaluation for the City of San Clemente (2008) - Project Engineer
- Special Study of a Planned 1-week Outage of Diemer Filtration Plant for the City of San Clemente (2008) - Project Engineer
- Water Master Plan Update for the City of San Clemente (2006) – Staff Engineer
- Recycled Water Master Plan Update for the City of San Juan Capistrano (2006) – Staff Engineer
- Water Master Plan for the City of El Segundo (2005) – Staff Engineer
- Water Master Plan Update for the City of Glendora (2004) – Staff Engineer
- Water Master Plan for the City of Inglewood (2004) – Staff Engineer
- Water Master Plan for the City of San Juan Capistrano (2004) - Staff Engineer
- Recycled Water Optimization Study for Moulton Niguel Water District (2018) – Project Engineer
- Recycled Water Master Plan for Moulton Niguel Water District (2017) – Project Engineer
- Non-potable Water Model, System Analyses and Water Resources Master Plan Update for Irvine Ranch Water District (2014) – Project Engineer





**Ms. Haly Herrera**

**Role:** Hydraulic Analyses

**Certifications:**

NASSCO PACP, MACP, and  
LACP Certified [U-1014-  
06022537]

**Education:**

Bachelor of Science in Civil  
Engineering, University of  
California, Irvine

**Years of Experience:** 5

**Years with AKM:** 5

Ms. Herrera is an Associate Engineer for AKM Consulting Engineers. In this capacity she specializes in planning and design of water, recycled/non-domestic water, and wastewater systems. Her experience includes hydraulic analyses for pump selection for pump stations and wells with the use of the system models she has developed. Ms. Herrera's previous calibrated water and recycled water system model development and master planning experience includes:

- Water Master Plan for the City of Buena Park (2018) – Lead Modeling Engineer
- Water Master Plan for the City of Ontario (2019) – Lead Modeling Engineer
- Water Model Development, Calibration, and System Analyses for Mesa Water District (2014) – Staff Engineer
- Water Master Plan for the City of Norwalk (2014) – Staff Engineer
- Water Model Update for Montebello Land and Water Company (2014) – Project Engineer
- Arantine Hills Water System Study for the City of Corona (2014) – Project Engineer
- Potable Water Model, System Analyses, and Water Resources Master Plan Update for Irvine Ranch Water District (2014) – Staff Engineer
- Recycled Water Optimization Study for Moulton Niguel Water District (2018) – Lead Engineer
- Recycled Water Master Plan for Moulton Niguel Water District (2017) – Lead Engineer
- Recycled Water System Model Update and Calibration for the City of San Clemente (2017) – Lead Engineer
- Palos Verdes Lateral Feasibility Study for West Basin Municipal Water District (2016) – Lead Engineer for extending the Title 22 System model and conducting analyses for pump and pipe selections
- Non-potable Water Model, System Analyses, and Water Resources Master Plan Update for Irvine Ranch Water District (2014) – Staff Engineer





**Mr. Steve Patterson**

**Title:** Field Data Collection

**Years of Experience:** 30

**Years with AKM:** 10

**Certifications and Affiliations:**

AWWA Cross Connection Control Specialist; NPDES Storm Water Quality Training for Construction Site Activities; California Department of Public Health Water Treatment Operator; California Department of Public Health Water Distribution Operator; Orange County Health Department Backflow Device Tester; Cla-Val, Engineering, Maintenance and Design ; California Rural Water Distribution System Maintenance and Design; OSHA HAZWOPER; NIMS 700; CJPIA: Management Academy; Haestad Methods: Water System Design and Hydraulic Modeling; First Aide & CPR

Mr. Steve Patterson, an AKM Construction Manager, will be in charge of the field data collection effort. He has been responsible for installation, maintenance, and data retrieval of temporary flow measuring devices, such as Meter Masters; pump start and stop monitors such as Track-it input modules; and pressure data loggers; as well as hydrant flow testing, which are used in developing diurnal flow variations on many AKM model calibration and master plan assignments. His experience includes the following projects:

- Water Master Plan for the City of Buena Park (2018) – Engineering Technician for model development and calibration
- Water Master Plan for the City of Camarillo (2016) – Engineering Technician for model development and calibration
- Non-Potable Water Master Plan for the Moulton Niguel Water District (2016) – Engineering Technician for model development and calibration
- Potable Water System Model for Irvine Ranch Water District (2014) – Engineering Technician for model development and calibration
- Non-Potable/Recycled Water System Model for Irvine Ranch Water District (2014) – Engineering Technician for model development and calibration
- Water Master Plan for the City of Norwalk (2014) – Engineering Technician for model development and calibration
- Water Master Plan for Mesa Water District (2014) – Engineering Technician for model development and calibration
- Water Master Plan Update for the City of San Clemente (2012) – Engineering Technician
- Water Master Plan for the City of Monterey Park (2012) – Engineering Technician for model development and calibration
- Water Master Plan and Update for the City of Seal Beach (2012) – Engineering Technician for model development and calibration
- Water Distribution System Master Plan for the City of Port Hueneme (2011) – Engineering Technician for model development and calibration
- Water Master Plan for the City of Manhattan Beach (2010)– Engineering Technician for model development and calibration
- Capital Implementation Master Plan for Recycled Water Systems for West Basin Municipal Water District (2009) – Engineering Technician for model development and calibration



**PROFESSIONAL SERVICES AGREEMENT  
BETWEEN  
CITY OF COMPTON  
AND  
CONSULTANT**

This **AGREEMENT** is entered by and between the **CITY OF COMPTON**, a municipal corporation of the State of California (hereinafter referred to as "**CITY**") located at 205 South Willowbrook Avenue, Compton, California 90220, and **AKM CONSULTING ENGINEERS** (hereinafter referred to as "**CONSULTANT**"), located at 553 Wald Avenue Irvine, CA 92618

**RECITALS:**

**WHEREAS**, it is the responsibility of the Compton Municipal Water Department to ensure a safe and adequate water supply for drinking and firefighting purposes; and

**WHEREAS**, the Water Department will require Professional Engineering services for updating the Water System Master Plan; and

**WHEREAS**, essential to the project is the retention of a qualified and experienced engineering firm to provide data evaluation, and report preparation; and

**WHEREAS**, on \_\_\_\_\_, 2019, pursuant to Resolution No. \_\_\_\_\_, the City Council authorized the City Manager to enter into a professional services agreement with Insert Consultant name ("Consultant") to provide Professional Engineering services for the preparation of Water System Master Plan update; and

**WHEREAS**, Consultant warrants that it is specifically trained, experienced, competent, and has the resources to provide such services which will be required by this project; and

**WHEREAS**, Consultant is willing to render such professional services subject to the terms and conditions set forth in this Agreement.

**NOW, THEREFORE**, Consultant and City, for the consideration, terms and conditions herein described, mutually agree as follows:

**AGREEMENT:**

1. **Services to be rendered by Consultant.** It is the mutual understanding of the Parties that the Consultant shall perform and be responsible for providing professional engineering services. Services to be rendered shall include, but not be limited to the below-indicated tasks and deliverables:

As more fully specified in the City's "**Request for Proposals for Professional Engineering Services to Prepare Water System Master Plan Update**" (dated November 12, 2018) and Consultant's "**Proposal to Provide Professional Engineering Services to Prepare Water System Master Plan Update**" (dated January 10, 2019), which are incorporated by this reference.

Consultant acknowledges that in entering into this Agreement the City is relying on Consultant's special skills and experience to do and perform the services in accordance with best standards of professional practice. Consultant agrees to perform all the said services and to the extent not furnished by the City, furnish all the necessary materials at its own cost and expense necessary to complete said services in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances and to the reasonable satisfaction of the City.

Consultant services hereunder shall be performed in good, workmanlike and professional manner. Consultant shall be responsible for correcting and completing all errors and omissions related to the services provided by the Consultant for this Agreement at no additional cost to the City. "Errors" and "Omissions" for purposes of this paragraph are defined to mean a failure by the Consultant to meet the standards of its profession as set forth in the preceding paragraph. The acceptance of the services by City does not release Consultant from these obligations.

Consultant will be responsible for employing or engaging all persons necessary to perform the services. All of Consultant's staff will be qualified by training and experience to perform their assigned tasks. Consultant will give its personal attention to the fulfillment of the provisions of this Agreement by all of its employees and subcontractors, if any, and will keep the services under its control. On demand of City, if any employee or subcontractor of Consultant fails or refuses to carry out the provisions of this Agreement or appears to be incompetent or to act in a disorderly or improper manner, he or she will be discharged immediately from performing services pursuant to provisions of this Agreement.

**Diann Pay, Principal-In-Charge** of Consultant, shall be primarily responsible for representing Consultant in performance of this Agreement.

**2. Duration of Contract.** The Consultant shall commence the services provided for herein upon Notification to Proceed from the City to Consultant and continue in a diligent and professional manner until the agreed services are completed, expected to be October 24, 2019 or upon exhaustion of authorized funding, whichever occurs first, unless this Agreement is terminated as provided herein.

Consultant will generally adhere to the schedule set forth within Consultant's Proposal provided, that City will grant reasonable extensions of time for the performance of the services occasioned by unusually lengthy governmental reviews of Consultant's work product or other unavoidable delays occasioned by unforeseen circumstances; provided, further, that such unavoidable delay will not include strikes, lockouts, work stoppages, or other labor disturbances conducted by, or on behalf of, Consultant's officers or employees.

Consultant acknowledges the importance to City of City's project schedule and agrees to put forth its best professional efforts to perform the services in a manner consistent with that schedule. City understands, however, that Consultant's performance must be governed by sound practices. Consultant will work such overtime or engage such personnel and equipment as necessary to maintain the schedule, without additional compensation.

**3. Compensation.** The method of payment for this Contract will be on a fee-for-services, per Task, basis as specified within Consultant's "**Fee Proposal**" dated January 10, 2019 and incorporated herein. The total price paid the Consultant will include compensation for all work, including travel, materials, supplies, vendor services, expenses and subcontracted work. No additional compensation will be paid to the Consultant, unless there is a change in the scope

of the work or the scope of the project. In the instance of a change in the scope of work or scope of the project, adjustment to the total compensation will be negotiated between the Consultant and the City. Adjustment in the total compensation will not be effective until authorized and approved in writing by the City.

Progress payments may be made in arrears based on the percentage of work and deliverables completed by the Consultant. If Consultant fails to submit the required deliverable items according to schedule or as required by the Agreement, except for those amounts that are due and not reasonably in dispute, the City shall have the right to delay payment and/or terminate this Agreement in accordance with the provisions noted herein.

Consultant shall be reimbursed within thirty (30) days, or as promptly as fiscal procedures may permit, upon receipt by the City of itemized invoices for services completed. Invoices shall be submitted no later than 45 calendar days after the performance of work for which the Consultant is billing. Invoices shall detail the work performed on each task as applicable. Invoices shall be delivered or mailed to the **General Manager of Compton Water Department** at the following address: **City of Compton, 205 South Willowbrook Avenue, Compton, California 90220.**

As full and complete compensation for performance of all the services- identified within Tasks 1 through 9, above - to be performed by the Consultant pursuant to this Agreement, City shall pay, and Consultant agrees to accept, a not-to-exceed maximum sum of One Hundred Fifteen Thousand Four Hundred Forty Dollars (\$115,440.00).

In the event of termination, the Consultant shall be entitled to compensation for the undisputed reasonable value of services performed to the effective date of termination, including any noncancellable obligations incurred prior to termination; provided, however, that the City may condition payment of such compensation upon the Consultant's delivery to the City of any and all City property, documents, reports, records, materials and work product associated with the performance of this Agreement.

**4. Ownership of Materials.** All product produced by Consultant or its agents, employees, and subcontractors pursuant to this Agreement (the "Work Product") is the property of City. In the event this Agreement is terminated, all Work Product produced by Consultant or its agents, employees and subcontractors pursuant to this Agreement will be delivered to City pursuant to the termination clause of this Agreement.

The Work Product may be used by City and its agents, employees, representatives, and assigns, in whole or in part, or in modified form, for all purposes City may deem advisable, without further employment of or payment of any compensation to Consultant; provided, however, that if this Agreement is terminated for any reason prior to completion of the Project and if under such circumstances City uses, or engages the services of and directs another consultant to use the Work Product, City agrees to hold Consultant harmless from any and all liability, costs, and expenses relative to claims arising out of matters and/or events which occur subsequent to the termination of this Agreement as a result of causes other than the fault or negligence of Consultant, or anyone for whose acts it is responsible, in preparation of the Work Product. Consultant will not be responsible for deficiencies solely attributable to modifications of the Work Product performed by others, or that arise from use of the Documents in connection with a project or site other than that shown in the Work Product.

**5. Independent Contractor Status.** Consultant, its officers, employees, subconsultants, subcontractors, agents and volunteers (collectively hereinafter the "Consultant"), will perform the services in Consultant's own way and pursuant to this Agreement as an independent contractor and in pursuit of Consultant's independent calling, and not as an employee of City. The persons used by Consultant to provide the services under this Agreement will not be considered employees of City for any purposes. Neither the City nor any of its officers, employees, agents or volunteers shall have any control over the conduct of the Consultant, except as expressly set forth in this Agreement. Consultant expressly warrants that while engaged in carrying out and complying with any terms and conditions of this Agreement that Consultant shall not at any time or in any manner, represent that Consultant is in any manner officers, employees, agents or volunteers of the City. Consultant shall obtain no rights to retirement, health care or any other benefit that accrue to City officials, officers, or employees. Consultant expressly waives any claim to such rights.

The payment(s) made to Consultant pursuant to the Agreement will be the full and complete compensation to which Consultant is entitled. City will not make any federal or state tax withholdings on behalf of Consultant or its agents, employees or subcontractors. City will not pay any workers' compensation insurance, retirement contributions or unemployment contributions on behalf of Consultant or its employees or subcontractors. Consultant agrees to indemnify and pay City within thirty (30) days for any tax, retirement contribution, social security, overtime payment, unemployment payment or workers' compensation payment which City may be required to make on behalf of Consultant or any agent, employee, or contractor of Consultant for work done under this Agreement. At the City's election, City may deduct the amounts paid pursuant to this Section, from any balance owing to Consultant.

**6. Successors, Assignment and Delegation.** City and the Consultant each binds themselves, their partners, successors, assigns and legal representatives to the other hereto and to partners, successors, assigns and legal representatives of such other party in respect to all covenants, agreements and obligations contained in this Agreement.

The expertise and experience of Consultant are material considerations for this Agreement. Consultant shall not assign or transfer any interest in this Agreement or the performance of any of Consultant's obligations under this Agreement without the prior written consent of the City. Any attempted assignment or transfer of any of Consultant's rights, duties or obligations arising under this Agreement shall be null and void.

**7. Nondiscriminatory Employment Practices.** During the performance of this Agreement, the Consultant agrees not to discriminate against any employee or applicant for employment because of race, sex, creed, color, religion, age, sexual orientation, marital status, national origin, political affiliation, handicap or belief in accordance with requirements of City, State or Federal laws and regulations. Consultant will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, sex, creed, color, religion, age, sexual orientation, marital status, national origin, political affiliation, handicap or belief in accordance with requirements of City, State or Federal laws and regulations. Such actions shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoffs or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Consultant agrees to post in conspicuous places, available to employees, applicants and subcontractors for employment, notices setting forth the provisions of this non-discrimination clause.

In the event of the Consultant's non-compliance with the non-discrimination clause of this Agreement, this Agreement may be immediately canceled, terminated or suspended in whole or in part.

**8. Subcontracting.** Consultant's services are unique and personal. Except as may be specified in Consultant's Proposal and agreed to by the City, Consultant will not subcontract any portion of the services without prior written approval of City Manager or his/her designee. If Consultant subcontracts any of the services, Consultant will be fully responsible to City for the acts, errors and omissions of Consultant's subcontractor and of the persons either directly or indirectly employed by the subcontractor, as Consultant is for the acts and omissions of persons directly employed by Consultant. Nothing contained in this Agreement will create any contractual relationship between any subcontractor of Consultant and City. Consultant will be responsible for payment of subcontractors. Consultant will bind every subcontractor and every subcontractor of a subcontractor by the terms of this Agreement applicable to Consultant's work unless specifically noted to the contrary in the subcontract and approved in writing by City.

**9. Other Consultants.** The City reserves the right to employ other consultants in connection with the services.

**10. Indemnification.** Consultant shall indemnify and save harmless the City, its officials, officers, employees, agents and volunteers (collectively hereinafter the "City"), against any and all damages to property or injuries to or death of any person or persons, including property and employees or agents of the City and shall indemnify and save the City from any and all liability and expense including reimbursement of reasonable defense costs and legal fees, and claims, demands, suits, actions or proceedings of any kind or nature, including Workers' Compensation claims, of or by anyone whomsoever to the extent resulting from or arising out of the negligent, reckless or willful misconduct for the Consultant, its officers, employees, subconsultants, subcontractors or agents in the performance of the duties undertaken by Consultant pursuant to this Agreement.

This indemnification and hold harmless obligation does not extend to claims arising out of the negligence or willful misconduct of the City.

**11. Insurance.** Without limiting the Consultant's indemnification of the City, Consultant shall obtain and maintain, at its cost and expense, for the duration of the Agreement and any and all amendments, insurance against claims for injuries to persons or damage to property which may arise out of or in connection with performance of the services by Consultant or Consultant's agents, representatives, employees or subcontractors. The insurance will be obtained from an insurance carrier admitted and authorized to do business in the State of California. Such evidence shall specifically identify this Agreement and shall contain express conditions that the City is to be given written notice at least thirty (30) days in advance of any termination or implementation of a reduction of limits or material change of insurance coverage as specified herein. Failure on the part of the Consultant to procure or maintain insurance shall constitute a material breach upon which the City may immediately terminate this Agreement. All insurance required hereunder shall be primary with respect to any insurance maintained by the City.

**Coverages and Limits.** Consultant will maintain the types of coverage's and minimum limits indicated below, unless the Risk Manager or City Manager, in consultation with the City Attorney approves a lower amount. These minimum amounts of coverage will not constitute any limitations or cap on Consultant's indemnification obligations under this Agreement. City, its officers, agents, volunteers and employees make no representation that the limits of the insurance

specified to be carried by Consultant pursuant to this Agreement are adequate to protect Consultant. The coverage will contain no special limitations on the scope of its protection to the below-designated insured's except for Workers Compensation and errors and omissions insurance. Consultant will obtain occurrence coverage, excluding Professional Liability, which will be written as claims-made coverage. If Consultant believes that any required insurance coverage is inadequate, Consultant will obtain such additional insurance coverage, as Consultant deems adequate, at Consultant's sole expense.

11.1 Commercial General Liability Insurance. \$1,000,000 combined single-limit per occurrence for bodily injury, personal injury and property damage. If the submitted policies contain aggregate limits, general aggregate limits will apply separately to the work under this Agreement or the general aggregate will be twice the required per occurrence limit.

11.2 Automobile Liability. \$1,000,000 combined single-limit per accident for bodily injury and property damage.

11.3 Workers' Compensation and Employer's Liability. Workers' Compensation limits as required by the California Labor Code and Employer's Liability limits of \$1,000,000 per accident for bodily injury. Workers' Compensation and Employer's Liability insurance will not be required if Consultant has no employees and provides, to City's satisfaction, a declaration stating this.

11.4 Professional Liability. Errors and omissions liability appropriate to Consultant's profession with limits of not less than \$1,000,000 per claim. The coverage shall also provide an extended two (2) year reporting period commencing upon termination or cancellation of this Agreement.

Endorsements. For Commercial General Liability Insurance and Automobile Liability Insurance, Consultant will ensure that the policies are endorsed to name the City of Compton and its respective elected and appointed officers, officials, employees, agents and volunteers as **"additional insured's"** with respect to liability arising out of the activities of the Consultant. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the City. ***Prior to City's execution of this Agreement, Consultant will furnish certificates of insurance and endorsements to City.***

Waiver of Subrogation. The policies shall contain a waiver of subrogation for the benefit of City.

**12. Permits and Licenses.** Consultant, at its own expense, during the term of this Agreement, shall obtain and maintain all appropriate business and professional permits, licenses and certificates that may be required in connection with the performance of services by the Consultant. Upon execution of this Agreement, the Consultant shall show evidence of a business license permit in conformance with *Section 9-1.2 of the Compton Municipal Code*.

**13. Maintenance of Records.** Consultant will maintain complete and accurate records with respect to costs incurred under this Agreement. All records will be clearly identifiable. Consultant will allow a representative of City during normal business hours to examine, audit, and make transcripts or copies of records and any other documents created pursuant to this Agreement. Consultant will allow inspection of all work, data, documents, proceedings, and activities related

to the Agreement for a period of three (3) years, or longer if required by law, from the date of final payment under this Agreement.

**14. Warranties.** Consultant represents and warrants (i) that Consultant has no obligations, legal or otherwise, inconsistent with the terms of this Agreement or with Consultant's undertaking this relationship with City, (ii) that the performance of the services called for by this Agreement do not and will not violate any applicable law, rule or regulation or any proprietary or other right of any third party, (iii) that Consultant will not use in the performance of his responsibilities under this Agreement any confidential information or trade secrets of any other person or entity and (iv) that Consultant has not knowingly entered into or will enter into any agreement (whether oral or written) in conflict with this Agreement.

**15. General Compliance with Laws.** Consultant will keep fully informed of federal, state and local laws and ordinances and regulations which in any manner affect those employed by Consultant, or in any way affect the performance of the services by Consultant. Consultant will at all times observe and comply with these laws, ordinances, and regulations and will be responsible for the compliance of the services with all applicable laws, ordinances and regulations. In the event the Consultant encounters any conflict between such laws and ordinances, Consultant shall notify the City in writing and the parties agree to work cooperatively to resolve the conflict.

**16. Termination.** In the event of the Consultant's failure to prosecute, deliver, or perform the services, after giving written notice of default and two (2) days to correct the same, then, in

addition to any other remedies, City may terminate this Agreement for nonperformance by notifying Consultant in writing. Consultant has five (5) business days to deliver any documents owned by City and all work in progress to City address contained in this Agreement. City will make a determination of fact based upon the work product delivered to City and of the percentage of work that Consultant has performed which is usable and of worth to City in having the Agreement completed. Based upon that finding City will determine the final payment of the Agreement. In the event City elects to terminate, City will have the right to immediate possession of all Work Product and work in progress prepared by Consultant, whether located at the project site, at Consultant's place of business, or at the offices of a subconsultant.

The City's obligation is payable only from funds appropriated for the purpose of this Agreement. All funds for payments after the end of the current fiscal year are subject to the City's legislative appropriation for this purpose. In the event this Agreement extends into succeeding fiscal year periods and the City Council does not allocate sufficient funds for the next succeeding fiscal year payments, this Agreement shall terminate immediately upon written notice from the City.

Either Party, upon tendering ten (10) calendar days written notice to the other Party, may terminate this Agreement for convenience. In this event and upon request of City, Consultant will assemble the work product without charge and put it in order for proper filing and closing and deliver it to City. Consultant will be paid for work performed to the termination date; however, the total will not exceed the lump sum fee payable under this Agreement. City will make the final determination as to the portions of tasks completed and the compensation to be made.

**17. Force Majeure.** In the event that performance by either party is rendered impossible (permanently or temporarily) due to acts of war, acts of terrorism, fires, floods, epidemics, quarantine restrictions, or other natural occurrences, strikes, work slowdowns, lockouts (other



than lockout by Consultant), or other similar acts to those described above or other causes beyond the reasonable control of such party, and without fault or negligence, said event shall excuse performance by such party, or in the case of temporary impossibility, shall excuse performance only for a period commensurate with the period of impossibility. Notwithstanding the foregoing, City shall have the right to terminate this Agreement upon any event that renders performance impossible. In such case, City shall be responsible for payment of compensation for the reasonable value of services rendered to the point at which this Agreement is terminated, but in no event to exceed the total lump sum fee payable under this Agreement.

**18. Covenants Against Contingent Fees.** Consultant warrants that Consultant has not employed or retained any company or person, other than a bona fide employee working for Consultant, to solicit or secure this Agreement, and that Consultant has not paid or agreed to pay any company or person, other than a bona fide employee, any fee, commission, percentage, brokerage fee, gift, or any other consideration contingent upon, or resulting from, the award or making of this Agreement. For breach or violation of this warranty, City will have the right to terminate this Agreement for nonperformance, or, in its discretion, to deduct from the Agreement price or consideration, or otherwise recover, the full amount of the fee, commission, percentage, brokerage fees, gift, or contingent fee.

**19. Jurisdiction, Venue and Governing Law.** Any action at law or in equity brought by either of the Parties for the purpose of enforcing a right or rights provided for by this Agreement

will be tried in a court of competent jurisdiction in the County of Los Angeles, State of California, and the Parties waive all provisions of law providing for a change of venue in these proceedings to any other county. This agreement will be governed by the laws of the State of California.

**20. Testimony.** Consultant will testify at City's request if litigation is brought against City in connection with Consultant's services under this agreement. Unless the action is brought by Consultant, or is based upon Consultant's actual or alleged negligence or other wrongdoing, City, upon prior written agreement with Consultant will compensate Consultant for time spent in preparation for testimony, testimony, and travel at Consultant's standard hourly rates at the time of actual testimony.

**21. Waivers.** The waiver by either Party of any breach or violation of any term, covenant, or condition of this Agreement or of any applicable law will not be deemed to be a waiver of such term, covenant, condition or law or of any subsequent breach or violation of same or of any other term, covenant, condition or law. The acceptance by either Party of any fee or other payment which may become due under this Agreement will not be deemed to be a waiver of any preceding breach or violation by the other Party of any term, covenant, or condition of this Agreement or any applicable law.

**22. Authority.** The individuals executing this Agreement and the instruments referenced in it on behalf of Consultant each represent and warrant that they have the legal power, right and actual authority to bind Consultant to the terms and conditions of this Agreement.

**23. Severability.** If any term, provision, condition or covenant of this Agreement or its application to any party or circumstances shall be held, to any extent, invalid or unenforceable, the remainder of this Agreement, or the application of the term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected, and shall be valid and enforceable to the fullest extent permitted by law.

**24. Amendments.** This Agreement may be modified or amended only be written document executed by both Consultant and City's City Manager and approved as to form by the City Attorney. Such document shall expressly state that it is intended by the parties to amend the terms and conditions of this Agreement.

**25. Confidentiality.** All documents, reports, information, data, and exhibits prepared or assembled by Consultant in connection with the performance of the services pursuant to the Agreement are confidential until released by the City to the public, and the Consultant will not make any of these documents or information available to any individual or organization not employed by the Consultant or the City without the written consent of the City before any such release.

**26. Entire Agreement.** This Agreement, together with any other written document referred to or contemplated by it embody the entire Agreement and understanding between the parties relating to the subject matter of it. The City Manager is authorized, in consultation with the City Attorney, to agree to non-material amendments to this Agreement. Neither this Agreement nor any of its provisions may be amended, modified, waived or discharged except in a writing signed by both parties.

**27. Notices.** Any notices required or permitted under this Agreement shall be effective when delivered in person; and effective one (1) business day after delivery by facsimile transmission; and effective five (5) days after mailing by U.S. Mail, postage prepaid and properly addressed as follows:

**To Consultant:**

**To City:**

**City of Compton  
205 South Willowbrook Avenue  
Compton, California 90220  
Attn: General Manager, Compton Municipal  
Water Department  
(310) 605-5505  
(310) 605-6326 – fax.**

**With copy to:**

**City of Compton  
205 South Willowbrook Avenue  
Compton, California 90220  
Attn: City Manager**

In the event of any change of address, the moving party is obligated to notify the other party of the change of address in writing. Each party may amend, supplement and update the notice list to add, delete or replace any listed individuals; however, the amendment must be in writing.

**28. Miscellaneous.** No provision of this Agreement is to be interpreted for or against either party because that party or that party's legal representative drafted such provision.

Should either party hereto, or any representative, successor or assign of either party hereto, resort to litigation to enforce the provisions of this Agreement, the party or parties prevailing in such litigation shall be entitled, in addition to such other relief as may be granted, to recover its or their reasonable attorney's fees and costs in such litigation from the party or parties against whom enforcement is sought.

**IN WITNESS WHEREOF, CONSULTANT** has executed this Agreement, and the **CITY**, by its City Manager, who is authorized to do so, has executed this Agreement.

**CONSULTANT**

Dated: \_\_\_\_\_

By \_\_\_\_\_  
Zeki Kayiran, Principal

**CITY OF COMPTON**  
**Recommended for Approval:**

By \_\_\_\_\_  
Brian A. Dickinson General Manager  
Compton Municipal Water Department

Dated: \_\_\_\_\_

Approved by:

Dated: \_\_\_\_\_

By \_\_\_\_\_  
Cecil W. Rhambo, Jr., City Manager

Approved as to form:

By \_\_\_\_\_  
Craig J. Cornwell, City Attorney

Dated: \_\_\_\_\_

**ATTEST:**

Dated: \_\_\_\_\_

By \_\_\_\_\_  
Alita Godwin, City Clerk

**SUBJECT: REQUEST FOR PROPOSALS (RFP) FOR PREPARATION OF A  
COMPREHENSIVE WATER SYSTEM MASTER PLAN UPDATE**

Dear Responding Consultant:

The City of Pico Rivera and Pico Rivera Water Authority (PRWA) is requesting proposals for professional engineering services to prepare an update to the 2009 Water System Master Plan to assist with the orderly and future replacement and upgrading of water system facilities.

To be considered responsive to the RFP requirements, Consultants must submit a proposal indicating their knowledge and experience related to the services being sought. If you have any questions, please contact Mr. Brian A. Dickinson, by phone at (562) 801-4221 or by email at [bdickinson@pico-rivera.org](mailto:bdickinson@pico-rivera.org).

In order for your proposal to be considered, submit four (4) copies marked "Comprehensive Water System Master Plan Update" to:

Mr. James Enriquez, P.E.  
Director of Public Works/City Engineer  
City of Pico Rivera  
6615 Passons Boulevard  
Pico Rivera, CA 90660-1016

**Submission Deadline: August 30, 2018 at 10:00 a.m.**

Sincerely,

James Enriquez, P.E.  
Director of Public Works/City Engineer

JE:JL:lg

Enclosure

**Request for Proposals (RFP)**  
**PREPARATION OF A COMPREHENSIVE WATER SYSTEM MASTER PLAN UPDATE**  
**Consultant Services**

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**Appendix A:** Sample Agreement for Professional Services

## **INTRODUCTION;**

The City of Pico Rivera and Pico Rivera Water Authority (PRWA) is requesting proposals for professional engineering services to prepare an update to the 2009 Water System Master Plan to assist with the orderly and future growth of the City.

The majority of this work will be to evaluate the existing water facilities (which include water pipelines, pump stations, wells and tanks).

The overarching goal of this project is to have a master plan document that clearly describes the existing capacities of the services along with a logical and planned approach and recommendations for the orderly expansion of the services that will be required by future residential, business and commercial growth in the PRWA service area. A complete but coordinated master plan document is expected as the final deliverable.

It is anticipated that the master plan will be carefully coordinated so that when a developer comes to the City with a proposed development, the City will be able to evaluate the size and scope of the proposed development and clearly define the infrastructure improvements (both on-site and off-site) that the development must agree to complete before the particular development can be occupied. For example, a proposed 25 home development or an industrial/manufacturing facility may require the construction of new water infrastructure such as expanding the capacity of a booster pump station, new or parallel water transmission mains or a new reservoir in the system to meet the demands to the proposed development. The domestic water system will need to be evaluated by the pressure zone(s) in which the development will occur.

The creation of the master plan will be based on the current land use plans for the City of Pico Rivera for the land within the PRWA service area. Using these approved land use plans, the consultant will determine the probable maximum density of development and estimate the number of dwelling units that can occur within that land use area. Future services capacity will be determined by subtracting the level of service currently available for water from the maximum estimated number of future dwelling units and their anticipated maximum level of water demand.

For the potable water system, this evaluation will need to be done based on the pressure zones already established by the City so that size of future water transmission mains, water tanks and pump stations for each pressure zone can be determined.

A detailed list of future required master plan facilities will need to be developed and the capital cost for constructing the facilities included in the master plan. However, unlike previous facilities master plans, these facilities will not be tied to a calendar of construction but simply have their cost estimate done for the mid-to-late 2019 time period. The purpose is to give a general idea of the cost of the new facilities which can later be revised by using the ENR construction cost index as an indicator of the then current cost of construction when the facility is finally ready to be designed and constructed in the

future.

One of the most important parts of this master plan work will be to accurately estimate the rate of population growth that can be expected in the City. These numbers will be used to estimate the time frame when additional water supply sources will be needed and to give a time estimate of when expansions of the wastewater treatment facilities may be needed. Past experience has been to use population growth estimates provided by Los Angeles County. However, those numbers tend to be extremely optimistic and overestimate both the numbers and speed of population growth causing the early construction of major infrastructure facilities by the City without the population and connection fees to pay for them. The consultant will be expected to review the actual numbers of new dwelling units added each year in the City's service area and, working with staff, develop a more realistic estimate based on past growth rates and the speed with which new developments are estimated by developers to be completed in the next 10 years and then extrapolating those estimates for an additional 10 years. These population numbers along with developing new water demand will be the backbone to estimating the need and size of major future facilities.

This RFP describes the project, the required scope of services and the required minimum information to be included in the proposal. Consultants shall submit an expedited, but realistic, project schedule to perform the scope of work. It is expected that this Master Plan update will be completed and delivered to the City by the end of March 2019. Comprehensiveness of the project approach, the experience and qualifications of the individual team members and **the proposed completion schedule** will be key factors in the proposal evaluation.

The anticipated schedule for the consultant selection process for the preparation of the Water Facilities Master Plan is shown below:

|                                |                    |
|--------------------------------|--------------------|
| Release of RFP:                | July 10, 2018      |
| Mandatory Pre-proposal Meeting | July 18, 2018      |
| Deadline for Written Questions | August 1, 2018     |
| Responses to Questions         | August 15, 2018    |
| Proposals are Due              | August 30, 2018    |
| Proposal Evaluation Completed  | September 12, 2018 |
| Award of MSA by Council        | September 25, 2018 |



## **EXHIBIT A**

### **I. INTRODUCTION**

The City Pico Rivera and Pico Rivera Water Authority (PRWA) invites proposals for **Completing an Update to the 2009 Water System Facilities Master Plan**, Project Number **xxxxxx**, from firms or individuals capable of performing engineering services as described in the attached Scope of Work (Exhibit D).

The majority of this work will be to evaluate the existing water facilities (which include water pipelines, pump stations, wells and tanks).

The overarching goal of this project is to have a master plan document that clearly describes the existing capacities of the services along with a logical and planned approach and recommendations for the orderly expansion of the services that will be required by future residential, business and commercial growth in the PRWA service area. A complete but coordinated master plan document is expected as the final deliverable.

It is anticipated that the master plan will be carefully coordinated so that when a developer comes to the City with a proposed development, the City will be able to evaluate the size and scope of the proposed development and clearly define the infrastructure improvements (both on-site and off-site) that the development must agree to complete before the particular development can be occupied. For example, a proposed 500 home development may require the construction of new water infrastructure such as expanding the capacity of a booster pump station, new or parallel water transmission mains to the proposed development and/or a new water tank for the domestic water system. The domestic water system will need to be evaluated by the pressure zone(s) in which the development will occur.

The creation of the master plan will be based on the current land use plans for the City of Pico Rivera for the land within the PRWA service area. Using these approved land use plans, the consultant will determine the probable maximum density of development and

estimate the number of dwelling units that can occur within that land use area. Future services capacity will be determined by subtracting the level of service currently available for water from the maximum estimated number of future dwelling units and their anticipated maximum level of water demand.

For the potable water system, this evaluation will need to be done based on the pressure zones already established by the City so that size of future water transmission mains, water tanks and pump stations for each pressure zone can be determined.

A detailed list of future required master plan facilities will need to be developed and the capital cost for constructing the facilities included in the master plan. However, unlike previous facilities master plans, these facilities will not be tied to a calendar of construction but simply have their cost estimate done for the mid-to-late 2019 time period. The purpose is to give a general idea of the cost of the new facilities which can later be revised by using the ENR construction cost index as an indicator of the then current cost of construction when the facility is finally ready to be designed and constructed in the future.

One of the most important parts of this master plan work will be to accurately estimate the rate of population growth that can be expected in the City. These numbers will be used to estimate the time frame when additional water supply sources will be needed and to give a time estimate of when expansions of the wastewater treatment facilities may be needed. Past experience has been to use population growth estimates provided by Los Angeles County. However, those numbers tend to be extremely optimistic and overestimate both the numbers and speed of population growth causing the early construction of major infrastructure facilities by the City without the population and connection fees to pay for them. The consultant will be expected to review the actual numbers of new dwelling units added each year in the City's service area and, working with staff, develop a more realistic estimate based on past growth rates and the speed with which new developments are estimated by developers to be completed in the next 10 years and then extrapolating those estimates for an additional 10 years. These population numbers along with developing new water demand will be the backbone to estimating the need and size of major future facilities.

Those firms interested in submitting proposals must demonstrate their expertise and experience in the performance of the design of similar projects and project elements as described in the attached Scope of Work.

Consultant is encouraged to submit an expedited, but realistic project schedule. The proposed schedule, along with associated comprehensiveness of the project approach and the strength of the individual team member qualifications on a per-project-element basis will be a factor in the proposal evaluation.

Consultant is cautioned that, should the proposal allow for a team of consultant firms to complete the work per this Scope, only the lead firm shall be allowed to perform project

management duties and interface with the City. City will enter into the Master Services Agreement (MSA) with this firm only.

Consultant's proposal shall identify a Project Manager and a Principal-In-Charge. Any substitution of managers by the Consultant shall require City approval. It is anticipated that the City's Water Operations Project Manager will be the primary point of contact for the consultant.

Those firms interested in submitting proposals must demonstrate their expertise and experience in the preparation of similar engineering reports and studies in a developed urban area.

## **II. SCOPE OF WORK**

The Scope of Work is set forth in Exhibit D which is an integral part of this Request for Proposals. Consultants need to identify any exceptions, additions, and/or deletions they are proposing to this scope in their proposal.

## **III. CONSULTANT'S PROPOSAL**

The Consultant shall include the following in their proposal:

- A. Name and address of the Consultant's main office.
- B. A resume of the individual(s) who would be assigned to those positions which the Consultant proposes to be included as part of the engineering team with special emphasis on experience on related projects. In addition, the Consultant shall include the following:
  - 1. Consultants or subconsultants to be used on the project.
  - 2. Recent similar master plan engineering studies and reports which the firm has completed in the last five years including project description, name and location, and cost.

- C. The Consultant must submit a statement acknowledging the Scope of Work and exceptions, deletions, alterations, or additions to the scope or provide an alternative Scope of Work. Include the approach to address the tasks outlined and the man-hours estimated to conduct and complete each element of the Scope of Work, broken out by each consultant or class of consultants that will be assigned to the project. A matrix format indicating hours per classification for each task should be included with appropriate totals for easy evaluation of labor tasks by the City staff evaluating the proposals. It should be a separate table from the proposed project fee table.
- D. A Conflict of Interest Disclaimer. The Consultant must submit the attached Conflict of Interest Disclaimer (Exhibit C) statement disclosing interest, ownership or remuneration of any type that has been received or is anticipated from any manufacturer, supplier or distributor which may be recommended on the project.
- E. The Consultant must include with his proposal the attached "Acknowledgment of Insurance Requirements" (Exhibit B) form acknowledging that he can provide the errors and omission insurance coverage as stated hereinafter, and also included in the Professional Services Agreement (Exhibit E). Insurance requirements are as follows:

General. The insurance requirements are generally shown in the sample MSA. Specific requirements are described below.

- i. Insurance shall be issued and underwritten by insurance companies acceptable to City. Insurers must be admitted carriers and authorized to transact business in the State of California, pursuant to order of the Office of the State Insurance Commissioner.
- ii. Insurers must have an "A" Policyholder's Rating and Financial Rating of at least Class VII, in accordance with the most current A.M. Best's Guide Rating.
- iii. Coverage shall be in effect prior to the commencement of any work under this Agreement.

Worker's Compensation. If Consultant intends to employ employees to perform services under this Agreement, Consultant shall obtain and maintain, during the term of this Agreement, worker's compensation/employer's liability insurance in the statutory amount as required by state law. Such worker's compensation insurance shall be endorsed to provide for a waiver of subrogation against City.

Errors and Omissions. Consultant shall maintain in full force and effect, throughout the term of this Agreement, standard industry form professional negligence errors and omissions insurance coverage in an amount of not less than One Million Dollars

(\$1,000,000) per claim or occurrence, in accordance with the provisions of this Paragraph. If the policy of insurance is written on a “claims made” basis, said policy shall be continued in full force and effect at all times during the term of this Agreement, and for a period of five (5) years from the date of the completion of the services hereunder.

In the event of termination of said policy during this period, Consultant shall obtain continuing insurance coverage for the prior acts or omissions of Consultant during the course of performing services under the terms of this Agreement. Said coverage shall be evidenced by either a new policy evidencing no gap in coverage or to obtain separate extended “tail” coverage with the present or new carrier.

In the event the present policy of insurance is written on an “occurrence” basis, said policy shall be continued in full force and effect during the term of this Agreement, or until completion of the services provided for in this Agreement, whichever is later. In the event of termination of said policy during this period, new coverage shall be obtained for the required period to insure for the prior acts of Consultant during the course of performing services under the terms of this Agreement.

Consultant shall provide to City a certificate of insurance in a form acceptable to PRWA indicating the deductible or self-retention amounts and the expiration date of said policy, and shall provide renewal certificates not less than ten (10) days prior to the expiration of each policy term.

Notice of Cancellation/Termination of Insurance. The above policy/policies of insurance shall not terminate, nor shall they be canceled, nor the coverage reduced, until after thirty (30) days written notice is given to City, except that ten (10) days notice shall be given if there is a cancellation due to failure to pay a premium.

Proof of Insurance Requirements. Consultant shall submit the certificate of insurance, including the deductible or self-retention amount, to City's Insurance Administrator for certification that the insurance requirements of this Agreement have been satisfied prior to commencement of any work under this Agreement.

Other Insurance Requirements: See General Liability requirements in MSA. Consultant shall additionally carry or require subconsultants to carry Employer's Liability Insurance, and Automobile Liability Insurance where Consultant's work or their subconsultant's work will involve personnel working in public right-of-ways and streets.

- F. A fee proposal in the required format (to be submitted in letter and table form in a separate envelope) which sets forth a fee breakdown based on the tasks, assigned consultant staff hourly billing rates, expenses and subconsultants fees, if applicable.

- G. Any additional material which the firm or individual feels will aid PRWA in determining the Consultant's qualifications for performing the required work.
- H. The Consultant shall enter into a contract with City by signing City's Master Services Agreement. A **sample** copy of the Master Services Agreement is provided. (See Exhibit E).

The proposal should include a statement that the consultant is willing to sign the MSA in its current form or that changes or modifications will be required prior to signing. If the consultant needs to make changes, those should be noted on a copy of the MSA and submitted with the proposal.

#### **IV. EVALUATION PROCEDURES**

A Selection Committee from City will evaluate and rank the proposals based on qualifications and the consultant's expected schedule for completion of the project. The top-rated proposers may be invited to meet with the Selection Committee for an oral presentation or may be selected on the basis of the proposals only. City may elect to negotiate with top ranked firm for fees and contract provisions.

#### **V. SUBMITTAL OF PROPOSALS**

Proposals will be received at the Public Works office at the City on or before the date stipulated in the letter inviting proposals.

City will assume that those firms not attending the mandatory pre-proposal meeting on the date stipulated have elected not to participate in the proposal submittal process.

(Submit with Proposal)

**EXHIBIT B**

**ACKNOWLEDGMENT OF INSURANCE REQUIREMENTS  
AND CERTIFICATION OF ABILITY TO  
PROVIDE COVERAGES SPECIFIED**

I, \_\_\_\_\_, the  
\_\_\_\_\_  
(President, Secretary, Manager,  
Owner or Representative)

of \_\_\_\_\_, certify that the  
(Name of Company or Corporation or Owner)

Insurance Requirements set forth in the Section III E and the sample contract have been  
read and understood and that our insurance company(ies)

\_\_\_\_\_  
[fill in name(s) of insurance company(ies)]

is/are able to provide the coverages specified.

\_\_\_\_\_  
Signature of President, Secretary,  
Manager, Owner or Representative

\_\_\_\_\_  
Date



(Submit with Proposal)

**EXHIBIT C**

**CONFLICT OF INTEREST DISCLAIMER**

The undersigned, \_\_\_\_\_, declares that  
(Print or Type Name)

\_\_\_\_\_ does have/does not have (cross out one)  
(Name of Firm)

interest, ownership or receives or anticipates receiving remuneration of any  
type from the manufacturer(s), supplier(s) or distributor(s) which may be  
recommended on the project, as listed below.

| <u>Firm</u> | <u>Product</u> | <u>Remuneration</u> |
|-------------|----------------|---------------------|
| _____       |                |                     |
| _____       |                |                     |
| _____       |                |                     |
| _____       |                |                     |

\_\_\_\_\_  
Signature of President, Secretary,  
Partner, Owner or Representative

\_\_\_\_\_  
Date

## **EXHIBIT D**

### **SCOPE OF WORK FOR**

### **COMPLETING AN UPDATE TO THE WATER SYSTEM FACILITIES MASTER PLAN**

**PROJECT NO. XXXXX**

#### **I. SUMMARY**

Provide master plan writing services including graphics exhibits, tables, and other engineering services as described herein for updating the water system facilities master plan. The project is located in the service area of the Pico Rivera Water Authority.

#### **II. BACKGROUND AND PROJECT DESCRIPTION**

Pico Rivera Water Authority (PRWA) is a publicly owned water service agency with approximately 9,400 water connections and approximately 98 miles of pipeline. Pico Rivera is located in southeastern Los Angeles County and encompasses approximately 10 square miles (as shown in 2009 Master Plan).

This RFP solicits engineering services for completing an update to the Water System Facilities Master Plan to examine the alternatives available to the City for the future orderly expansion or replacement of the infrastructure by making recommendations and providing possible solutions for consideration by the City.

The product of the design will be a comprehensive Water Master Plan that will clearly provide solutions for expanding or replacing the infrastructure facilities in the future. The master plan shall be a coordinated set of documents that use similar population and development information and include the necessary exhibits, tables, cost estimates and supporting text to achieve City's goals stated herein and be within the professional standards of practice.

#### **III. MINIMUM SCOPE OF WORK**

##### **Task 1 – Project Management**

- Project kick-off meeting with the City.
- Monthly coordination meetings with the City.

- Bi-weekly project updates via e-mail and phone to discuss budget, schedule and project issues between the consultant's project manager and the City's Water Operations Project Manager.
- One presentation to the City Council (Board Meeting) for the Master Plan at the completion of the planning effort to discuss the results, recommendations and implementation.

## **Task 2 – Document Gathering and Site Visits**

- A. Collect and review documentation of existing PRWA facilities pertinent to the scope of this project, including but not limited to:
  - Previous designs, studies, reports, master plans and documents relevant to the project;
  - Permits, Cooperative Agreements, and other relevant regulatory documentation as may be needed;
  - Records of water demands, recycled and the number of new homes or businesses added each year in the service area;
  - General Plan from the city;
  - Previous City (PWRA) Master Plans as needed.
  - 2015 Urban Water Management Plan
- B. Arrange and conduct site visits as needed. It is not anticipated that many site visits will be required since most if not all of the pertinent information can be developed from existing records, previous master plans and the GIS system.

## **Task 3 – Existing Data Analysis**

- Review all pertinent documents applicable to the preparation of the master plan.
  - Prepare necessary calculations and tables of data.
  - Use the General Plan of the City of Pico Rivera as sources of outside information.
- Deliverable - The Consultant shall summarize the projections and results of the above analysis in a Technical Memorandum and submit 5 hard copies and an electronic copy (WORD/EXCEL) for the City review. City comments shall be incorporated into the Draft Technical Memorandum.

## **Task 4 – Evaluate Capacity and Reliability of Existing Facilities**

- Evaluate the capacity of the existing water facilities including all tanks, pumps, pipes, wells and other ancillary equipment necessary to deliver potable water to customers.
- Identify limitations in existing facilities with the existing population served, identify those facilities needing to be replaced and/or have parallel facilities constructed

and suggest improvements to increase the reliability of the deficient facilities to bring service up to minimum standards for flow, pressure and capacity.

- Deliverable - The Consultant shall summarize the collected data and summarize the results of the above analysis in a Technical Memorandum and submit 5 hard copies and an electronic copy (WORD/EXCEL) for the City review. City comments shall be incorporated into the Draft Technical Memorandum. This document shall be the basis for developing future population numbers, rates of development and determining the need for increased water supplies.

### **Task 5 – Evaluate and Identify Future Water System Improvements**

- One of the major tasks of the Water Facilities Master Plan will be to identify future sources of water that may be used by the City to diversify its Water Resource Portfolio.
- A Water Master Plan was last prepared in 2009. It is the intent of this 2019 Water Master Plan to recalculate water demands within the City and the subsequent infrastructure improvements keyed to the addition of new homes and businesses that may increase and decrease over time rather than strictly on a time basis. That way the City will be able to watch the actual number of new homes being added in any given year as an indicator of the need for infrastructure improvements rather than just assuming a regular population increase driving the need for water system improvements.
- Information to be Included in the Water System Facilities Master Plan  
Goal: To evaluate by pressure zone the water distribution system for current capacity, future capacity and identify the improvements that will be needed to aid with future development.
  1. Introduction
  2. Study Area and Land Use
    - a. Study area
    - b. Land use (with current City General Plan)
    - c. Potential developments
      - i. Possible developable areas (City General Plan)
      - ii. Areas not to be developed because of land use restrictions
    - d. Population growth to 2040
  3. Water Production and Demand
    - a. Historical water production
    - b. Historical water demands
    - c. Potable water demand projections
      - i. Water demand factors per capita and edu
      - ii. Peaking factors
      - iii. Demand projection summary
      - iv. Minimum water system performance standards

- d. Diurnal curve of water demands
  - e. Demand increase with population and development increases
- 4. Existing Water System Analysis
  - a. Pressure Zones (2009 Master Plan)
  - b. Water supply
    - i. Ground water wells (2009 Master Plan)
    - ii. MWD imported water
  - c. Existing Pipelines
  - d. Booster pumping stations
  - e. Storage reservoirs (2009 Master Plan)
  - f. Pressure reducing stations
- 5. Computer Model Hydraulic Analysis update/recalibrate (Current Model Innovyze InfoWater)
  - a. City desires to update and recalibrate the existing computer model that can swap data to and from the GIS system.
  - b. All data files will be given to the City at the end of the project.
  - c. Consultant will provide a minimum of three days training (three people) on use of the software so that City staff can update and run water system analyses in the future.
- 6. Planning and evaluation criteria
  - a. Water sources
  - b. System pressures
  - c. Pump station capacity by pressure zone
  - d. Storage volumes by pressure zone
  - e. Fire flow criteria
  - f. Pipeline velocities
  - g. Cost estimating basis
- 7. Existing Water System Evaluation
  - a. Source of water analysis
  - b. System pressure analysis
    - i. Existing pipeline capacity
    - ii. Existing pipeline improvement recommendations
  - c. Booster pump station analysis
    - i. Booster pump capacity by pressure zone
    - ii. Existing booster pump station improvements recommendations
  - d. Storage volume analysis
    - i. Storage volume by pressure zone
    - ii. Existing storage volume improvement recommendations

- e. Identify areas where additional water system improvements are necessary to bring the level of service to minimum standards for flow, pressure and fire protection.
    - i. Provide detailed recommendations for system improvements to the areas of deficient service. This will be done with input by City staff.
- 8. Future Water System Evaluation based on Development Growth
  - a. Evaluations to be made based on estimated schedule for development (number of DU/year) for a 20-year planning period to 2040 with an estimated minimum and maximum range;
  - b. Future water sources
    - i. Recommendations for other sources of water
      - 1 Ground water from the Elsinore Groundwater Basin
      - 2 Additional treated water capacity from Canyon Lake
      - 3 Additional regional imported water from MWD
      - 4 Use of local ground water from near-by basins
    - ii. Recommendations for ground water recharge
    - iii. Use of water from proposed desalting processes
  - c. Future pipeline improvements by pressure zone
  - d. Future booster pump station improvements by pressure zone
  - e. Future storage improvements by pressure zone
  - f. Summary of recommended infrastructure improvements based on the rate of development in the City service area.
- 9. Capital Improvement Program
  - a. Water supply improvement
  - b. Pipeline improvements
  - c. Booster pump station improvements
  - d. Storage volume improvements

A detailed list of future required master plan facilities will need to be developed and the capital cost for constructing the facilities included in the master plan. However, unlike previous facilities master plans, these facilities will not be tied to a calendar of construction but simply have their cost estimate done for the mid-to-late 2019 time period. The purpose is to give a general idea of the cost of the new facilities which can later be revised by using the ENR construction cost index as an indicator of the then current cost of construction when the facility is finally ready to be designed and constructed in the future.

- Deliverable: the Consultant shall submit a technical memorandum for Sections 1, 2 and 3; a technical memorandum for Sections 4, 5 and 6; and a technical memorandum for Sections 7, 8 and 9 for review by the City.

### **Task 6 – Final Master Plan Preparation**

- The Consultant shall prepare a draft master plan document for the water master plan summarizing the results of all tasks in a logical manner and incorporating City's comments on the previous technical memoranda. The master plan shall include an executive summary and all appropriate exhibits, figures, tables and text.
  - Deliverable – The Consultant shall deliver five (5) hard copies and an electronic pdf version to the City for review. The Consultant shall conduct a meeting with the City staff to present and discuss the recommendations.
- The Consultant shall prepare the final master plan documents addressing the City's comments on the Draft Reports.
  - Deliverable – The Consultant shall deliver the Final Project Report as follows:
    - Ten (10) hard copies
    - An electronic pdf version
    - Original electronic files (Word or Excel) for each complete document along with AutoCad files for exhibits.

### **Task 7 – Meetings and Communications**

Design Meetings: Consultant shall confer with and meet with City Water Operations Project Manager and staff to review the work in progress, report problems and concerns, and receive comments on the Master Plan Documents as needed. Consultant shall prepare agendas and conference notes for all meetings and shall submit the notes to PRWA within three working days of the meeting. The delivery of each of the Technical Memorandum submittals shall be complemented with a formal review meeting with the City. A final review meeting may have to be conducted after the 100% submittal if City is not satisfied. Consultant's Project Manager shall attend the meetings with City. The Consultant's sub-consultants shall attend the meetings as necessary.

Consultant shall also keep City informed of all project developments by telephone, email or mail. Consultant shall document significant correspondence including meeting minutes and copy City. Consultant shall keep a decision matrix of all significant decisions made between Consultant and City affecting the engineering report/study. The matrix shall be regularly updated and submitted to City.

Upon request by City, Consultant shall attend meetings that may be required by city, county or other agencies. Consultant shall prepare displays or materials as needed by City for those meetings.

### **Task 8. QA/QC**

Consultant shall subject all documents prepared by the Consultant to the Consultant's



in-house QA/QC procedures prior to submittal to City for review. Each submittal shall be accompanied by a written statement from the Principal-in-Charge of the project that the documents being submitted have been checked for completeness, accuracy and consistency.

Consultant shall check all design calculations, drawings, specifications, construction cost estimates, and reports. Consultant shall perform an integrated design review for multidisciplinary documents to provide coordination and avoid conflicts in the documents. Qualified individuals who are not directly involved in the design or supervision of the work shall check the work.

### **Task 9. Project Schedule**

PRWA anticipates requiring approximately four weeks to review and obtain Council approval to award the Consultant's MSA after submittal to the City. Once the MSA is awarded, Consultant shall provide the required insurance and executed contract documents as soon as possible.

The kick-off meeting will be scheduled after execution of the MSA. The kick-off meeting will represent the beginning of the project and will be considered the first scheduled date. Consultant shall establish a schedule along with milestones for the remainder of the project. The schedule shall allow City review periods. City anticipates that the master plan documents will be completed by March 31, 2019.

END OF SCOPE OF WORK

Exhibit E

**MASTER RETAINER AGREEMENT  
FOR PROFESSIONAL CONSULTING SERVICES  
BETWEEN THE CITY OF PICO RIVERA AND**

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THIS MASTER RETAINER AGREEMENT for professional consultant services ("Agreement") is entered into by and between the City of Pico Rivera, a California municipal corporation (the "City") and \_\_\_\_\_, (the "Consultant"). The City and the Consultant are referred to herein individually as a "Party" and collectively as "Parties."

**RECITALS**

**WHEREAS**, the City desires to retain the Consultant to perform professional consulting services for the City on an as-needed, per-project basis;

**WHEREAS**, the Consultant is willing to perform the services defined herein on an as-needed, per-project basis;

**WHEREAS**, the Consultant represents that the principal representative stated below is authorized to act as such on behalf of the Consultant; and

**WHEREAS**, the Consultant represents that it is fully qualified to perform such professional services by virtue of its experience and the training, education and expertise of its principals and employees. The Consultant further represents that it is willing to accept responsibility for performing such services in accordance with the terms and conditions set forth in this Agreement.

**NOW, THEREFORE**, for and in consideration of the performance by the Parties of the mutual covenants and conditions herein contained, the Parties hereto agree as follows:

1. **TERM.** The term of this Agreement is for \_\_\_\_\_ (\_\_) years, commencing on \_\_\_\_\_, and shall expire on \_\_\_\_\_.
2. **REPRESENTATIVES OF PARTIES AND SERVICE OF NOTICE.** The representatives of the Parties who are primarily responsible for the administration and performance of the Agreement, and to whom formal notice, demands, and communications shall be given, are as follows:

A. For the City:

[Name, Title, Department, Address, and Telephone Number]

B. For the Consultant:

[Name, Title, Department, Address, and Telephone Number]

C. Formal notices, demands, and communications to be given hereunder by either party shall be made in writing and may be effected by personal delivery or mail.

D. If the name of the principal representative designated to receive the notices, demands, or communication, or the address of such person, is changed, written notice shall be given within seven (7) calendar days of said changes.

E. Any project awarded by Engagement Letter under this agreement will be managed by a designated Civil Engineer who shall serve as the City's Project Manager ("CPM"). The CPM's duties include, but are not limited to, overseeing the Consultant's performance of the Scope of Services pursuant to any Engagement Letter entered into between the City and the Consultant.

3. **RETENTION.** The City retains the Consultant to provide professional consultant services on an as-needed, per-project basis, in accordance with the terms of this Agreement. Consultant agrees to render such services on the terms and conditions stated herein.

4. **SCOPE OF SERVICES.** The scope of such services for which the Consultant may be retained under the Agreement shall be for professional services under the following Categories:

[Insert appropriate categories (e.g. Construction Management)], as generally described in the Scope of Services, attached hereto as Exhibit "A."

The City shall request project proposals from the Consultants qualified for the specific category applicable to the project. The Consultant awarded the project shall execute a project-specific Engagement Letter. Engagement Letters shall define the scope of work for the specific project, the timeline for completion, and anticipated cost for the project. Such Engagement Letter shall identify the specific category of the work the Consultant undertakes pursuant to the Engagement Letter.

At the time of entering into an Engagement Letter, the Consultant shall furnish: a) a current City of Pico Rivera Business License; and b) a current certificate of insurance.

The Consultant agrees that the services to be rendered pursuant to any project awarded by Engagement Letter and this Agreement shall be performed in accordance with the standards customarily provided by an experienced and competent professional organization rendering the same or similar services, and in a manner reasonably satisfactory to the City.

## **5. COMPENSATION.**

The City agrees to pay Consultant for services provided under any Engagement Letter entered into between the City and Consultant, in accordance with the Fee Schedule attached hereto as Exhibit "B." The City agrees to compensate the Consultant for the services provided under this Agreement to the City's satisfaction, as solely determined by the City. The Consultant agrees to accept in full satisfaction for such services, payment in accordance with the Fee Schedule (attached hereto and incorporated by reference as Exhibit "B"). Consultant agrees that the fees for services provided pursuant to any Engagement Letter, during the term of this Agreement, shall not exceed the rates and costs set forth in the Fee Schedule, attached hereto as Exhibit "B," unless the City has given specific advance approval in writing.

Consultant acknowledges that the total compensation for any project shall not exceed the maximum compensation stated in the Engagement Letter. Total compensation includes all amounts payable to Contractor for its overhead, payroll, profit, and all costs of whatever nature, including without limitation all costs for subcontracts, materials, equipment, supplies, and all costs arising from or due to termination or expiration of this Agreement.

Consultant shall submit invoices in hard copy and electronically to the Project Manager within fifteen (15) days from the end of each month in which services have been provided. Consultant shall provide invoices with sufficient detail to ensure compliance to pricing as set forth in this Agreement.

Original invoices on Consultant's letterhead with original signatures shall be submitted to the CPM. All invoices shall include, but not be limited to, the following:

1. Project Name
2. Project Number
3. Specialty Category Code and Title
4. Purchase Order Number
5. Invoice Date
6. Invoice Number (Progressive and Unique to Project)
7. Task details performed or completed during the invoiced period, along with assigned staff's hourly rate, number of hours and subtotals
8. Percentage of task(s) completed, as applicable (as verified by CPM)

9. Percentage of project completed through invoicing period (as verified by CPM)

City shall pay City-approved invoices within thirty (30) days of receipt. **Fee/hourly schedule changes and/or annual increases are prohibited.**

The proportion of Total Compensation paid to CONSULTANT as of the Invoice Date shall not exceed the City Engineer's estimated percentage of the project or tasks (as applicable) completed as of the Invoice Date.

Reimbursement requests shall be itemized on the respective invoice, with supporting documentation attached.

1. Invoice shall state date of expense and purpose.
2. All supporting receipts shall be attached.
3. Any request for travel-related expense reimbursement must be pre-approved by the CITY.

Faxed copies of the referenced documents in this Section 5 shall not be processed for payment.

CITY'S payment pursuant to this Agreement shall not constitute a waiver of any breach or defect in the performance of work, nor a waiver of disputes regarding compensation owed to CONSULTANT for work performed.

6. **BUSINESS LICENSE.** The Consultant shall obtain a City business license prior to commencing performance under this Agreement.

## 7. **INDEPENDENT CONTRACTOR.**

Consultant is an independent contractor. As such, Consultant shall have no power or authority to incur any debt, obligation or liability on behalf of the City, unless such authority is expressly conferred pursuant to a specific project awarded by Engagement Letter under this Agreement. Further, Consultant is not entitled to any benefit typically associated with an employee such as medical, sick leave, retirement, or vacation benefit. Consultant expressly waives any claim to any such rights.

The personnel performing services on any project awarded by Engagement Letter pursuant to this Agreement, and on behalf of Consultant, shall, at all times, be under Consultant's exclusive direction and control. Neither the City, nor any of its employees, shall have any control over the manner, mode, or means by which Consultant, its agents, or its employees, perform the services required herein, except as otherwise set forth herein.

Consultant shall perform services pursuant to this Agreement as an independent contractor and shall, at all times, remain a wholly independent contractor. The City shall not in any way or for any purpose become or be deemed to be a partner of Consultant in its business or otherwise a joint venture or member of any joint enterprise with Consultant. The Consultant shall not at any time represent that it is, or that any of its agents or employees are, in any manner employees of the City.

#### **8. PERS ELIGIBILITY INDEMNITY.**

In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services pursuant to an Engagement Letter awarded pursuant to 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 the City, Consultant shall indemnify, defend, and hold harmless the City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors 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 the City, including but not limited to eligibility to enroll in PERS as an employee of the City and entitlement to any contribution to be paid by the City for employer contribution and/or employee contributions for PERS benefits.

Consultant is solely responsible for compliance with PERS restrictions applicable to any of Consultant's employees, agents, or subcontractors.

#### **9. CONFLICT OF INTEREST.**

The Consultant 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 the Consultant under this Agreement, or which would conflict in any manner with the performance of its services hereunder. During the term of this Agreement, the Consultant shall not perform any work for another person or entity for whom the Consultant was not working at the Commencement Date if: (i) such work would require the Consultant to abstain from performance of the work under this Agreement pursuant to a conflict of interest; and (ii) the City has not consented in writing prior to the Consultant's performance of such work.

Consultant hereby acknowledges that pursuant to Government code Section 87300 *et seq.*, Consultant is designated in the City's Conflict of Interest Code and is required to file an Economic Interest Statement (Form 700) with the City Clerk, for each employee providing advice under any Engagement Letter awarded pursuant to this Agreement, prior to the commencement of work.

#### **10. INDEMNIFICATION.**

Consultant hereby agrees to protect, indemnify and hold the City and its employees, officers and servants free and harmless from any and all losses, claims, liens, demands and causes of action of every kind and character including, but not limited to, the amounts of judgment, interests, court costs, legal fees, expert costs, expert fees and all other expenses incurred by the City to the maximum extent allowed by law arising in favor of any party, including claims, liens, debts, personal injuries, including employees of the City, death or damages to property (including property of the City) and without limitation by enumeration, all other claims or demands of every character occurring or arising directly out of or as a consequence of the performance of the work performed hereunder, except only such injury to persons or damage to property due or claimed to be due to the sole negligence of the City. This provision is not intended to create any cause of action in favor of any third party against Consultant, or the City, or to enlarge in any way the Consultant's liability, but is intended solely to provide for indemnification of the CITY for liability for damages or injuries to third persons or property arising from Consultant's negligent performance hereunder.

The provisions of this Section 10 are intended by the Parties to be interpreted and construed to provide the fullest protection possible under the law to the City. The Consultant acknowledges that the City would not enter into this Agreement in the absence of the Consultant's commitment to indemnify and protect the City as set forth herein.

The City shall have the right to offset against the amount of any compensation due the Consultant under this Agreement any amount due the City from the Consultant as a result of the Consultant's failure to pay the City promptly any indemnification arising under this Section 10 and related to the Consultant's failure to either (i) pay taxes on amounts received pursuant to this Agreement or (ii) comply with applicable workers' compensation laws.

The obligations of the Consultant under this Section 10 will not be limited by the provisions of any workers' compensation act or similar act. The Consultant expressly waives its statutory immunity under such statutes or laws as to the City, its officers, agents, employees and volunteers.

The Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this Section 10 from each and every subcontractor or any other person or entity involved by, for, with or on behalf of the Consultant in the performance of this Agreement.

In the event the Consultant fails to obtain such indemnity obligations from others as required in this Section 10, the Consultant's duty to indemnify pursuant to this Section 10 shall extend to indemnify the City, its officers, agents, elected and appointed officials, employees, affiliated public agencies and volunteers from and against any and all losses, claims, liens, demands and causes of action of every kind and character including, but not limited to, the amounts of judgment, interests, court costs, legal fees (including reasonable attorneys' fees incurred by counsel of the City's choice), expert costs, expert fees and all other expenses incurred by the City to the maximum extent allowed by law arising in favor of any party, including claims, liens, debts, personal injuries, including employees of the City, death or damages to property (including property of the City) and without limitation by enumeration, all other claims or demands of every character occurring or arising directly out of or as a consequence of the performance of the work performed hereunder by the Consultant's subcontractors or any other person or entity involved by, for, with or on behalf of the Consultant in the performance of this Agreement.

The City does not waive any rights that it may possess against the Consultant because of the acceptance by the City, or the deposit with the City, of any insurance policy or certificate required pursuant to this Agreement. This hold harmless and indemnification provision shall apply regardless of whether or not any insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost or expense.

**11. INSURANCE.** During the term of this Agreement, the Consultant shall carry, maintain, and keep in full force and effect insurance against claims for death or injuries to persons or damages to property that may arise from or in connection with the Consultant's performance of this Agreement. Such insurance shall be of the types and in the amounts as set forth below:

- A. Comprehensive General Liability Insurance with coverage limits of not less than One Million Dollars (\$1,000,000) per occurrence.
- B. Automobile Liability Insurance for vehicles used in connection with the performance of this Agreement with minimum limits of One Million Dollars (\$1,000,000) per claimant and One Million dollars (\$1,000,000) per incident.
- C. Worker's Compensation insurance as required by the laws of the State of California.



D. Professional Liability (Errors & Omissions) Insurance with minimum limits of One Million dollars (\$1,000,000) per occurrence and shall be endorsed to include contractual liability.

The Consultant shall require each of its subcontractors, 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 and with a rating of at least A:VII in the latest edition of Best's Insurance Guide. The Consultant agrees that if it does not keep the aforesaid insurance in full force and effect the City may either (i) immediately terminate this Agreement; or (ii) obtain the necessary insurance at the Consultant's expense.

At all times during the term of this Agreement, the Consultant shall maintain certificate(s) of insurance and required endorsements on file with the City Clerk, showing that the aforesaid policies are in effect in the required amounts and, for the general liability and automobile liability policies, naming the City as an Additional Insured.

The general liability and automobile policies of insurance required by this Agreement shall contain an endorsement naming the City, its officers, 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 days' prior written notice to the City. The Consultant 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.

At least fourteen (14) days prior to the expiration of any insurance required by this Agreement, the Consultant shall provide proof of insurance policy renewals or replacements with insurance policies providing at least the same coverage. The Consultant shall provide such proof to the City at least two weeks prior to the expiration of the coverages.

The general liability and automobile policies of insurance provided by the Consultant shall be primary to any coverage available to the City. Any insurance or self-insurance maintained by the City, its officers, employees, agents or volunteers, shall be in excess of the Consultant’s insurance and shall not contribute with it.

All insurance coverage provided pursuant to this Agreement shall not prohibit the Consultant, and the Consultant’s employees, agents or subcontractors, from waiving the right of subrogation prior to a loss. The Consultant hereby waives all rights of subrogation against the City.

Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, the Consultant shall either reduce or eliminate the deductibles or self-insured retentions with respect to the City, or the Consultant shall procure a bond guaranteeing payment of losses and expenses.

Procurement of insurance by the Consultant shall not be construed as a limitation of the Consultant's liability or as full performance of the Consultant's duties to indemnify, hold harmless and defend under Section 13 of this Agreement.

**12. OWNERSHIP OF WORK PRODUCT.** All reports, documents or other written material developed by Consultant in the performance of this Agreement shall be and remain the property of the City without restriction or limitation upon its use or dissemination by the City. Such material shall not be the subject of a copyright application by Consultant.

**13. CONFIDENTIALITY.**

All data, documents, discussion, or other information developed or received by the Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed by the Consultant without prior written consent by the City. The City shall grant such consent if disclosure is legally required. Upon request, all the City data and any copies thereof shall be returned to the City upon the termination or expiration of this Agreement.

Employees of Consultant, in the course of their duties, may have access to financial, accounting, statistical, and personnel data of private individuals and employees of the City. Consultant covenants that all data, documents, discussion, or other information developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed by Consultant without written authorization by the City. The City shall grant such authorization if disclosure is required by law. All City data shall be returned to the City upon the termination of this Agreement. Consultant's covenant under this Section shall survive the termination of this Agreement.

**14. TERMINATION.**

A. The City may terminate this Agreement and any Engagement Letter awarded pursuant to this Agreement at any time without cause by giving thirty (30) calendar days written notice to Consultant of such termination and specifying the effective date thereof. If this Agreement or any Engagement Letter is terminated as provided herein, Consultant shall be paid only the total amount equal to the service Consultant has provided, to the City's satisfaction, as determined solely by the City, as of the termination date. In no event shall the amount payable upon termination exceed the total maximum compensation provided for in Engagement Letter or the value of services provided as of date of termination.

- B. If for any reason, Consultant shall fail to fulfill in a timely and proper manner its obligation for any project awarded by Engagement Letter and pursuant to the provisions of this Agreement, or if Consultant shall violate any of the covenants or stipulations of this Agreement, the City shall then have the right to terminate the Engagement Letter and this Agreement by giving a five (5) calendar day written notice to Consultant. The notice shall refer to this clause, shall specify the nature of the alleged default, and shall specify the effective date of the termination. The Consultant will be paid a total amount equal to the service Consultant has provided, to the City's satisfaction, as determined solely by the CITY, as of the termination date. In no event shall the amount payable upon termination exceed the total maximum compensation provided for in the Engagement Letter awarded, pursuant to the terms of this Agreement.
- C. The Consultant agrees to cease all work under this Agreement on or before the effective date of any notice of termination. All the City data, documents, objects, materials or other tangible things, including, but not limited to electronic and handwritten citations, reports, electronic media and other relevant documents, shall be returned to the City upon the termination or expiration of this Agreement. This including copies and reproductions assembled or prepared by Consultant employees, agency, or officers, in connection with this Agreement.

## **15. RESOLUTION OF DISPUTES.**

- A. Disputes regarding the interpretation or application of any provisions of any Engagement Letter awarded and this AGREEMENT shall, to the extent reasonably feasible, be resolved through good faith negotiations between the Parties.
- B. If any action, at law or in equity, is brought to enforce or to interpret any provisions of any Engagement Letter awarded pursuant to this AGREEMENT, the prevailing party in such action shall be entitled to recover reasonable attorney's fees, costs and necessary disbursements, in addition to such other relief as may be sought and awarded.

**16. FORCE MAJEURE.** The respective duties and obligations of the Parties hereunder shall be suspended while and so long as performance hereto is prevented or impeded by strikes, disturbances, riots, fire, severe weather, government action, war acts, acts of God, or any other cause similar or dissimilar to the foregoing which are beyond the control of the party from whom the affected performance was due.

**17. ASSIGNMENT.** The Consultant shall not delegate, transfer, subcontract or assign its duties or rights hereunder, either in whole or in part, without the City's prior written

consent, and any attempt to do so shall be void and of no effect. The City shall not be obligated or liable under this Agreement to any Party other than the Consultant.

- 18. COMPLIANCE WITH LAWS.** The Consultant shall keep informed of State, Federal and local laws, ordinances, codes and regulations that in any manner affect those employed by it or in any way affect the performance of its services pursuant to this Agreement. The Consultant shall at all times comply with such laws, ordinances, codes and regulations. Without limiting the generality of the foregoing, if the Consultant is an out-of-state corporation or LLC, it must be qualified or registered to do business in the State of California pursuant to sections 2105 and 17708.01 *et seq.* of the California Corporations Code. The City, its officers and employees shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this Section.
- 19. PERSONNEL.** The Consultant represents that it has, or will secure at its own expense, all personnel required to perform the services identified in the Scope of Services. All such services shall be performed by the Consultant or under its supervision, and all personnel engaged in the work shall be qualified to perform such services. The Consultant reserves the right to determine the assignment of its own employees to the performance of the Consultant's services under this Agreement, but the City reserves the right, for good cause, to require the Consultant to exclude any employee from performing services on the City's premises. \_\_\_\_\_ shall be the Consultant's project administrator and shall have direct responsibility for management of the Consultant's performance under this Agreement. No change shall be made in the Consultant's project administrator without the City's prior written consent.
- 20. MUTUAL COOPERATION.** The City shall provide the Consultant with all pertinent data, documents and other requested information as is reasonably available for the proper performance of the Consultant's services under this Agreement. In the event any claim or action is brought against the City relating to the Consultant's performance in connection with this Agreement, the Consultant shall render any reasonable assistance that the City may require.
- 21. RECORDS AND INSPECTIONS.** The Consultant shall maintain full and accurate records with respect to all matters covered under this Agreement for a period of three years after the expiration or termination of this Agreement. The City shall have the right to access and examine such records, without charge, during normal business hours. The City shall further have the right to audit such records, to make transcripts therefrom and to inspect all program data, documents, proceedings, and activities.
- 22. PERMITS AND APPROVALS.** The Consultant shall obtain, at its sole cost and expense, all permits and regulatory approvals necessary in the performance of this

Agreement. This includes, but shall not be limited to, encroachment permits and building and safety permits and inspections.

**23. SURVIVING COVENANTS.** The Parties agree that the covenants contained in Sections 8, 10, 13, and 20 of this Agreement shall survive the expiration or termination of this Agreement.

**24. NON-DISCRIMINATION AND EQUAL EMPLOYMENT OPPORTUNITY.**

- A. In the performance of this Agreement, the Consultant shall not discriminate against any employee, subcontractor, or applicant for employment because of race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition or sexual orientation, and will take affirmative action to avoid such discrimination.
- B. The Consultant will, in all solicitations or advertisements for employees placed by or on behalf of the Consultant in relation to this Agreement, state either that it is an equal opportunity employer or that all qualified applicants will receive consideration for employment without regard to race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition or sexual orientation.
- C. The Consultant will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Agreement, except contracts or subcontracts for standard commercial supplies or raw materials.

**25. HEADINGS.** The headings appearing at the commencement of each Section of this Agreement, and in any paragraph thereof, are descriptive only and for convenience in reference to this Agreement. Should there be any conflict between such heading, and the Section or paragraph at the head of which it appears, the Section or paragraph thereof, as the case may be, and not such heading, shall control and govern in the construction of this Agreement. Masculine or feminine pronouns shall be substituted for the neuter form and vice versa, and the plural shall be substituted for the singular form and vice versa, in any place or places herein in which the context requires such substitution(s).

**26. NON-WAIVER.**

- A. The waiver by the City or the Consultant of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or any other term, covenant or condition herein contained. The City's payment to the Consultant shall not constitute a waiver of any breach of covenant, or any default

which may then exist on the part of the Consultant. The City's payment shall not impair or prejudice any right or remedy available to the City with regard to such breach or default. No term, covenant or condition of this Agreement shall be deemed waived by the City or the Consultant, unless expressed in writing.

- B. The Consultant shall not be liable for any failure to perform if the Consultant presents acceptable evidence, in the City's sole judgment, that such failure was due to causes beyond the control and without the fault or negligence of the Consultant.
- C. The respective duties and obligations of the parties hereunder shall be suspended while and so long as performance hereto is prevented or impeded by strikes, disturbances, riots, fire, severe weather, government action, war acts, acts of God, or any other cause similar or dissimilar to the foregoing which are beyond the control of the party from whom the affected performance was due.

## **27. COURT COSTS.**

Each right, power, and remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise shall be cumulative and shall be in addition to every other right, power, or remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise. The exercise, the commencement of the exercise, or the forbearance of the exercise by any Party of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by such Party of any of all of such other rights, powers or remedies.

If any action, at law or in equity, is brought to enforce or to interpret any provisions of this Agreement, the prevailing party in such action shall be entitled to recover reasonable attorney's fees, costs and necessary disbursements, in addition to such other relief as may be sought and awarded. The venue for any litigation shall be Los Angeles County, California.

**28. GOVERNING LAW.** This Agreement shall be governed by and construed in accordance with laws of the State of California. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of Los Angeles. In the event of litigation in a U.S. District Court, exclusive venue shall lie in the Central District of California.

**29. SEVERABILITY.** If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, then such term or provision shall be amended to, and solely to, the extent necessary to cure such invalidity or unenforceability, and in its amended form shall be enforceable. In such event, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is

held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

**30. ENTIRE AGREEMENT.** All documents referenced as exhibits in this Agreement are hereby incorporated in this Agreement. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of any document incorporated herein by reference, the provisions of this Agreement shall prevail. This instrument contains the entire Agreement between the City and the Consultant with respect to the transactions contemplated herein. No other prior oral or written agreements are binding upon the Parties. Amendments hereto or deviations herefrom shall be effective and binding only if made in writing and executed by the City and the Consultant

**31. MUTUAL COOPERATION IN PREPARATION OF THIS AGREEMENT.** Each Party has cooperated in the drafting and preparation of this Agreement. Therefore, this Agreement shall not be construed against any Party on the basis that such Party drafted this Agreement or any provision within it.

**TO EFFECTUATE THIS AGREEMENT,** the Parties have caused their duly authorized representatives to execute this Agreement on the dates set forth below.

“CITY”  
CITY OF PICO RIVERA

“CONSULTANT”  
\_\_\_\_\_

\_\_\_\_\_  
René Bobadilla, City Manager

\_\_\_\_\_  
[Name, Title]

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Anna Jerome, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Arnold M. Alvarez-Glasman

RFP

RFP Form for Engineering Study/Report



City Attorney  
**V.**

**EXHIBIT “A”**  
**SCOPE OF SERVICES**

**[\*\*INSERT SCOPE\*\*]**

**EXHIBIT “B”**  
**SCHEDULE OF SERVICES**

**[\*\*INSERT SCHEDULE\*\*]**

**EXHIBIT “C”**  
**COMPENSATION**

**\*\*\*INSERT RATES & AUTHORIZED REIMBURSABLE EXPENSES\*\*\***



*Water Resources  
Infrastructure  
Construction Management*

**AKM Consulting Engineers**  
553 Wald  
Irvine, CA 92618  
Telephone: 949.753.7333 Facsimile: 949.753.7320  
[www.akmce.com](http://www.akmce.com)

January 10, 2019

**City of Compton**  
**Municipal Water Department**  
205 S. Willowbrook Avenue  
Compton, CA 90220

**ATTN: Ms. Alita Godwin, City Clerk**

**Subject: Fee Proposal for Professional Engineering Services for Preparing an Update to the Water System Master Plan**

Dear Ms. Godwin:

In response to your request for proposals dated November 12, 2018, AKM Consulting Engineers is pleased to submit our fee proposal to provide professional engineering services for the 2019 Water System Master Plan Update for the City of Compton.

All charges for AKM's services are a not-to-exceed fee and are in accordance with the City's RFP. Our fee proposal is based upon the levels of effort anticipated to implement the work plan contained in AKM's technical proposal. Our rate schedule, used for the creation of our fee, has been included in this fee proposal as well. The rate schedule is used for invoicing purposes, progress payments, and extra work that may be requested. If any additional work is required, AKM will obtain pre-approval from the City before proceeding with the work.

We do not have any minimum hours for each City visit. We will conduct the visits as necessary, and charge only the hours for performing the work.

We appreciate the opportunity to submit this fee proposal and look forward to working with the City of Compton on this most important and challenging project. If you have any questions or require any additional information, please do not hesitate to contact the undersigned.

Very truly yours,

**AKM Consulting Engineers**

A handwritten signature in black ink, appearing to read 'Diann Pay'.

Diann Pay, P.E.  
Principal Engineer

**AKM CONSULTING ENGINEERS  
RATE SCHEDULE  
January 2019**

| <b><u>Labor Classification</u></b>       | <b><u>Hourly Rate</u></b> |
|------------------------------------------|---------------------------|
|                                          | <b><u>2019</u></b>        |
| Principal                                | \$218                     |
| Principal Engineer                       | \$218                     |
| Project Manager                          | \$212                     |
| Project Engineer                         | \$202                     |
| Senior Construction Manager              | \$201                     |
| QA/QC Manager                            | \$201                     |
| Senior Engineer                          | \$185                     |
| Senior Field Engineer / Inspector        | \$170                     |
| Field Engineer / Inspector               | \$149                     |
| Associate Engineer                       | \$144                     |
| Staff Engineer                           | \$128                     |
| Financial Analyst                        | \$117                     |
| Senior Designer / Senior CADD Technician | \$101                     |
| Designer / CADD Technician               | \$94                      |
| Assistant Engineer                       | \$93                      |
| Engineering Technician                   | \$85                      |
| Engineering Aide                         | \$72                      |
| Office Support                           | \$72                      |
| Data or Word Processing                  | \$70                      |

Out of pocket expenses (blueprinting, reproduction and printing, delivery, etc.) will be invoiced at cost plus 10%. Subcontracted services will be marked up 10% in order to cover costs associated with administration, coordination and management of subcontractors. Mileage will be invoiced at \$0.65/mile. This schedule of rates is in effect until February 28, 2020, at which time it may be adjusted. Overtime hourly rates for non-salaried employees will be 1.5 times the rates above.



**STAFF HOUR & FEE ESTIMATE**  
**Compton Municipal Water Department**  
**Water System Master Plan**  
**January 10, 2019**

| Task                                                                                                            | Principal / QA/QC |                | Project Manager |                 | Project Engineer |                 | Associate Engineer |                 | Field Engineer |                | Expenses       | Total      | Total Cost       |
|-----------------------------------------------------------------------------------------------------------------|-------------------|----------------|-----------------|-----------------|------------------|-----------------|--------------------|-----------------|----------------|----------------|----------------|------------|------------------|
|                                                                                                                 | Hourly Rate       | \$218          | Hourly Rate     | \$212           | Hourly Rate      | \$202           | Hourly Rate        | \$144           | \$149          | Amount         |                |            |                  |
|                                                                                                                 | Hours             | Amount         | Hours           | Amount          | Hours            | Amount          | Hours              | Amount          |                |                |                | Hours      | Amount           |
| 1 Project Management                                                                                            | 4                 | \$872          | 16              | \$3,392         | 12               | \$2,424         | 8                  | \$1,152         |                | \$0            |                | 40         | \$7,840          |
| 2 Document Gathering and Site Visits                                                                            |                   | \$0            | 4               | \$848           | 8                | \$1,616         | 24                 | \$3,456         |                | \$0            |                | 36         | \$5,920          |
| 3 Existing Data Analysis (Tech Memo)                                                                            |                   | \$0            | 4               | \$848           | 8                | \$1,616         | 4                  | \$576           |                | \$0            |                | 16         | \$3,040          |
| 4 Evaluate Capacity and Reliability of Existing Facilities                                                      |                   |                |                 |                 |                  |                 |                    |                 |                |                |                |            |                  |
| 4.1 Water Demand Analysis                                                                                       |                   |                |                 |                 |                  |                 |                    |                 |                |                |                |            |                  |
| 4.1.1 Update Existing System Demands and Peaking Factors                                                        |                   | \$0            | 2               | \$424           | 8                | \$1,616         | 24                 | \$3,456         |                | \$0            |                | 34         | \$5,496          |
| 4.1.2 Development of Diurnal Curves                                                                             |                   | \$0            | 2               | \$424           | 8                | \$1,616         | 24                 | \$3,456         |                | \$0            |                | 34         | \$5,496          |
| 4.1.3 Development of Water Demand Factors                                                                       |                   | \$0            | 2               | \$424           | 4                | \$808           | 12                 | \$1,728         |                | \$0            |                | 18         | \$2,960          |
| 4.2 Model Development                                                                                           |                   |                |                 |                 |                  |                 |                    |                 |                |                |                |            |                  |
| 4.2.1 Hydraulic Model Geometry                                                                                  |                   | \$0            | 2               | \$424           | 4                | \$808           | 12                 | \$1,728         |                | \$0            |                | 18         | \$2,960          |
| 4.2.2 Demand Allocation                                                                                         |                   | \$0            | 2               | \$424           | 4                | \$808           | 12                 | \$1,728         |                | \$0            |                | 18         | \$2,960          |
| 4.2.3 Input Facility Data                                                                                       |                   | \$0            | 2               | \$424           | 4                | \$808           | 12                 | \$1,728         |                | \$0            |                | 18         | \$2,960          |
| 4.2.4 Operation Controls and Settings                                                                           |                   | \$0            | 2               | \$424           | 4                | \$808           | 16                 | \$2,304         |                | \$0            |                | 22         | \$3,536          |
| 4.3 Model Calibration                                                                                           |                   |                |                 |                 |                  |                 |                    |                 |                |                |                |            |                  |
| 4.3.1 Field Data and SCADA Data Collection                                                                      |                   | \$0            | 2               | \$424           | 4                | \$808           | 16                 | \$2,304         | 16             | \$2,384        | \$3,000        | 38         | \$8,920          |
| 4.3.2 Hydraulic Model Calibration                                                                               |                   | \$0            | 2               | \$424           | 8                | \$1,616         | 24                 | \$3,456         |                | \$0            |                | 34         | \$5,496          |
| 4.4 Performance Evaluation Criteria Development                                                                 | 2                 | \$436          | 2               | \$424           | 4                | \$808           |                    | \$0             |                | \$0            |                | 8          | \$1,668          |
| 4.5 Existing System Analysis                                                                                    |                   |                |                 |                 |                  |                 |                    |                 |                |                |                |            |                  |
| 4.5.1 Existing Pipe System Analysis                                                                             |                   | \$0            | 2               | \$424           | 4                | \$808           | 16                 | \$2,304         |                | \$0            |                | 22         | \$3,536          |
| 4.5.2 Supply and Storage Analysis                                                                               |                   | \$0            | 2               | \$424           | 4                | \$808           | 8                  | \$1,152         |                | \$0            |                | 14         | \$2,384          |
| 4.6 Existing System Recommendations                                                                             | 2                 | \$436          | 4               | \$848           | 8                | \$1,616         | 16                 | \$2,304         |                | \$0            |                | 30         | \$5,204          |
| 5 Evaluate and Identify Future System Improvements                                                              |                   |                |                 |                 |                  |                 |                    |                 |                |                |                |            |                  |
| 5.1 Future Demand Projections to Planning Year 2040                                                             |                   | \$0            | 4               | \$848           | 8                | \$1,616         | 12                 | \$1,728         |                | \$0            |                | 24         | \$4,192          |
| 5.2 Future Pipe System Analysis                                                                                 |                   | \$0            | 2               | \$424           | 8                | \$1,616         | 24                 | \$3,456         |                | \$0            |                | 34         | \$5,496          |
| 5.3 Future Supply and Storage Analyses                                                                          |                   | \$0            | 2               | \$424           | 8                | \$1,616         | 4                  | \$576           |                | \$0            |                | 14         | \$2,616          |
| 5.4 Hydraulic Model Training                                                                                    |                   | \$0            |                 | \$0             | 8                | \$1,616         | 12                 | \$1,728         |                | \$0            |                | 20         | \$3,344          |
| 5.5 Capital Improvement Program                                                                                 | 2                 | \$436          | 4               | \$848           | 8                | \$1,616         | 16                 | \$2,304         |                | \$0            |                | 30         | \$5,204          |
| 5.6 Technical Memorandums                                                                                       |                   |                |                 |                 |                  |                 |                    |                 |                |                |                |            |                  |
| 5.6.1 Tech Memo (Introduction, Study Area & Land Use, Water Production & Demand)                                | 2                 | \$436          | 4               | \$848           | 8                | \$1,616         | 8                  | \$1,152         |                | \$0            |                | 22         | \$4,052          |
| 5.6.2 Tech Memo (Existing System Description, Model Development & Calibration, Performance Evaluation Criteria) | 2                 | \$436          | 4               | \$848           | 8                | \$1,616         | 8                  | \$1,152         |                | \$0            |                | 22         | \$4,052          |
| 5.6.3 Tech Memo (Existing System Evaluation, Future System Evaluation, Capital Improvement Program)             | 2                 | \$436          | 4               | \$848           | 8                | \$1,616         | 8                  | \$1,152         |                | \$0            |                | 22         | \$4,052          |
| 6 Final Master Plan Preparation                                                                                 | 8                 | \$1,744        | 16              | \$3,392         | 20               | \$4,040         | 20                 | \$2,880         |                | \$0            |                | 64         | \$12,056         |
| 7 Meetings and Communication (included with Task 1)                                                             |                   | \$0            |                 | \$0             |                  | \$0             |                    | \$0             |                | \$0            |                | 0          | \$0              |
| 8 QA/QC (included with all tasks)                                                                               |                   | \$0            |                 | \$0             |                  | \$0             |                    | \$0             |                | \$0            |                | 0          | \$0              |
| 9 Project Schedule (included with Task 1)                                                                       |                   | \$0            |                 | \$0             |                  | \$0             |                    | \$0             |                | \$0            |                | 0          | \$0              |
| <b>Total</b>                                                                                                    | <b>24</b>         | <b>\$5,232</b> | <b>92</b>       | <b>\$19,504</b> | <b>180</b>       | <b>\$36,360</b> | <b>340</b>         | <b>\$48,960</b> | <b>16</b>      | <b>\$2,384</b> | <b>\$3,000</b> | <b>652</b> | <b>\$115,440</b> |



**March 19, 2019**

**TO: MAYOR AND COUNCIL MEMBERS**

**FROM: BRIAN DICKINSON, GENERAL MANAGER  
COMPTON MUNICIPAL WATER DEPARTMENT**

**SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
COMPTON AUTHORIZING THE CITY MANAGER TO EXECUTE  
A RIGHT OF ENTRY AND ACCESS AGREEMENT FOR  
PROPERTY LOCATED AT 620 WEST COMPTON BOULEVARD  
BETWEEN THE CITY OF COMPTON AND AF PROPERTIES  
2015 LLC.**

### **SUMMARY**

This resolution authorizes the City Manager to execute a Right of Entry and Access Agreement regarding property located at 620 West Compton Boulevard, Compton, between AF Properties 2015 LLC and the City of Compton for purposes of evaluation as a potential future water well site.

### **BACKGROUND**

The Compton Municipal Water Department ("Department") provides water service to approximately 80% of the residences and businesses in the City. The City currently produces 100% of its water from groundwater wells.

### **STATEMENT OF THE ISSUE**

Three of the City's seven active water wells are 40 years and older. The Department is looking to evaluate properties throughout the City as potential new well sites to provide additional system capacity and redundant pumping capabilities.

The property located at 620 West Compton Boulevard has been tentatively identified as a potential well site. The attached proposed Right of Entry and Access Agreement will allow the City to have a Phase I Environmental Site Assessment conducted as part of the Due Diligence as further evaluation of the viability of the site.

### **FINANCIAL IMPACT**

There is no financial impact for execution of this agreement.



**RECOMMENDATION**

It is staff recommendation that the City Council adopt the attached Resolution.

**BRIAN DICKINSON, GENERAL MANAGER  
COMPTON MUNICIPAL WATER DEPARTMENT**

**APPROVED FOR FORWARDING**

**CECIL W. RHAMBO, JR.  
CITY MANAGER**

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON  
AUTHORIZING THE CITY MANAGER TO EXECUTE A RIGHT OF ENTRY  
AND ACCESS AGREEMENT FOR PROPERTY LOCATED AT 620 WEST  
COMPTON BOULEVARD BETWEEN THE CITY OF COMPTON AND AF  
PROPERTIES 2015 LLC.**

**WHEREAS**, the Compton Municipal Water Department ("Department") provides water service to approximately 80% of the residences and businesses in the City with 100% of the water produced from groundwater wells; and

**WHEREAS**, three of the City's seven active water wells are 40 years and older and the Department is looking to evaluate properties throughout the City as potential new well sites to provide additional system capacity and redundant pumping capabilities; and

**WHEREAS**, having additional wells will provide additional system pumping capacity to meet demands as wells are taken out of service for maintenance, repair or removed from service completely due to age and or not efficient to rehabilitate; and

**WHEREAS**, the property located at 620 West Compton Boulevard has been tentatively identified as a potential well site; and

**WHEREAS**, the attached proposed Right of Entry and Access Agreement will allow the City to have a Phase I Environmental Site Assessment conducted as part of the Due Diligence as further evaluation of the viability of the site; and

**WHEREAS**, there is no financial impact for execution of this agreement.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMPTON DOES  
HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** That the City Manager is hereby authorized to execute a Right of Entry and Access Agreement regarding property located at 620 West Compton Boulevard, Compton, between AF Properties 2015 LLC and the City of Compton for purposes of evaluation as a potential future water well site.

**SECTION 2.** That a certified copy of this Resolution shall be filed in the offices of the City Clerk, City Manager, City Controller and Compton Municipal Water Department.

**SECTION 3.** That the Mayor shall sign and the City Clerk shall attest to the adoption of this Resolution.

**ADOPTED** this \_\_\_\_ day of \_\_\_\_\_, 2019.

**\_\_\_\_\_  
MAYOR OF THE CITY OF COMPTON**

**ATTEST:**

**\_\_\_\_\_  
CITY CLERK OF THE CITY OF COMPTON**

STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES  
CITY OF COMPTON: ss

I, Alita Godwin, City Clerk of the City of Compton, hereby certify that the foregoing Resolution was adopted by the City Council, signed by the Mayor, and attested by the City Clerk at a regular meeting thereof held on the \_\_\_\_ day of \_\_\_\_\_, 2019.

That said Resolution was adopted by the following vote to wit:

**AYES:            COUNCIL MEMBERS-**  
**NOES:           COUNCIL MEMBERS-**  
**ABSENT:        COUNCIL MEMBERS-**  
**ABSTAIN:       COUNCIL MEMBERS-**

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**CITY CLERK OF THE CITY OF COMPTON**



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## **RIGHT OF ENTRY AND ACCESS AGREEMENT**

**THIS RIGHT OF ENTRY AND ACCESS AGREEMENT** (herein called the "Agreement") is made and entered into as of \_\_\_\_\_, 2019 ("Effective Date"), by **AF Properties 2015 LLC** (herein called "Grantor") and **The City of Compton** (herein called "Grantee"). Grantor and Grantee are sometimes individually referred to as "Party" and collectively as "Parties."

### **WITNESSETH**

**WHEREAS**, Grantor is the owner of the real property more particularly described on **Exhibit "A"** attached hereto and incorporated herein by reference (herein called the "Property");

**WHEREAS**, Grantee has requested the right of entry upon and access to the Property for the purpose of undertaking inspections and other due diligence activities (herein called "Due Diligence Activities") in connection with the possible acquisition by Grantee of the Property;

**WHEREAS**, Grantee's Due Diligence Activities may include, but are not limited to, activities associated with the preparation of a Phase I Environmental Site Assessment (ESA) prepared in compliance with ASTM Standard E-1527-13, 40 C.F.R. Part 312;

**WHEREAS**, no formal decision has been made by Grantee regarding the acquisition of the Property, Grantor is willing to grant permission for Grantee to enter onto the Property;

**WHEREAS**, Grantor has agreed to grant to Grantee and Grantee has agreed to accept from Grantor, a non-exclusive, revocable license to enter upon the Property to perform the Due Diligence Activities in accordance with the terms and provisions of this Agreement;

**WHEREAS**, Grantor and Grantee desire to execute and enter into this Agreement for the purpose of setting forth their agreement with respect to the Due Diligence Activities and Grantee's entry upon the Property.

**NOW, THEREFORE**, for and in consideration of the foregoing premises, the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor and Grantee to hereby covenant and agree as follows:

### **AGREEMENT**

1. Term. The term of this Agreement shall commence on the Effective Date and continue until the Due Diligence Activities are completed, typically within 120 calendar days following commencement of the Due Diligence

Activities, but no longer than 120 Days ("Term"). The Term may be extended by mutual consent of the Parties in writing. This Agreement may be terminated at any time by either Party upon thirty (30) calendar days' notice in writing to be served upon the other Party. This Agreement may be terminated immediately, with written notice, in case of an emergency or a breach of the Agreement. If the Grantor terminates this Agreement immediately, Grantee shall have a reasonable time to remove equipment and personnel from the Property, not to exceed three (3) business days from the time written notice is received.

2. Right of Entry and Access. Subject to the Grantee's compliance with the terms and provisions of this Agreement, Grantee and Grantee's agents, employees, consultants, contractors, representatives and other designees (herein collectively called "Grantee's Designees") shall have the right to enter upon the Property for the purpose of conducting the Due Diligence Activities. Grantee shall give Grantor at least two (2) business days' prior written notice of Grantee's intention to exercise its rights under this Agreement to enter upon the Property in order to undertake Due Diligence Activities. Grantee and Grantee's Designees shall not use the Property for other purposes or business, unrelated to the specific Due Diligence Activities authorized by this Agreement without Grantor's prior written approval.

3. Notices. All notices, demands and other communications shall be given in writing and shall be given by personal delivery, by certified mail with postage prepaid, or by email to the addresses below:

Grantor: AF Properties 2015 LLC  
520 W. Willow Street  
Long Beach, California 90806  
Email: [yanki.g@westlandreg.com](mailto:yanki.g@westlandreg.com)  
Attn: Yaakov Greenspan, Manager

Grantee: City of Compton  
205 South Willowbrook Avenue  
Compton, California 90220  
Attn: Brian A. Dickinson  
General Manager – Water Department  
Phone: (310) 605-5555  
Email: [BDickinson@comptoncity.org](mailto:BDickinson@comptoncity.org)

Notices shall be deemed given pursuant to this section upon the day of personal service, or two (2) consecutive calendar days following the deposit of the same in the custody of the United States Postal Service, or one (1) business day following transmission by email. A business day is Monday – Thursday, excluding City observed holidays.

4. Not Real Property Interest. This Agreement is subordinate to all prior or future rights and obligations of Grantor in the Property, except that Grantor shall grant no rights inconsistent with the reasonable exercise by

Grantee of its rights under this Agreement. It is expressly understood that this Agreement is not exclusive and does not in any way whatsoever grant or convey any permanent easement, lease, fee or other interest in the Property to Grantee. Notwithstanding any sums expended by Grantee in furtherance of this Agreement, the right of entry and access granted herein is revocable and may be terminated by Grantor in accordance with Article 1 of this Agreement.

5. Compliance with Laws/Permits. Grantee and Grantee's Designees shall, in all activities undertaken pursuant to this Agreement, comply with all federal, state and local laws, statutes, orders, ordinances, rules, regulations, plans, policies and decrees. Without limiting the generality of the foregoing, Grantee and Grantee's Designees, at their sole cost and expense, shall obtain any and all permits which may be required by any law, regulation or ordinance for any activities Grantee desires to conduct or have conducted pursuant to this Agreement.

6. Inspection. Grantor and its representatives, employees, agents or independent contractors may enter and inspect the Property or any portion thereof or any improvements thereon at any time and from time to time at reasonable times to verify Grantee's compliance with the terms and conditions of this Agreement.

7. Liens. Grantee shall keep the Property free from any liens or encumbrances which might arise out of conducting its Due Diligence Activities. Grantee must promptly pay when due all costs and charges associated with its exercise of the rights granted in this Agreement, whether directly or through any of the Grantee's Designees, and must take all steps necessary to avoid the filing of any mechanics liens against the Property as a result of the conducting of the Due Diligence Activities. Upon receipt of a written request from Grantor, Grantee will provide Grantor with lien waivers following completion of the Due Diligence Activities. In the event any such lien is filed against the Property, Grantee must cause the same to immediately paid, discharged, released and satisfied and/or bonded of record. Time is of the essence with respect to this obligation. The obligation as set forth in Article 7 shall survive termination of this Agreement.

8. Restoration of the Property. Upon the termination of this Agreement, Grantee shall, at its own cost and expense, restore the Property to a similar condition to that which existed prior to Grantee and/or Grantee's Designees entry. In case Grantee fails to restore the Property to a similar condition within ten (10) business days after the effective date of the termination, the Grantor may proceed with such work at the expense of Grantee.

9. Data. If Phase I ESA activities are warranted and conducted, upon completion of a Phase I ESA, the Grantor will be provided with a copy of the Phase I ESA Report.

10. Insurance. Grantee shall comply with the insurance provisions contained in **Exhibit "B"**.

11. Indemnification. Grantee shall indemnify, defend and hold Grantor harmless from and against any and all claims, liabilities, damages, losses, liens and lien claims, costs and expenses of any kind or nature whatsoever (Including, without limitation, attorney's fees and expenses and court costs) suffered, incurred or sustained by Grantor as a result of, by reason of, or in connection with the Due Diligence Activities or the entry by Grantee or Grantee's Designees onto the Property.

12. Continuing Liability. No termination of this Agreement shall release Grantee from any liability or obligation hereunder resulting from any acts, omissions or events happening prior the termination of this Agreement and restoration of the Property to its similar condition.

13. Governing Law. This Agreement and all matters relating to it shall be governed and construed by the laws of the State of California (without giving effect to the laws of such state in relation to choice of laws or conflict of interest laws). Any action brought relating to this Agreement shall be brought exclusively in the County of Los Angeles.

14. Entire Agreement. This Agreement contains the entire agreement between the Parties pertaining to the subject matter in it and supersedes all prior and contemporaneous agreements, representations, and understandings of the Parties. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by all Parties.

15. Incorporation of Recitals. The recitals set forth above are true and correct and are incorporated into this Agreement by this reference.

16. No Third Party Beneficiary Rights. This Agreement is entered into for the sole benefit of Grantor and Grantee and no other parties are intended to be direct or incidental beneficiaries of this Agreement and no third party shall have any right in, under or to this Agreement.

17. Severability. The provisions of this Agreement are severable, and, if any one or more provisions may be determined to be judicially unenforceable, in whole or in part, the remaining provisions, and any partially unenforceable provision, to the extent enforceable, in any jurisdiction, shall nevertheless be binding and enforceable if and to the extent that the economic and legal substance of the transactions contemplated is not materially adversely affected in any matter as to any party and shall be construed and enforced so as to effectuate the intent of the entire Agreement, including the wholly or partially unenforceable provision, to the maximum extent legally permissible.

18. Authority to Enter Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.



19. Counterparts; Facsimile Signatures. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Facsimile signatures, including signatures transmitted by electronic mail, shall be considered, and shall have the same force and effect as, original signatures.

20. Attorneys' Fees. In the event that suit is brought for the enforcement of this Agreement or as the result of any alleged breach thereof, or any other court action occurs arising out of this Agreement, the prevailing party in such suit shall be entitled to recover their reasonable attorneys' fees, costs, and expenses from the losing party, and any judgment or decree rendered in such proceedings shall include an award thereof.

21. No Recording of Agreement or Memorandum of Agreement. In no event shall this Agreement or any memorandum hereof be recorded and such recordation or attempted recordation shall constitute a breach of this Agreement by the Party responsible for such recordation or attempted recordation.

**IN WITNESS WHEREOF**, the Parties hereto have executed this Right of Entry and Access Agreement on the date as indicated below each Party's signature.

**GRANTOR:**

**AF Properties 2015 LLC**

By: \_\_\_\_\_  
Yaakov Greenspan  
Title: Manager

Date: \_\_\_\_\_

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Craig J. Cornwell  
City Attorney

**GRANTEE:**

**City of Compton**

By: \_\_\_\_\_  
Cecil W. Rhambo, Jr.  
Title: City Manager

Date: \_\_\_\_\_

**ATTEST:**

By: \_\_\_\_\_  
Alita Godwin  
City Clerk

**EXHIBIT "A"**

**LEGAL DESCRIPTION/ DEPICTION OF PROPERTY**

**THE LAND REFERRED TO HEREIN AS THE "PROPERTY" IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF LOS ANGELES, CITY OF COMPTON, AND IS MORE PARTICULARLY DESCRIBED AS FOLLOWS:**

**Assessor Parcel Nos. 6161-012-133 and 6161-012-135**

**Map: See attached Map [MAP NEEDS TO BE PROVIDED]**

## **EXHIBIT "B"**

### **INSURANCE PROVISIONS**

Grantee shall obtain, and shall require any consultant, contractor or agent entering the Property on its behalf to obtain insurance (or acceptable proof of adequate self-insurance, as determined in Grantor's sole discretion) of the types and in the amounts described below and satisfactory to Grantor.

A. Commercial General Liability Insurance. Grantee shall maintain occurrence version commercial general liability insurance or equivalent form with a combined single limit of not less than two million dollars (\$2,000,000) per occurrence. If such insurance includes a general aggregate limit, it shall apply separately to this Agreement or be no less than two times the occurrence limit. Such insurance shall.

B. Automobile Liability. If Grantee will be using vehicles on the Property, Grantee shall acquire and maintain during the term of the Agreement, automobile liability with a combined single limit of one million dollars (\$1,000,000).

C. Insurance Endorsements. The general liability and automobile liability policies required in (A) and (B) above shall comply with the following:

1. Include Grantor and its officials, officers, employees, agents, and consultants as additional insureds with respect to the performance of the Due Diligence Activities and the use of the Property and shall contain no special limitations on the scope of coverage or the protection afforded to these insureds; and

2. Be primary with respect to any insurance or self-insurance programs covering Grantor, its officials, officers, employees, agents and consultants; and

3. Contain standard separation of insured provisions.

E. Workers' Compensation Insurance. Grantee shall maintain workers' compensation insurance with statutory limits and employers' liability insurance with limits of not less than one million dollars (\$1,000,000) each accident.

F. Certificates of Insurance. Grantee, and any consultant, contractor or agent entering the Property on its behalf, shall, prior to entering the Property, furnish Grantor with properly executed certificates of insurance or self-insurance (if permitted in the sole discretion of Grantor) and, if requested by Grantor, certified copies of endorsements and policies, which clearly evidence all insurance required under this Agreement and provide that such insurance shall be not canceled, allowed to expire or be materially reduced in coverage, except

on prior written notice to Grantor. Grantor shall have the sole discretion to determine whether the certificates and endorsements presented comply with the provisions of this Agreement.

G. Coverage Maintenance. Grantee shall replace certificates, policies and endorsements for any insurance expiring prior to the termination of this Agreement. Grantee shall maintain such insurance from the execution of this Agreement until the performance of the Due Diligence Activities is complete and the Property is restored to a similar condition to that which existed prior to Grantee and/or Grantee's Designees entry.

H. Licensed Insurer. Grantee shall place such insurance with insurers having A.M. Best Company ratings of no less than A:VIII and licensed to do business in California, unless otherwise approved, in writing, by Grantor, or unless the coverage is met with the appropriate self-insurance of Grantee.

March 19, 2019

TO: MAYOR AND COUNCIL MEMBERS

FROM: RONERICK SIMPSON, FIRE CHIEF  
COMPTON FIRE DEPARTMENT

**SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AMENDING THE 2018-2019 FISCAL YEAR BUDGET TO TRANSFER FUNDS AND AUTHORIZING THE CITY MANAGER TO ISSUE A PURCHASE ORDER FOR ENTERPRISE CAR RENTAL (EAN SERVICES LLC) FOR PROVIDING CAR RENTAL SERVICES IN TIMES OF DISASTER TO THE COMPTON FIRE DEPARTMENT (\$5,634.02).**

### **SUMMARY**

Adoption of this resolution will amend the 2018-2019 Fiscal Year budget to transfer funds in the amount of Five Thousand Six Hundred Thirty Four Dollars and Two Cents (\$5,634.02) and authorize the City Manager to issue a purchase order in the amount of \$5,634.02 for Enterprise Car Rental (EAN Services LLC) to pay outstanding invoices for rental of “off-road, 4x4” vehicles used by Compton Fire Department (“Department”) personnel during times of disaster; e.g. hurricanes, wildfires, flooding, etc.

### **BACKGROUND**

The California Fire Service and Rescue Emergency Mutual Aid System is an extension of, and supportive document to, the California Emergency Plan. Whenever a disaster occurs, communities do not have resources sufficient to cope with any and all emergencies for which potential exists. Fire and rescue resources are needed to provide assistance for all emergencies; e.g. fire engines, ladder trucks, emergency medical service units, hazardous materials units, search and rescue, crash fire rescue, bulldozers, helicopters, fixed wing aircraft, hand crews, fire boats, communications equipment, etc.

### **STATEMENT OF ISSUE**

When Fire Line Paramedics and Emergency Medical Technicians (EMT) are requested by the State; personnel through a “resource order” must adhere to certain requirements; transportation being one of them (i.e. “off-road 4x4” vehicles).

Enterprise Car Rental (“Enterprise”) is the world’s largest car rental operator, industry leader in mobility and technology, as well as one of the top global travel companies ranking ahead of many airlines and most cruise lines, hotels, tour operators and online travel agencies.

Enterprise serves the needs of a wide variety of businesses, consumers, government agencies and organizations day in and day out and especially when disaster recovery efforts are under way. Enterprise has a variety of “off-road 4x4” vehicles ready and available at their facilities.

No formal quotes were requested because Enterprise is the preferred provider by the State of California.

### **FINANCIAL IMPACT**

Through the Mutual Aid Agreement, the City will be reimbursed by the State of California, thus having no financial impact to the City.

The Fire Department’s 2018-2019 Fiscal Year budget will need to be amended to transfer funds between accounts as follows:

|                   |                            |                      |
|-------------------|----------------------------|----------------------|
| <b>From:</b>      | <b><u>Description</u></b>  | <b><u>Amount</u></b> |
| 1001-690-000-4269 | Other Contract Services    | \$5,634.02           |
| <b>To:</b>        | <b><u>Description</u></b>  | <b><u>Amount</u></b> |
| 1001-690-000-4249 | Special Department Expense | \$5,634.02           |

### **RECOMMENDATION**

Staff recommends that Council approve the attached Resolution.

**RONERICK SIMPSON, FIRE CHIEF  
COMPTON FIRE DEPARTMENT**

**APPROVED FOR FORWARDING**

**CECIL W. RHAMBO, JR.  
CITY MANAGER**

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON  
AMENDING THE 2018-2019 FISCAL YEAR BUDGET TO TRANSFER FUNDS  
AND AUTHORIZING THE CITY MANAGER TO ISSUE A PURCHASE ORDER  
FOR ENTERPRISE CAR RENTAL (EAN SERVICES LLC) FOR PROVIDING  
CAR RENTAL SERVICES IN TIMES OF DISASTER TO THE COMPTON FIRE  
DEPARTMENT (\$5,634.02).**

**WHEREAS**, the California Fire Service and Rescue Emergency Mutual Aid System is an extension of, and supportive document to, the California Emergency Plan; and

**WHEREAS**, whenever a disaster occurs, communities do not have resources sufficient to cope with any and all emergencies for which potential exists; thus, fire and rescue resources are needed to provide assistance for all emergencies; e.g. fire engines, ladder trucks, emergency medical service units, hazardous materials units, search and rescue, crash fire rescue, bulldozers, helicopters, fixed wing aircraft, hand crews, fire boats, communications equipment, etc.; and

**WHEREAS**, when Fire Line Paramedics and Emergency Medical Technicians (EMT) are requested by the State; personnel through a “resource order” must adhere to certain requirements; transportation being one of them (i.e. “off-road 4x4” vehicles); and

**WHEREAS**, Enterprise Car Rental (“Enterprise”) is the world’s largest car rental operator, serving the needs of a wide variety of businesses, consumers, government agencies and organizations day in and day out and especially when disaster recovery efforts are under way and the preferred provider by the State of California for rental vehicles during disasters; and

**WHEREAS**, the Fire Departments 2018-2019 Fiscal Year budget will need to be amended to transfer funds between accounts.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMPTON DOES  
HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** That the City Manager is hereby authorized to issue a purchase order in the amount of \$5,634.02 for Enterprise Car Rental (EAN Services LLC) to pay outstanding invoices for rental of “off-road, 4x4” vehicles used by Compton Fire Department (“Department”) personnel during times of disaster; e.g. hurricanes, wildfires, flooding, etc.

**SECTION 2.** That the Fire Department’s 2018-2019 Fiscal Year budget shall be amended to transfer funds between accounts as follows:

|                     |                            |                      |
|---------------------|----------------------------|----------------------|
| <b><u>From:</u></b> | <b><u>Description</u></b>  | <b><u>Amount</u></b> |
| 1001-690-000-4269   | Other Contract Services    | \$5,634.02           |
| <b><u>To:</u></b>   | <b><u>Description</u></b>  | <b><u>Amount</u></b> |
| 1001-690-000-4249   | Special Department Request | \$5,634.02           |

Through the Mutual Aid Agreement, the City will be reimbursed by the State of California, thus having no financial impact to the City.

**SECTION 3.** That funds for this expenditure are available in the Fire Department’s 2018-2019 Fiscal Year budget Account No. 1001-690-000-4249.

**SECTION 4.** That a copy of this Resolution shall be forwarded and filed in the offices of the City Manager, City Controller, City Clerk, and the Fire Department.

**SECTION 5.** That the Mayor shall sign and the City Clerk shall attest to the adoption of this Resolution.

**ADOPTED** this \_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
**MAYOR OF THE CITY OF COMPTON**

**ATTEST:**

\_\_\_\_\_  
**CITY CLERK OF THE CITY OF COMPTON**

STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES  
CITY OF COMPTON: ss

I, Alita Godwin, City Clerk of the City of Compton, hereby certify that the foregoing Resolution was adopted by the City Council, signed by the Mayor and attested to by the City Clerk, at a regular meeting thereof held on the \_\_\_\_ day of \_\_\_\_\_, 2019.

That said Resolution was adopted by the following vote, to wit:

**AYES:        COUNCIL MEMBERS –**  
**NOES:        COUNCIL MEMBERS –**  
**ABSTAIN:    COUNCIL MEMBERS –**  
**ABSENT:     COUNCIL MEMBERS –**

\_\_\_\_\_  
**CITY CLERK OF THE CITY OF COMPTON**