



AGENDA OF A REGULAR MEETING - NATIONAL CITY CITY COUNCIL/
COMMUNITY DEVELOPMENT COMMISSION – HOUSING AUTHORITY OF
THE CITY OF NATIONAL CITY
ONLINE ONLY MEETING

<https://www.nationalcityca.gov/webcast>

LIVE WEBCAST
COUNCIL CHAMBERS
CIVIC CENTER

1243 NATIONAL CITY BOULEVARD
NATIONAL CITY, CALIFORNIA
TUESDAY, OCTOBER 20, 2020 – 6:00 PM

ALEJANDRA SOTELO-SOLIS
Mayor

MONA RIOS
Vice Mayor

JERRY CANO
Councilmember

RON MORRISON
Councilmember

GONZALO QUINTERO
Councilmember

NOTICE: The health and well-being of National City residents, visitors, and employees during the COVID-19 outbreak remains our top priority. The City of National City is coordinating with the County of San Diego Health Human Services Agency, and other agencies to take measures to monitor and reduce the spread of the novel coronavirus (COVID-19). **The World Health Organization has declared the outbreak a global pandemic and local and state emergencies have been declared providing reprieve from certain public meeting laws such as the Brown Act.**

As a result, the City Council Meeting will occur only online to ensure the safety of City residents, employees and the communities we serve. A live webcast of the meeting may be viewed on the city's website at www.nationalcityca.gov. For Public Comments see **"PUBLIC COMMENTS"** section below

ORDER OF BUSINESS: Public sessions of all Regular Meetings of the City Council / Community Development Commission - Housing Authority (hereafter referred to as Elected Body) begin at 6:00 p.m. on the first and third Tuesday of each month. Public Hearings begin at 6:00 p.m. unless otherwise noted. Closed Meetings begin in Open Session at 5:00 p.m. or such other time as noted, and after announcing closed session items, convenes into a Closed Meeting. If a workshop is scheduled, the subject and time of the workshop will appear on the agenda. The Mayor and Council members also sit as the Chairperson and Members of the Board of the Community Development Commission (CDC).

REPORTS: All open session agenda items and reports as well as all documents and writings distributed to the Elected Body less than 72 hours prior to the meeting, are available for review on the City's website at www.nationalcityca.gov. Regular Meetings of the Elected Body are webcast and archived on the City's website at www.nationalcityca.gov.

PUBLIC COMMENTS: The City Council will receive public comments via e-mail at clerk@nationalcityca.gov regarding any matters within the jurisdiction of the City Council. **Written comments or testimony from the public (limited to three minutes) must be submitted via e-mail by 4:00 p.m. on the day of the City Council Meeting. All comments received from the public will be made a part of the record of the meeting.**

1243 National City Blvd.
National City, CA 91950
619-336-4240

Meeting agendas and
minutes available on the
City's website at
WWW.NATIONALCITYCA.GOV

The time limit established for public testimony is three minutes per speaker. The Mayor or Chairperson may limit the length of comments due to the number of persons wishing to speak or if comments become repetitious or unrelated.

WRITTEN AGENDA: With limited exceptions, the Elected Body may take action only upon items appearing on the written agenda. Items not appearing on the agenda must be brought back on a subsequent agenda unless they are of a demonstrated emergency or urgent nature, and the need to take action on such items arose after the agenda was posted.

CONSENT CALENDAR: Consent calendar items involve matters which are of a routine or noncontroversial nature. All consent items are adopted by approval of a single motion by the City Council. Prior to such approval, any item may be removed from the consent portion of the agenda and separately considered, upon request of a Councilmember, a staff member, or a member of the public.

Upon request, this agenda can be made available in appropriate alternative formats to persons with a disability in compliance with the Americans with Disabilities Act. Please contact the City Clerk's Office at (619) 336-4228 to request a disability-related modification or accommodation. Notification 24-hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

AVISO: La salud y el bienestar de los residentes, visitantes y empleados de National City durante el brote de COVID-19 sigue siendo nuestra máxima prioridad. El Ayuntamiento de la Ciudad de National City se está coordinando con la Agencia de Salud y Servicios Humanos del Condado de San Diego y otras agencias para tomar medidas con el fin de monitorear y reducir la propagación del nuevo coronavirus (COVID-19). La Organización Mundial de la Salud declaró el brote como una pandemia global y se han manifestado emergencias locales y estatales que resultan en la suspensión de ciertas leyes de reuniones públicas, tal como la Ley Brown.

Como resultado de ello, la junta del Concejo Municipal del Ayuntamiento se llevará a cabo solamente en línea para garantizar la seguridad de los residentes, empleados y comunidades locales que atendemos. Se podrá ver una transmisión en vivo de la junta en el sitio web del Ayuntamiento en www.nationalcityca.gov. Para comentarios públicos, vea la sección “COMENTARIOS PÚBLICOS” más adelante.

ORDEN DEL DÍA: Las sesiones públicas de todas las juntas ordinarias del Concejo Municipal/Comisión de Desarrollo Comunitario - Autoridad de Vivienda (en lo sucesivo denominado Órgano Electo) inician a las 6:00 p.m. el primer y tercer martes de cada mes. Las audiencias públicas inician a las 6:00 p.m., a menos que se indique lo contrario. Las juntas cerradas inician en sesión abierta a las 5:00 p.m. o en cualquier otro momento que se indique, y tras anunciar los temas de la sesión cerrada, la junta se realiza como sesión cerrada. Si se programa una reunión de discusión y análisis, el tema y la hora de la misma aparecerán en la agenda. La Alcaldesa y los Concejales se reúnen por igual que el Presidente y los integrantes del Consejo de la Comisión de Desarrollo Comunitario.

INFORMES: Todos los temas e informes de la agenda de la sesión abierta, así como todos los documentos y escritos entregados al Órgano Electo menos de 72 horas antes de la sesión, aparecerán en el sitio web del Ayuntamiento. Las juntas ordinarias del Órgano Electo se transmiten por Internet y se archivan en el sitio web del Ayuntamiento en www.nationalcityca.gov.

COMENTARIOS PÚBLICOS: El Concejo Municipal recibirá comentarios públicos por correo electrónico en clerk@nationalcityca.gov sobre cualquier asunto dentro de la jurisdicción del Concejo

Municipal. **Los comentarios escritos o el testimonio del público (limitado a tres minutos) deben enviarse por correo electrónico antes de las 4:00 p.m. en el día de la sesión del Concejo Municipal. Todos los comentarios recibidos del público formarán parte del acta de la sesión.**

AGENDA ESCRITA: Con contadas excepciones, el Órgano Electo puede tomar medidas únicamente sobre los temas que aparecen en la agenda escrita. Los temas que no aparezcan en la agenda deben aparecer en una agenda subsecuente, a menos que sean de emergencia o urgencia demostrada, y la necesidad de tomar medidas sobre esos temas haya surgido después de haber sido publicada la agenda.

CALENDARIO DE CONSENTIMIENTO: Los temas del calendario de consentimiento implican cuestiones de naturaleza rutinaria o no controvertida. Todos los temas de consentimiento se adoptan mediante la aprobación de una sola moción del Concejo Municipal. Antes de la aprobación, cualquier tema puede eliminarse de la parte de consentimiento de la agenda y considerarse aparte, a petición de un concejal, individuo del personal del Ayuntamiento o persona del público.

Previa solicitud, esta agenda puede estar disponible en formatos alternativos apropiados para personas con discapacidades, en observancia de la Ley de Estadounidenses con Discapacidades. Llame al teléfono (619) 336-4228 de la Oficina del Secretario del Ayuntamiento para solicitar una modificación o adaptación de acceso relativa a la discapacidad. Notificar 24 horas antes de la sesión permitirá al Ayuntamiento hacer arreglos razonables para garantizar la accesibilidad a esta junta.

OPEN TO THE PUBLIC

A. CITY COUNCIL

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE TO THE FLAG

PUBLIC COMMENTS (THREE-MINUTE TIME LIMIT)

PROCLAMATIONS AND CERTIFICATES

1. [Recognizing Robert “Dukie” Valderrama for 16 Years of Service as National City’s Port Commissioner.](#)
2. [National City Celebrates Filipino Heritage Month.](#)

AWARDS AND RECOGNITIONS

PRESENTATIONS (FIVE-MINUTE TIME LIMIT)

3. [Verbal Report-Out of Salary and Benefits in the Employment Agreement of the City Attorney as required by the Brown Act. \(City Attorney\)](#)
4. [Resolution of the City Council of the City of National City, Appointing Charles E. Bell Jr. as City Attorney and Authorizing the Mayor to Execute a 3 year Employment Agreement between the City of National City and Charles E. Bell Jr. with the effective date of October 21, 2020. \(City Attorney\)](#)
5. [Introduction of New Employee - Anne Defazio, Principal Librarian. \(Library\)](#)

INTERVIEWS / APPOINTMENTS

6. [Interviews and Appointments: Current Vacancies and Expired Terms. \(City Clerk\)](#)

REGIONAL BOARDS AND COMMITTEE REPORTS (FIVE-MINUTE TIME LIMIT)

CONSENT CALENDAR

7. [Motion of the City Council of the City of National City approving the waiving of the reading of the text of the Ordinances or Resolutions that are having a Public Hearing considered at this meeting and providing that such Ordinances or Resolutions shall be introduced and/or adopted after a reading of the title only. \(City Clerk\)](#)

8. [Approval of the Minutes of the Regular Meetings of the City Council and Community Development Commission - Housing Authority of the City of National City of May 5, 2020 and May 19, 2020 and the Minutes of the Special Meeting of the City Council of the City of National City of May 19, 2020. \(City Clerk\)](#)
9. [Resolution of the City Council of the City of National City rescinding the former Emergency Operations Plan adopted by Resolution 2010-133, adopting the updated City of National City Emergency Operations Plan, and approving submittal of the Plan to the California Office of Emergency Services. \(Fire\)](#)
10. [Resolution of the City Council of the City of National City authorizing the acceptance of the FY 2019 Operation Stonegarden Grant in the amount of \\$60,000, and authorizing the Chief of Police to execute the Agreement for the award of the grant funds and sign grant documents indemnifying the granting agency against any liability arising from grant related operations, and authorizing the establishment of the Police Department Grants Fund appropriations and a corresponding revenue budget, in the amount of the grant for reimbursement of overtime, fringe benefits and mileage for programmatic operations. The grant is retroactive to September 1, 2019 and terminates on May 31, 2022. \(Police\)](#)
11. [Resolution of the City Council of the City of National City: 1\) accepting the work performed by Select Electric, Inc. for the Citywide Traffic Signal and ADA Improvements, CIP No. 18-05; 2\) ratifying the execution of Change Order No. 5 for the traffic signal improvements at 2nd Avenue and Sweetwater Road in the amount of \\$58,049.24; 3\) ratifying the execution of Change Order No. 7 for the street improvements at 2nd Avenue and Sweetwater Road in the amount of \\$63,196.94; 4\) approving the final contract amount of \\$926,695.06; 5\) ratifying the release of retention in the amount of \\$46,360.92; and 6\) authorizing the Mayor to sign the Notice of Completion for the project. \(Engineering/Public Works\)](#)
12. [Resolution of the City Council of the City of National City: 1\) awarding a contract to Perry Electric in the amount of \\$335,400 for the Citywide Pedestrian Safety Improvements Project, CIP No. 19-13; 2\) authorizing a 15% contingency in the amount of \\$50,310 for any unforeseen changes; and 3\) authorizing the Mayor to execute the contract. \(Engineering/Public Works\)](#)
13. [Resolution of the City Council of the City of National City: 1\) awarding a contract to Lekos Electric, Inc. in the amount of \\$102,784 for the East 4th Street Protected Left-Turn Enhancements Project, CIP No. 19-14; 2\) authorizing a 15% contingency in the amount of \\$15,418 for any unforeseen changes; and 3\) authorizing the Mayor to execute the contract. \(Engineering/Public Works\).](#)

14. [Resolution of the City Council of the City of National City: 1\) awarding a contract to Baker Electric in the amount of \\$70,757 for the Citywide Safety Lighting Enhancements Project, CIP No. 19-15; 2\) authorizing a 15% contingency in the amount of \\$10,614 for any unforeseen changes; and 3\) authorizing the Mayor to execute the contract. \(Engineering/Public Works\)](#)
15. [Resolution of the City Council of the City of National City authorizing an amendment to the 2019 Regional Transportation Improvement Program \(RTIP\) for National City to increase programming of local TransNet \(Prop A\) funding for the Street Resurfacing Project \(NC03\) in the amount of \\$501,333 and the Citywide Safe Routes to School \(NC15\) project in the amount of \\$467,701 for FY 2019. \(Engineering/Public Works\)](#)
16. [Resolution of the City Council of the City of National City: 1\) approving the submittal of a project application for West 19th Street Greenway project through the Recreational Trail and Greenways Grant Program; and 2\) authorizing the City Manager or designee to execute the grant agreement if selected for funding. \(Engineering/Public Works\)](#)
17. [Resolution of the City Council of the City of National City authorizing the installation of a blue curb disabled persons parking space with sign in front of the residence located at 1933 "D" Avenue \(TSC No. 2020-14\). \(Engineering/Public Woks\)](#)
18. [Resolution of the City Council of the City of National City authorizing the installation of a blue curb disabled persons parking space with sign in front of the residence located at 825 "R" Avenue \(TSC No. 2020-15\). \(Engineering/Public Works\)](#)
19. [Warrant Register #9 for the period of 8/26/20 through 9/1/20 in the amount of \\$1,820,996.03. \(Finance\)](#)
20. [Warrant Register #10 for the period of 9/2/20 through 9/8/20 in the amount of \\$1,861,722.75. \(Finance\)](#)
21. [Warrant Register #11 for the period of 9/9/20 through 9/15/20 in the amount of \\$1,830,727.42. \(Finance\)](#)

PUBLIC HEARINGS: ORDINANCES AND RESOLUTIONS

22. [Public Hearing and Adoption of an Ordinance of the City Council of the City of National City Repealing Chapter 10.32 of Title 10 of the National City Municipal Code regarding Impersonating a Member of the Opposite Sex. \(City Attorney\)](#)

NON CONSENT RESOLUTIONS

23. [Resolution of the City Council of the City of National City authorizing judicial validation proceedings relating to the issuance of bonds to refund certain pension obligations of the City, approving the form and authorizing the execution of a trust agreement and bond purchase agreement, and approving additional actions related thereto. \(Finance\)](#)

NEW BUSINESS

24. [First Quarter Fiscal Year 2021 Budget Review and COVID-19 Fiscal Impact Update. \(City Manager and Finance\)](#)

B. COMMUNITY DEVELOPMENT COMMISSION - HOUSING AUTHORITY

CONSENT RESOLUTIONS - HOUSING AUTHORITY

PUBLIC HEARINGS: RESOLUTIONS - HOUSING AUTHORITY

NON CONSENT RESOLUTIONS - HOUSING AUTHORITY

25. [Resolution of the Community Development Commission-Housing Authority of the City of National City \("Housing Authority"\) \(1\) authorizing the Executive Director to execute a Disposition and Development Agreement by and between the Housing Authority, Community HousingWorks, and Centro De La Salud De La Comunidad de San Ysidro, Inc., dba San Ysidro Health, for the development of the Kimball Highland Master Plan that includes \(a\) 60 affordable housing units and a new senior center on a parcel of land owned by the Housing Authority located at 1221 "D" Avenue, and \(b\) 85 affordable housing units, a Program of All-Inclusive Care for the Elderly Center, and a Federally Qualified Health Center on a parcel of land located on the westerly side of 1320 Highland Avenue; and \(2\) authorizing the establishment of a Housing Authority Fund baseline appropriation of \\$10,475,000 but not-to-exceed \\$11,662,000 from fund balance of the Housing Authority Fund for a Housing Authority Loan to Community HousingWorks to finance the development of the affordable housing and new senior center. \(Housing Authority\)](#)

NEW BUSINESS - HOUSING AUTHORITY

C. REPORTS

STAFF REPORTS

26. [Traffic Signal Upgrades. \(Engineering/Public Works\)](#)
27. [Housing Advisory Committee Report: Update on the Sixth Cycle Housing Element 2021-2029. \(Housing Authority\)](#)
28. [City Manager Report. \(City Manager\)](#)

MAYOR AND CITY COUNCIL

CLOSED SESSION

CLOSED SESSION REPORT

ADJOURNMENT

Regular Meeting of the City Council and Community Development Commission - Housing Authority of the City of National City - Tuesday - November 17, 2020 - 6:00 p.m. - Council Chambers - National City, California.

No City Council Meeting on November 3, 2020 due to the Election pursuant to National City Municipal Code 2.04.020.

The following page(s) contain the backup material for Agenda Item: [Recognizing Robert “Dukie” Valderrama for 16 Years of Service as National City’s Port Commissioner.](#)
Please scroll down to view the backup material.

Item # ____
10/20/20

**Recognizing Robert “Dukie” Valderrama for 16 Years
of Service as National City’s Port Commissioner**

The following page(s) contain the backup material for Agenda Item: [National City Celebrates Filipino Heritage Month.](#)

Please scroll down to view the backup material.

Item # ____
10/20/20

National City Celebrates Filipino Heritage Month

The following page(s) contain the backup material for Agenda Item: [Verbal Report-Out of Salary and Benefits in the Employment Agreement of the City Attorney as required by the Brown Act. \(City Attorney\)](#)

Please scroll down to view the backup material.

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: October 20, 2020

AGENDA ITEM NO. |

ITEM TITLE:

Verbal Report-Out of Salary and Benefits in the Employment Agreement of the City Attorney as required by the Brown Act.

PREPARED BY: Angil Morris-Jones

DEPARTMENT: City Attorney

PHONE: Ext. 4222

APPROVED BY: 

EXPLANATION:

The Brown Act requires that the salary and benefits of Executive Employees are read aloud prior to the Adoption of the Resolution Appointing the City Attorney and Approving the Employment Agreement pursuant to Government Code § 54953 (c)(3).

FINANCIAL STATEMENT:

ACCOUNT NO.

N/A

APPROVED: _____ **Finance**

APPROVED: _____ **MIS**

ENVIRONMENTAL REVIEW:

N/A

ORDINANCE: INTRODUCTION: FINAL ADOPTION:

STAFF RECOMMENDATION:

BOARD / COMMISSION RECOMMENDATION:

N/A

ATTACHMENTS:

- 1) Report-Out of Salary and Benefits pursuant to Government Code § 54953 (c)(3)

[To be read aloud prior to Adoption of Resolution Approving Employment Agreement]

Report Out of Salary and Benefits of City Attorney Government Code Section 54953 (c)(3)

The following is a summary of the salary and benefits to be received by the City Attorney:

- Three-year contract effective October 21, 2020
- \$190,000 annual salary
- 3% annual increase after years 1 and 2 upon satisfactory annual evaluation from the City Council.
- Deferred Compensation of \$7,500 annual.
- \$750.00 per month for Vehicle Allowance.
- 10 paid fixed holidays per year.
- 9 days of Administrative Leave per year.
- Vacation accrued at the rate of 10.00 hours per month.
- Employee life insurance of \$150,000.
- Availability of Health and Dental Insurance.
- Participation in CalPERS Retirement System.
- Retiree health benefit of \$20 per month for each year of service.
- Reside within the city limits of National City.
- If employee is terminated by the City other than for cause, employee shall receive payment of six months' salary, and Health benefits.

The following page(s) contain the backup material for Agenda Item: [Resolution of the City Council of the City of National City, Appointing Charles E. Bell Jr. as City Attorney and Authorizing the Mayor to Execute a 3 year Employment Agreement between the City of National City and Charles E. Bell Jr. with the effective date of October 21, 2020. \(City Attorney\)](#)

Please scroll down to view the backup material.

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: October 20, 2020

AGENDA ITEM NO. |

ITEM TITLE:

Resolution of the City Council of the City of National City, Appointing Charles E. Bell Jr. as City Attorney and Authorizing the Mayor to Execute a 3 year Employment Agreement between the City of National City and Charles E. Bell Jr. with the effective date of October 21, 2020.

PREPARED BY: Angil Morris-Jones

DEPARTMENT: City Attorney

PHONE: Ext. 4222

APPROVED BY: 

EXPLANATION:

After a Nation-wide City Attorney recruitment conducted by The Hawkins Company, Charles E. Bell Jr. was selected as City Attorney.

At the end of the regular City Council Meeting on October 6, 2020, a two part Report Out of Closed Session was given by the City Attorney:

- 1) On September 19, 2020, City Council selected a candidate for the appointment of a City Attorney by a 5 to 0 vote and directed that the terms of the Employment Agreement be brought to City Council for approval at the October 6, 2020 Closed Session; and
- 2) On October 20, 2020 a Report Out of Closed Session, the City Council approved the terms of the Employment Agreement by a 5-0 Vote and directed that the Employment Agreement be presented on October 20, 2020 City Council Meeting for formal approval and appointment.

The Brown Act requires that salary and benefits of Executive Employees are read aloud prior to the Adoption of the Resolution Appointing the City Attorney and Approving the Employment Agreement pursuant to Government Code § 54953 (c)(3).

FINANCIAL STATEMENT:

APPROVED:  Finance

ACCOUNT NO. 001-405-000-1* (Personnel)

APPROVED: _____ MIS

Due to net cost savings realized by the Deputy City Attorney Position vacancy, overall City Attorney's Office Personnel expenses are expected to end the year within budget.

ENVIRONMENTAL REVIEW:

This is not a project and therefore, not subject to environmental review.

ORDINANCE: INTRODUCTION: FINAL ADOPTION:

STAFF RECOMMENDATION:

Adopt Resolution.

BOARD / COMMISSION RECOMMENDATION:

N/A

ATTACHMENTS:

- 1) Employment Agreement
- 2) Resolution

EMPLOYMENT AGREEMENT

City Attorney



**City of National City
California**

2020

**EMPLOYMENT AGREEMENT
CITY ATTORNEY
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EMPLOYMENT AGREEMENT

THIS AGREEMENT made and entered into this 21st day of October, 2020, by and between the City of National City, a municipal corporation, (hereinafter called "Employer") and Charles E. Bell Jr. (hereinafter called "Employee") an individual who has education, training and experience in legal issues involving local government, and who is a member in good standing of the State Bar of California, both of whom agree as follows:

Section 1 Term.

This Agreement shall remain in full force in effect for a period of three (3) years from October 21, 2020, through October 21, 2023, unless sooner terminated by the Employer or Employee as provided in Section 9, 10 or 11 of this Agreement.

Section 2 Duties and Authority.

Employer agrees to employ Charles E. Bell Jr. as City Attorney, on an at-will basis, to perform the functions and duties specified in the National City Municipal Code and the California Government Code, and to perform other legally permissible and proper duties and functions, commencing on October 21, 2020.

Section 3 Compensation.

A. Base Salary: Employer agrees to pay Employee an annual base salary of one hundred ninety thousand (\$190,000), payable in installments at the same time that the other executive employees of the Employer are paid. Employer agrees to pay Employee a 3% annual increase after year 1 and 2 upon satisfactory annual reviews.

B. This Agreement shall be re-opened to discuss compensation and benefits if, and at the time, managers or executives receive any increase in compensation or benefits.

C. Beginning October 21, 2023, consideration shall be given on an annual basis to increase salary, based upon increases in the Consumer Price Index ("CPI"), as that term is defined at Government Code section 3511.1(b). Any increase in salary shall be dependent upon the results of the performance evaluation conducted under the provisions of Section 12 of this Agreement.

D. Deferred Compensation: Employer shall provide seven-thousand five-hundred (\$7500) annually to Employee's selected deferred compensation plan. This payment shall be made each October in years 2021, 2022, and 2023.

Section 4 Health, Disability and Life Insurance Benefits.

A. The Employer agrees to provide Employee a cafeteria health benefit of \$1200.00 per month.

B. The Employer agrees to put into force and to make required premium payments for short term and long term disability coverage for the Employee.

C. The Employer shall pay the amount of premium due for term life insurance in the amount of \$150,000. The Employee shall name the beneficiary of the life insurance policy.

Section 5 Vacation, Sick and Military Leave.

A. The Employee shall accrue sick and vacation leave and other paid leave on an annual basis at the rate provided to Executive employees.

B. The Employee is entitled to accrue all unused vacation and sick leave, without limit, and in the event the Employee's employment is terminated, either voluntarily or involuntarily, the Employee shall be compensated for all unused vacation and sick leave in accordance with the Employer's customary practice for Executive Employees.

C. The Employee shall be entitled to military reserve leave time pursuant to state law and City policy.

Section 6 Monthly Vehicle Allowance.

The Employer agrees to pay to the Employee, during term of this Agreement and in addition to other salary and benefits herein provided, the sum of \$9000.00 per year, payable at \$750.00 per month, as a vehicle allowance to be used to purchase, lease, or own, operate and maintain a vehicle. The Employee shall be responsible for paying for liability, property damage, and comprehensive insurance coverage upon such vehicle and shall further be responsible for all expenses attendant to the purchase, operation, maintenance, repair, and regular replacement of said vehicle. The Employer shall reimburse the Employee at the IRS standard mileage rate for any business use of the vehicle beyond the greater National City area. For purposes of this Section, use of the car within the greater National City area is defined as travel to locations within a 50 mile radius of the National City Civic Center.

Section 7 Retirement.

The Employer agrees to enroll the Employee into the Public Employees' Retirement System and to make all the appropriate contributions on the Employee's behalf, for the required Employer share. Employee shall pay the entire employee share, as determined by CalPERS.

Section 8 General Business Expenses.

1. Employer agrees to budget for and to pay for professional dues and subscriptions of the Employee necessary for continuation and full participation in national, regional, state and local associations, and organizations necessary and desirable for the Employee's continued professional participation, growth, and advancement, and for the good of the Employer.

2. Employer agrees to budget for and to pay for travel and subsistence expenses of Employee for professional and official travel, meetings, and occasions to adequately continue the professional development of Employee and to pursue necessary official functions for Employer, including but not limited to the League of California Cities, and such other national, regional, state and local governmental groups and committees in which Employee services as a member.

3. Employer also agrees to budget for and to pay for travel and subsistence expenses of Employee for short courses, institutes and seminars that are necessary for the Employee's professional development and for the good of the Employer.

4. Employer recognizes that certain expenses of a non-personal but job-related nature are incurred by Employee, and agrees to reimburse or to pay said general expenses. The Finance Director is authorized to disburse such moneys upon receipt of duly executed expense or petty cash vouchers, receipts, statements or personal affidavits.

5. The Employer acknowledges the value of having Employee participate and be directly involved in local civic clubs or organizations. Accordingly, Employer shall pay for the

reasonable membership fees and/or dues to enable the Employee to become an active member in local civic clubs or organizations.

6. The Employer shall provide Employee with a computer, software, fax/modem, and cell phone required for the Employee to perform the job and to maintain communication.

Section 9 Termination.

For the purpose of this Agreement, termination shall occur when:

1. The majority of the Employer's City Council votes to terminate the Employee at a duly authorized public meeting.

2. If the Employer, citizens or legislature acts to amend any provisions of the state or local law pertaining to the role, powers, duties, authority, and responsibilities of the Employee's position that substantially changes the form of government, the Employee shall have the right to declare that such amendments constitute termination.

3. If the Employer reduces the base salary, compensation or any other financial benefits of the Employee, unless it is applied in no greater percentage than the average reduction of all department heads, such action shall constitute a breach of this Agreement and will be regarded as a termination.

4. If the Employee resigns following an offer to accept resignation, whether formal or informal, by the Employer as representative of the majority of the governing body that the Employee resign, then the Employee may declare a termination as of the date of suggestion.

5. Breach of contract declared by either party with a 30 day cure period for either Employee or Employer. Written notice of a breach of contract shall be provided in accordance with the provisions of Section 20.

Section 10 Severance.

The Employee is an at-will employee, serving at the pleasure of the Employer's City Council. This Agreement, and the Employee's employment with the Employer, may be terminated with or without cause by the Employer's City Council. In the event the Employee is terminated for cause, or voluntarily resigns his position with the Employer, then the Employee shall not be entitled to the payment of Severance by the Employer.

In the event the Employee is terminated by the Employer other than for cause, and during such time that Employee is willing and able to perform his duties under this Agreement, then Employer agrees to pay Severance equal to one-half year's base salary at the current rate of pay. This Severance shall be paid in one lump sum unless otherwise agreed to by the Employer and the Employee. This severance shall include the Employee's continued participation in the Employer's health care plan for a period of six months after his separation from City Employment. The value of the City's contribution to the cost of health care shall not exceed the established contribution for Executive employees as of the date of the Employee's separation.

In the event of Severance, the Employee shall also be compensated for all accrued sick and vacation leave.

If the Employee is terminated because of a conviction of a felony, then the Employer is not obligated to pay Severance under this section. If the Employee is convicted of a crime involving an abuse of office or position, then regardless of the term of the contract, if the Employee is terminated, any cash settlement, including severance, related to the termination received by Employee from Employer shall be fully reimbursed to the Employer.

Section 11 Resignation.

In the event that the Employee voluntarily resigns his position with the Employer, the Employee shall provide a minimum of thirty (30) days' notice unless the parties agree otherwise.

Section 12 Performance Evaluation.

Employer may annually review the performance of the Employee in the Employee's anniversary month subject to a process, form, criteria, and format for the evaluation which shall be mutually agreed upon by the Employer and Employee. The process at a minimum may include the opportunity for both parties to: (1) prepare a written evaluation, (2) meet and discuss the evaluation, and (3) present a written summary of the evaluation results. The final written evaluation should be completed and delivered to the Employee within thirty (30) days of the evaluation meeting.

Section 13 Hours of Work.

It is recognized that the Employee must devote a great deal of time outside the normal office hours on business for the Employer, and to that end Employee shall be allowed to establish an appropriate work schedule, compatible with the normal business hours of the City of National City.

Section 14 Outside Activities.

A. Disclosure and Acknowledgement: Employee has disclosed and acknowledged one (1) outside activity (Treasurer for the Cal Poly Black Alumni Chapter). Should this present a conflict of interest or inability for the City Attorney to provide full service to the City, he will withdraw from such activities.

B. Notice and Consent: Employee shall give written notice to Council for Council's approval of any new outside activities of Employee.

Section 15 Indemnification.

In accordance with federal, state or local law, Employer shall defend, save harmless and indemnify Employee against any tort, professional liability claim or demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the course and scope of the performance of Employee's duties as City Attorney, or resulting from the exercise of judgment or discretion in connection with the course and scope of performance of program duties or responsibilities, unless the act or omission involved willful or wanton conduct. In such cases, the Employee may request and the Employer shall not unreasonably refuse to provide independent legal representation at the Employer's expense and the Employer may not unreasonably withhold approval. Legal representation provided by Employer for Employee shall extend until a final determination of the legal action, including any appeals brought by either party. The Employer shall indemnify Employee against any and all losses, damages, judgments, interest, settlements, fines, court costs, and other reasonable costs and expenses of legal proceedings, including attorney's fees and any other liabilities incurred by, imposed upon, or suffered by such Employee in connection with or resulting from any claim, action, suit or proceeding, actual or threatened, arising out of or in connection with the performance of the Employee in the course and scope of her duties. Any settlement of any claim

must be made with prior approval of the Employer in order for indemnification, as provided in this Section, to be available.

Employee recognizes the Employer shall have the right to compromise and settle any claim or suit. Further, Employer agrees to pay all reasonable litigation expenses of Employee throughout the pendency of any litigation to which the Employee is a party, witness or advisor to the Employer. Such expense payments shall continue beyond Employee's service to the Employer as long as litigation is pending. Further, Employer agrees to pay Employee reasonable consulting fees and travel expenses when Employee serves as a witness, advisor or consultant to Employer regarding pending litigation.

If Employee is convicted of a crime involving an abuse of his office or position, as defined in Government Code section 53243.4, then Employee shall fully reimburse Employer for any funds provided for Employee's criminal defense, if any such funds were provided pursuant to or consistent with this Section. This paragraph shall not be construed as creating or implying an obligation by Employer to provide a criminal defense to Employee.

Section 16 Bonding.

Employer shall bear the full cost of any fidelity or other bonds required of the Employee under any law or ordinance.

Section 17 Other Terms and Conditions of Employment.

A. The Employer shall fix any such other terms and conditions of employment, as it may determine from time to time, relating to the performance of the Employee, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement, the National City Municipal Code, or any other law.

B. Except as otherwise provide in this Agreement, the Employee shall be entitled to the highest level of benefits that are enjoyed by other appointed employees of the Employer as provided in the Municipal Code or by practice.

Section 18 Notices.

Notice pursuant to this Agreement shall be given by depositing in the custody of the United States Postal Service, postage prepaid, addressed as follows:

EMPLOYER: Mayor
City of National City
1243 National City Boulevard
National City, CA 91950-4301

EMPLOYEE: Charles E. Bell Jr.
[At the address of the
Employee's principal
residence]

Alternatively, notice required pursuant to this Agreement may be personally served in the same manner as is applicable to civil judicial practice. Notice shall be deemed given as of the date of personal service or as the date of deposit of such written notice in the course of transmission in the United States Postal Service.

Section 19 General Provisions.

A. **Integration.** This Agreement sets forth and establishes the entire understanding between the Employer and the Employee relating to the employment of the Employee by the Employer. Any prior discussions or representations by or between the parties are merged into

and rendered null and void by this Agreement. The parties by mutual written agreement may amend any provision of this Agreement during the life of the Agreement. Such amendments shall be incorporated and made a part of this Agreement.

B. Binding Effect. This Agreement shall be binding on the Employer and the Employee as well as their heirs, assigns, executors, personal representatives and successors in interest.

C. Effective Date. This Agreement shall become effective on October 21, 2020.

D. Severability. The invalidity or partial invalidity of any portion of this Agreement will not effect the validity of any other provision. In the event that any provision of this Agreement is held to be invalid, the remaining provisions shall be deemed to be in full force and effect as if they have been executed by both parties subsequent to the expungement or judicial modification of the invalid provision.

E. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

F. Construction. The parties acknowledge and agree that (1) each party is of equal bargaining strength, (2) each party has actively participated in the drafting, preparation and negotiation of this Agreement, (3) each such party has consulted with or has had the opportunity to consult with its own, independent counsel and such other professional advisors as such party has deemed appropriate, relative to any and all matters contemplated under this Agreement, (4) each party and such party's counsel and advisors have reviewed this Agreement, (5) each party has agreed to enter into this Agreement following such review and the rendering of such advice, and (6) any rule or 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 portions hereof, or any amendments hereto.

Section 20 City Attorney's Residency.


The City Attorney acknowledges and agrees that he will establish and maintain residency within the City of National City.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written.

CITY OF NATIONAL CITY

EMPLOYEE

By: _____
Alejandra Sotelo-Solis, Mayor



Charles E. Bell Jr.

APPROVED AS TO FORM:

Angil P. Morris-Jones, City Attorney

RESOLUTION NO. 2020 –

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY,
APPOINTING CHARLES E. BELL JR. AS CITY ATTORNEY AND AUTHORIZING THE
MAYOR TO EXECUTE A 3 YEAR EMPLOYMENT AGREEMENT BETWEEN THE CITY
OF NATIONAL CITY AND CHARLES E. BELL JR. WITH THE EFFECTIVE DATE OF
OCTOBER 21, 2020**

WHEREAS, after a Nation-wide City Attorney recruitment conducted by The Hawkins Company, Charles E. Bell Jr. was selected as City Attorney.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of National City as follows:

SECTION 1. Charles E. Bell Jr. is hereby appointed to the position of City Attorney for the City of National City effective October 21, 2020.

SECTION 2. In consideration of Mr. Bell's acceptance of the appointments made hereinabove, the City Council hereby approves the following employment terms and conditions:

- A. Commencement of Employment
October 21, 2020 is hereby designated as the date of commencement of Mr. Bell's duties to serve as City Attorney.
- B. Salary / Compensation
The base salary to be paid to Mr. Bell for his services as City Attorney, shall be \$190,000 annually with a 3% annual increase after year 1 and 2 upon satisfactory annual evaluations, annual payment of \$7,500 for Deferred Compensation, \$750.00 per month for vehicle allowance payable in accordance with the City's customary payroll practices.
- C. Benefits
In addition to base salary, Mr. Bell shall receive such other benefits as are provided to City Council-appointed officers of the City, including holidays, vacation leave, executive leave, sick leave, and insurance and retirement benefits.

SECTION 3. The Mayor is hereby authorized to execute an Employment Agreement between the City and Charles E. Bell Jr. with an initial term of three (3) years. Said Agreement is on file in the office of the City Clerk.

PASSED and ADOPTED this 20th day of October, 2020

Alejandra Sotelo-Solis, Mayor

ATTEST:

Michael R. Dalla, City Clerk

APPROVED AS TO FORM:

Angil P. Morris-Jones, City Attorney

The following page(s) contain the backup material for Agenda Item: [Introduction of New Employee - Anne Defazio, Principal Librarian. \(Library\)](#)

Please scroll down to view the backup material.

Item # ____
10/20/20

**INTRODUCTION OF NEW EMPLOYEE – ANNE DEFAZIO,
PRINCIPAL LIBRARIAN**

(Library)

The following page(s) contain the backup material for Agenda Item: [Interviews and Appointments: Current Vacancies and Expired Terms. \(City Clerk\)](#)
Please scroll down to view the backup material.

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: October 20, 2020

AGENDA ITEM NO. |

ITEM TITLE:

Interviews and Appointments: Current Vacancies & Expired Terms (City Clerk)

PREPARED BY: Michael R. Dalla

DEPARTMENT: City Clerk

PHONE: 619-336-4226

APPROVED BY: _____



EXPLANATION:

See attached

FINANCIAL STATEMENT:

APPROVED: _____ Finance

ACCOUNT NO. |

APPROVED: _____ MIS

ENVIRONMENTAL REVIEW:

ORDINANCE: INTRODUCTION: FINAL ADOPTION:

STAFF RECOMMENDATION:

Re-appoint and appoint as desired

BOARD / COMMISSION RECOMMENDATION:

ATTACHMENTS:

Explanation
Application

BOARDS & COMMISSIONS – CURRENT VACANCIES AND EXPIRED TERMS
October 20, 2020

CIVIL SERVICE COMMISSION

(Appointing Authority: City Council / Staff Liaison: Robert Meteau)

There is one (1) expiring term (**Courtney**) on the Civil Service Commission and one (1) vacancy. Mr. Courtney requests to be reappointed. There are no new applications.

<u>Name</u>	<u>Interviewed</u>	<u>First Appointed</u>
Rafiel Courtney	Incumbent	01-19-10 4/5
VACANCY		

PARKS, RECREATION & SENIOR CITIZENS ADVISORY BOARD (PRSCAB)

(Appointing Authority: Mayor subject to confirmation by City Council / Staff Liaison: Audrey Denham)

There are (2) expiring terms on the PRSCAB. One incumbent declines reappointment (**Cesena**) and one (1) has moved out of the City. There are no new applicants.

<u>Name</u>	<u>Interviewed</u>
VACANCY	
VACANCY	

PUBLIC ART COMMITTEE (Appointing Authority: Mayor subject to confirmation by City Council / Staff Liaison: Audrey Denham)

There is one (1) vacancy (**Cavada**) and one (1) unexpired term (**Montenegro**) on the Public Art Committee. The Alternate on the Committee, (Jacqueline Schliapnik) may be appointed to one of the vacancies. There are no new applications.

<u>Name</u>	<u>Interviewed</u>	<u>First Appointed</u>
Jacqueline Schliapnik	Current Alternate	12-17-19

VETERANS AND MILITARY FAMILIES ADVISORY COMMITTEE (Appointing Authority: Mayor, subject to confirmation by City Council / Staff Liaison: Lauren Maxilom)

There are two (2) resident vacancies on the seven member Committee. There is one (1) new resident applicant (**Hernandez**) for interview and one (1) resident applicant from the previous Veterans Committee (**Limbaga**).

<u>Name</u>	<u>Interviewed</u>
Maria Elena Hernandez	No
Natalie Limbaga	Not required

**CITY OF NATIONAL CITY
APPLICATION FOR APPOINTMENT
TO CITY BOARDS, COMMISSIONS, AND COMMITTEES**

Community & Police Relations Commission* (CPRC)
 Library Board of Trustees
 Parks, Recreation & Senior Citizens Advisory Board
 Veterans & Military Families Advisory Committee*

Civil Service Committee
 Planning Commission
 Public Art Committee*
 Traffic Safety Committee
 Advisory Housing Committee*

- Applicants must be residents of the City of National City except for those marked by an asterisk (*). All applicants must be U.S. Citizens.
- Applicants for the Community and Police Relations Commission must pass a criminal background check prior to appointment.
- Applicants for the Advisory Housing Committee must have subject matter expertise in housing-related issues.

Name: MARIA ELENA HERNADEZ E-Mail: Mehernandez@gmail.com

Home Address: 2113 A AVENUE NATIONAL CITY ⁹¹⁹⁵⁰ Tel No: (619) 829-1317
(Include City/Zip)

Business Affiliation: N/A Title: N/A

Business Address: N/A Tel. No.: N/A

Length of Residence in National City: 34 yrs San Diego County: 34 yrs California: 35 yrs

Educational Background: HIGH SCHOOL DIPLOMA, CERTIFICATE IN CRIMINAL JUSTICE

Occupational Experience: FOOD SERVICE, MAIL SERVICE (MILITARY), U.S. ARMY SECURITY GUARD

Professional or Technical Organization Memberships: NONE

Civic or Community Experience, Membership, or Previous Public Service Appointments: NONE

Experience or Special Knowledge Pertaining to Area of Interest: LIVED IN SAME HOUSE AND KNOW AREA VERY WELL

Have you ever been convicted of a felony crime? No: Yes: misdemeanor crime? No: Yes:
 If any convictions were expunged disclosure is not required. Convictions are not necessarily disqualifying. Please feel free to provide an explanation or information if "Yes" was marked for the above two questions.
NONE

Date: 09-23-2020 Signature: Maria Elena Hernandez

Please feel free to provide additional information or letters of endorsement.

Return completed form to: Office of the City Clerk, 1243 National City Blvd., National City, CA 91950

Thank you for your interest in serving the City of National City.

The following page(s) contain the backup material for Agenda Item: [Motion of the City Council of the City of National City approving the waiving of the reading of the text of the Ordinances or Resolutions that are having a Public Hearing considered at this meeting and providing that such Ordinances or Resolutions shall be introduced and/or adopted after a reading of the title only. \(City Clerk\)](#)

Please scroll down to view the backup material.

Item # ____
10/20/20

MOTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY APPROVING THE WAIVING OF THE READING OF THE TEXT OF THE ORDINANCES OR RESOLUTIONS THAT ARE HAVING A PUBLIC HEARING CONSIDERED AT THIS MEETING AND PROVIDING THAT SUCH ORDINANCES OR RESOLUTIONS SHALL BE INTRODUCED AND/OR ADOPTED AFTER A READING OF THE TITLE ONLY.

(City Clerk)

The following page(s) contain the backup material for Agenda Item: [Approval of the Minutes of the Regular Meetings of the City Council and Community Development Commission - Housing Authority of the City of National City of May 5, 2020 and May 19, 2020 and the Minutes of the Special Meeting of the City Council of the City of National City of May 19, 2020. \(City Clerk\)](#)

Please scroll down to view the backup material.

Item # ____
10/20/20

**APPROVAL OF THE MINUTES OF THE REGULAR
MEETINGS OF THE CITY COUNCIL AND COMMUNITY
DEVELOPMENT COMMISSION – HOUSING AUTHORITY
OF THE CITY OF NATIONAL CITY OF MAY 5, 2020 AND
MAY 19, 2020 AND THE MINUTES OF THE SPECIAL MEETING
OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY
OF MAY 19, 2020.**

(City Clerk)

DRAFT DRAFT DRAFT
**MINUTES OF THE REGULAR MEETING OF THE
CITY COUNCIL AND COMMUNITY DEVELOPMENT COMMISSION –
HOUSING AUTHORITY OF THE CITY OF NATIONAL CITY
ONLINE ONLY MEETING**

May 5, 2020

The Regular Meeting of the City Council and Community Development Commission – Housing Authority of the City of National City was called to order at 6:04 p.m. by Mayor / Chairwoman Alejandra Sotelo-Solis.

ROLL CALL

Council / Board members present: Cano, Morrison, Quintero, Rios, Sotelo-Solis.
Administrative Officials present: Aguirre, Dalla, Denham, Morris-Jones, Raulston, Roberts, Vergara, Williams, Winney, Yano.

PLEDGE OF ALLEGIANCE TO THE FLAG BY MAYOR SOTELO-SOLIS

PUBLIC COMMENTS (SUBMITTED VIA E-MAIL)

City Clerk Michael Dalla publically read written comments submitted prior to the meeting via e-mail. The comments are summarized below and are on file in the Office of the City Clerk.

Meg Garcia, Sweetwater High School Centennial Committee Co-chair, provided details of future Sweetwater events and extended an invitation to the City to partner with the Committee throughout the centennial year.

Nancy Estolano, National City, provided suggestions on taking proper steps regarding legal cannabis businesses in the City.

Beverly Bingham, National City, expressed concerns regarding ongoing traffic and speeding issues and loud exhaust noise near Harbison Avenue and west on 16th Street.

Alex Jones, American Cancer Society, announced that the American Cancer Society and Relay for Life of National City are suspending events this year, due to COVID-19. He encouraged anyone who feels comfortable enough to fundraise, to continue to do so and thanked everyone for their support.

Elizabeth Montijo, Event Chair - Relay for Life of National City, provided information on the “Light Up The Night” event to be held on the evening of July 25th.

Terri-Ann Skelly, thanked the City for their hard work in protecting National City citizens from commercial and residential evictions related to COVID-19; provided statistics on marijuana use in young people and asked that the City put the good health of young people first and not enable marijuana use in any way.

PUBLIC COMMENTS (continued)

Lynda Barbour, Southern California Government Relations Director - American Cancer Society Cancer Action Network, expressed concerns regarding the impact of secondhand marijuana smoke exposure and urged the City to remove the consumption lounge language from the proposed cannabis ordinance.

ADDITIONAL ITEMS INTRODUCED

AWARDS AND RECOGNITIONS

Mayor Sotelo-Solis recognized the 100th Birthday of National City resident, Ms. Dolly Vertal, who is the grandmother of Fire Captain Jeff Bogle.

Mayor Sotelo-Solis recognized Dr. Maria Patrice Amon, Director and Producer in Residence at San Diego Repertory Theatre, for donating over 300 masks to UC San Diego Hospital.

Mayor Sotelo-Solis recognized retired Fire Battalion Chief Don Miner who is showing his appreciation to delivery drivers and postal workers by providing light snacks and water bottles outside of his home.

Mayor Sotelo-Solis announced that it was Teacher Appreciation Week and thanked all educators and teachers for all they do and for making a difference in their students' lives.

CITY COUNCIL

CONSENT CALENDAR

ADOPTION OF CONSENT CALENDAR. Item No. 1 (NCCMC), Item Nos. 2 through 9 (Resolution No. 2020-76 through 2020-83), Item Nos. 10 and 11 (Warrant Registers). Motion by Quintero, seconded by Rios, to approve the Consent Calendar, except for Item Nos. 2, 4, and 10. Carried by unanimous vote.

MUNICIPAL CODE 2020 (506-2-35)

1. MOTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY APPROVING THE WAIVING OF THE READING OF THE TEXT OF THE ORDINANCES CONSIDERED AT THIS MEETING AND PROVIDING THAT SUCH ORDINANCES SHALL BE INTRODUCED AND/OR ADOPTED AFTER A READING OF THE TITLE ONLY. (City Clerk)

ACTION: Approved. See above.

CONSENT CALENDAR (continued)**CONTRACT (C2005-65)****GRANT/PUBLIC SAFETY (206-4-27)**

2. Resolution No. 2020-76. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT BETWEEN THE CITY OF SAN DIEGO OFFICE OF HOMELAND SECURITY AND THE CITY OF NATIONAL CITY, AND AUTHORIZING THE ESTABLISHMENT OF AN APPROPRIATION AND CORRESPONDING REVENUE BUDGET IN THE AMOUNT OF \$41,560 FROM THE FY19 URBAN AREA SECURITY INITIATIVE (UASI) GRANT FUNDS FOR THE REIMBURSABLE GRANT PURCHASE OF EQUIPMENT AND TRAINING FOR THE POLICE AND FIRE DEPARTMENTS. (Fire)

ACTION: Adopted. See above.

POLICE DEPT ADMIN (302-4-1)**GRANT/PUBLIC SAFETY (206-4-27)**

3. Resolution No. 2020-77. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY RATIFYING AND AUTHORIZING THE ACCEPTANCE OF APPROXIMATELY \$100,000 ANNUALLY FROM CITIZENS' OPTION FOR PUBLIC SAFETY (COPS) PROGRAM AND AUTHORIZING THE ESTABLISHMENT OF AN APPROPRIATION AND CORRESPONDING REVOLVING REVENUE BUDGET IN THE AMOUNT OF THE ALLOTMENT WITHIN THE SUPPLEMENTAL LAW ENFORCEMENT SERVICES. (Police)

ACTION: Adopted. See above.

EMERGENCY / DISASTER PLANNING ADMIN (301-1-1)

4. Resolution No. 2020-78. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY RATIFYING THE COVID-19 PERMIT EXTENSION PROGRAM FOR HOMEOWNERS AND BUSINESS OWNERS. (City Manager)

ACTION: Adopted. See above.

CONTRACT (C2014-31)

5. Resolution No. 2020-79. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AUTHORIZING THE MAYOR TO EXECUTE A SECOND AMENDMENT TO THE AGREEMENT WITH RANDALL LAMB ASSOCIATES, INC., EXTENDING THE TERM OF THE AGREEMENT BY SIX MONTHS TO DECEMBER 19, 2020, DUE TO THE IMMEDIATE NEED FOR THE SERVICES TO CONTINUE THAT WERE DELAYED AS A RESULT OF THE COVID-19 PANDEMIC. (Engineering/Public Works)

ACTION: Adopted. See above.

CONSENT CALENDAR (continued)

CONTRACT (C2017-37)

6. Resolution No. 2020-80. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AUTHORIZING THE MAYOR TO EXECUTE A SECOND AMENDMENT TO THE AGREEMENT WITH SCST, LLC, EXTENDING THE TERM OF THE AGREEMENT BY SIX MONTHS TO DECEMBER 19, 2020, DUE TO THE IMMEDIATE NEED FOR THE SERVICES TO CONTINUE THAT WERE DELAYED AS A RESULT OF THE COVID-19 PANDEMIC. (Engineering/Public Works)

ACTION: Adopted. See above.

CONTRACT (C2017-36)

7. Resolution No. 2020-81. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AUTHORIZING THE MAYOR TO EXECUTE A SECOND AMENDMENT TO THE AGREEMENT WITH NERI LANDSCAPE ARCHITECTURE, EXTENDING THE TERM OF THE AGREEMENT BY SIX MONTHS TO DECEMBER 19, 2020, DUE TO THE IMMEDIATE NEED FOR THE SERVICES TO CONTINUE THAT WERE DELAYED AS A RESULT OF THE COVID-19 PANDEMIC. (Engineering/Public Works)

ACTION: Adopted. See above.

CONTRACT (C2004-51)

8. Resolution No. 2020-82. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AUTHORIZING THE MAYOR TO EXECUTE A SECOND AMENDMENT TO THE AGREEMENT WITH D-MAX ENGINEERING, INC., EXTENDING THE TERM OF THE AGREEMENT BY SIX MONTHS TO DECEMBER 5, 2020, DUE TO THE IMMEDIATE NEED FOR THE SERVICES TO CONTINUE THAT WERE DELAYED AS A RESULT OF THE COVID-19 PANDEMIC. (Engineering/Public Works)

ACTION: Adopted. See above.

CONTRACT (C2017-61)

9. Resolution No. 2020-83. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AUTHORIZING THE MAYOR TO EXECUTE A THIRD AMENDMENT TO THE AGREEMENT WITH COUNTYWIDE MECHANICAL SYSTEMS, INC., INCREASING THE NOT-TO-EXCEED AMOUNT OF THE AGREEMENT BY \$50,000, FOR A TOTAL AGREEMENT AMOUNT OF \$220,412, AND EXTENDING THE TERM OF THE AGREEMENT BY SIX MONTHS TO FEBRUARY 28, 2021, DUE TO THE IMMEDIATE NEED FOR THE SERVICES TO CONTINUE THAT WERE DELAYED AS A RESULT OF THE COVID-19 PANDEMIC. (Engineering/Public Works)

ACTION: Adopted. See above.

CONSENT CALENDAR (continued)

WARRANT REGISTER JULY 2019 - JUNE 2020 (202-1-34)

10. Warrant Register #38 for the period of 3/11/20 through 3/17/20 in the amount of \$2,186,908.37. (Finance).
ACTION: Ratified. See above.

WARRANT REGISTER JULY 2019 - JUNE 2020 (202-1-34)

11. Warrant Register #39 for the period of 3/18/20 through 3/24/20 in the amount of \$2,788,673.66. (Finance)
ACTION: Ratified. See above.

PUBLIC HEARINGS: ORDINANCES AND RESOLUTIONS

BLOCK GRANT PROGRAM ADMIN 2020-2021 (406-1-35)

12. Resolution No. 2020-84. PUBLIC HEARING AND ADOPTION OF A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY APPROVING THE FIRST AMENDMENT TO THE CITIZEN AND COMMUNITY PARTICIPATION PLAN AND AUTHORIZING THE SUBMISSION OF THE FIVE-YEAR CONSOLIDATED PLAN FOR PROGRAM YEARS (PY) 2020 TO 2024 AND PY 2020 ACTION PLAN TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AND HOME INVESTMENT PARTNERSHIPS (HOME) PROGRAMS. (Housing Authority)

RECOMMENDATION: Adopt the Resolution.

TESTIMONY (VIA E-MAIL): None.

ACTION: Motion by Morrison, seconded by Cano, to close the Public Hearing. Carried by unanimous vote.

Motion by Rios, seconded by Morrison, to adopt the Resolution. Carried by unanimous vote.

MUNICIPAL CODE 2020 (506-2-35)

13. Ordinance No. 2020-2480. PUBLIC HEARING AND ADOPTION OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY ESTABLISHING LOCAL CAMPAIGN CONTRIBUTION LIMITS. (City Clerk and City Attorney)

RECOMMENDATION: Adopt the Ordinance.

TESTIMONY (VIA E-MAIL): None.

CITY ATTORNEY COMMENT: City Attorney Angil Morris-Jones stated that this item was introduced at the April 21st City Council Meeting, and since that time, there were proposed amendments to Page 6 of the proposed ordinance, Section 2.75.090, entitled Effect of Receipt of Funds on Voting. After clarifying the proposed amendments, City Attorney Morris-Jones said that if the Council desired to introduce the ordinance, as amended, then it would make this the first reading and the Ordinance as amended would come back for adoption on May 19th.

PUBLIC HEARINGS: ORDINANCES AND RESOLUTIONS (continued)

MUNICIPAL CODE 2020 (506-2-35)

Ordinance No. 2020-2480 (continued)

ACTION: Motion by Cano, seconded by Quintero, to close the Public Hearing. Carried by unanimous vote.

Motion by Cano, seconded by Sotelo-Solis, to introduce the Ordinance, as amended. Carried by the following vote, to-wit: Ayes: Cano, Quintero, Rios, Sotelo-Solis. Nays: Morrison. Abstain: None. Absent: None.

NON CONSENT RESOLUTIONS

COMMUNITY DEVELOPMENT LANDSCAPE MAINTENANCE DISTRICT NO. 1 (MILE OF CARS) (406-2-8)

14. Resolution No. 2020-85. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY INITIATING PROCEEDINGS FOR THE LEVY AND COLLECTION OF ASSESSMENTS FOR LANDSCAPE MAINTENANCE DISTRICT NO. 1 (MILE OF CARS) FOR FISCAL YEAR 2020/21. (Planning)

RECOMMENDATION: Adopt the Resolution.

TESTIMONY (VIA E-MAIL): None.

ACTION: Motion by Cano, seconded by Rios, to adopt the Resolution. Carried by unanimous vote.

COMMUNITY DEVELOPMENT LANDSCAPE MAINTENANCE DISTRICT NO. 1 (MILE OF CARS) (406-2-8)

15. Resolution No. 2020-86. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY APPROVING THE ENGINEER'S REPORT FOR LANDSCAPE MAINTENANCE DISTRICT NO. 1 (MILE OF CARS) FOR FISCAL YEAR 2020/21. (Planning)

RECOMMENDATION: Adopt the Resolution.

TESTIMONY (VIA E-MAIL): None.

ACTION: Motion by Rios, seconded by Cano, to adopt the Resolution. Carried by unanimous vote.

COMMUNITY DEVELOPMENT LANDSCAPE MAINTENANCE DISTRICT NO. 1 (MILE OF CARS) (406-2-8)

16. Resolution No. 2020-87. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY DECLARING ITS INTENTION TO CONDUCT A PUBLIC HEARING ON JUNE 2, 2020 AND TO LEVY AND COLLECT ASSESSMENTS FOR LANDSCAPE MAINTENANCE DISTRICT NO. 1 (MILE OF CARS) FOR FISCAL YEAR 2020/21. (Planning)

RECOMMENDATION: Adopt the Resolution.

TESTIMONY (VIA E-MAIL): None.

ACTION: Motion by Cano, seconded by Rios, to adopt the Resolution. Carried by unanimous vote.

NON CONSENT RESOLUTIONS (continued)

CONTRACT (C2017-56)

17. Resolution No. 2020-88. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY APPROVING A THIRD AMENDMENT TO THE AGREEMENT BY AND BETWEEN THE CITY OF NATIONAL CITY, THE SAN DIEGO UNIFIED PORT DISTRICT, PASHA AUTOMOTIVE SERVICES (APPLICANT), GB CAPITAL HOLDINGS (APPLICANT), AND ICF JONES & STOKES (CONSULTANT) FOR PROFESSIONAL SERVICES TO PREPARE AN ENVIRONMENTAL IMPACT REPORT FOR THE BALANCED PLAN PROJECT. (Planning)

RECOMMENDATION: Adopt the Resolution.

TESTIMONY (VIA E-MAIL): None.

ACTION: Motion by Rios, seconded by Quintero, to adopt the Resolution. Carried by unanimous vote.

EMERGENCY DECLARATION ADMIN (301-1-2)

18. Resolution No. 2020-89. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY REAFFIRMING AND CERTIFYING THE CONTINUED EXISTENCE OF A LOCAL EMERGENCY RESULTING FROM THE COVID -19 CORONAVIRUS PANDEMIC. (City Clerk and City Attorney)

RECOMMENDATION: Adopt the Resolution.

TESTIMONY (VIA E-MAIL): None.

CITY ATTORNEY COMMENT: City Attorney Morris-Jones stated that the Resolution is in accordance with State law, and that there is now a waiver in place removing the requirement that the Resolution be extended in sixty days.

ACTION: Motion by Cano, seconded by Morrison, to adopt the Resolution. Carried by unanimous vote.

NEW BUSINESS

TEMPORARY USE PERMITS 2020 (203-1-36)

19. Temporary Use Permit - Request from Catholic Charities to conduct the Catholic Charities Emergency Food Distribution network at 140 West 18th Street starting on May 7, 2020 from 9:00 a.m. - 3:00 p.m. on multiple days ending on June 27, 2020. Applicant has requested a waiver of all fees. (Neighborhood Services)

RECOMMENDATION: Approve the Application for a Temporary Use Permit subject to compliance with all conditions of approval with request for waiver of fees be in accordance with City Council Policy 802.

TESTIMONY: None.

ACTION: Motion by Cano, seconded by Morrison, to approve the Temporary Use Permit, and the request by Applicant to withdraw the request for waiver of fees. Carried by unanimous vote.

NEW BUSINESS (continued)

COUNCIL POLICY ADMIN (102-13-1)

20. Discussion on amending City Council Policy No. 107 by adding Sections F and G regarding non-resident appointed Board members and direction to City Staff as the City Council deems appropriate. (City Clerk)

RECOMMENDATION: Give direction to City Staff on the amendment as it relates to adding Sections F and G to City Council Policy #107.

TESTIMONY: None.

ACTION: Motion by Rios, seconded by Quintero, to bring Policy No. 107 back for adoption with proposed amendments. Carried by the following vote, to-wit: Ayes: Cano, Quintero, Rios, Sotelo-Solis. Nays: Morrison. Abstain: None. Absent: None.

BLOCK GRANT PROGRAM ADMIN 2020-2021 (406-1-35)

21. Presentation on a supplemental Community Development Block Grant Coronavirus Response (CDBG-CV) appropriation by the U.S. Department of Housing and Urban Development (HUD) to prevent, prepare for, and respond to the coronavirus (COVID-19) pandemic. (Housing Authority)

RECOMMENDATION: Provide staff presentation and get further direction on the use of CDBG-CV funds.

TESTIMONY: None.

ACTION: No action taken on this item.

STAFF REPORTS

PROGRAMS / EVENTS / ACTIVITIES (702-2-2)

22. Community Services and Neighborhood Services Update on Special Events. (Community Services and Neighborhood Services)

CITY MANAGER / REPORTS ADMIN (1104-1-12)

EMERGENCY / DISASTER PLANNING ADMIN(301-1-1)

23. COVID-19 Update. (City Manager)

City Manager Brad Raulston reported that the State and County are busy modifying guidelines which will enable expanded access to certain types of businesses and possibly greater mobility; that the City will be working closely with the County to ensure that the health and safety of residents and workforce continue to be top priority; that staff is working on plans for reopening facilities and that daily updates will be provided via email, social media, and the City's website. He provided an update on areas that remain closed and activities that are still not allowed; and said that the Recovery Task Force, that Mayor Sotelo-Solis is organizing, will offer additional guidance and leadership.

MAYOR, CITY COUNCIL, AND OTHER ELECTED OFFICIALS

Member Cano reported on a gift certificate giveaway for the City's Police Department staff that he and the owner of Taco Salsa in National City organized to commemorate Cinco de Mayo and that the owners of Yum Yum Donuts donated coffee and treats and Highland Mobil Gas Station donated facial coverings and latex gloves to the Police Department's Homeless Outreach Team as well.

Member Quintero commended all City staff for going above and beyond as a full-service City. He suggested continued discussion regarding CDBG funds to amplify what is already being done to provide services to the community; to stimulate the local economy and to ensure First Responders, City staff and all residents have facial coverings.

Member Morrison commended individuals and businesses for going above and beyond for things such as making and donating masks and providing food to those in need. Member Morrison said that one complaint he has heard is that due to lighter traffic, people are doubling the speed limit on neighborhood streets.

Vice Mayor Rios reported on activities and initiatives at the San Diego County Water Authority and reassured the community that the drinking water supply remains safe during this pandemic and is more affordable than bottled water and just as good.

Mayor Sotelo-Solis said that recent San Diego Association of Governments (SANDAG), meetings have included information and discussions regarding the economic impact of COVID-19 and anticipated funding shortfall for Capital Improvement Program needs and Transnet dollars. Mayor Sotelo-Solis said that there has also been discussion regarding the health implications of COVID-19 and the need for more testing. Mayor Sotelo-Solis stressed the importance of completing the 2020 Census and reported on the successful yard sign program to honor graduating seniors from Sweetwater High School.

City Clerk Michael Dalla reported that after four on-line web cast meetings, public participation totaling 109 individuals has exceeded the level that normally occurs with in-person meetings

CLOSED SESSION REPORT

City Attorney Angil Morris-Jones reported that in the Special Meeting Closed Session, no action was taken regarding Item Nos. 1, 2a or 4 and that direction was given on Item No. 2b No. 3 and No. 5 with 5-0 votes. (See attached Exhibit 'L')

ADJOURNMENT

Motion by Rios, seconded by Morrison, to adjourn the meeting to the next Regular Meeting of the City Council and Community Development Commission - Housing Authority of the City of National City - Tuesday - May 19, 2020 - 6:00 p.m. – Online Only - Council Chambers - National City, California. Carried by unanimous vote.

The meeting closed at 7:55 p.m.

City Clerk

The foregoing minutes were approved at the Regular Meeting of October 20, 2020.

Mayor

CITY COUNCIL SUMMER LEGISLATIVE RECESS

July 7, 2020 - City Council Meeting - Dispensed With

July 21, 2020 - City Council Meeting - Dispensed With

EXHIBIT 'L'



AGENDA OF A SPECIAL MEETING

CITY COUNCIL OF THE CITY OF NATIONAL CITY

MAIN CONFERENCE ROOM
CIVIC CENTER
1243 NATIONAL CITY BOULEVARD
NATIONAL CITY, CALIFORNIA

Special Meeting - Tuesday, May 5, 2020 – 4:30 p.m.

CITY COUNCIL

OPEN SESSION

CALL TO ORDER

ROLL CALL

CLOSED SESSION

PUBLIC MAY COMMENT ON CLOSED SESSION AGENDA ITEMS.

1. Conference with Labor Negotiators – Government Code Section 54957.6
Agency Designated Representatives: Eddie Kreisberg, Tony Winney, Robert Meteau, Robert Hernandez and Lilia Muñoz.
Employee Organizations:
 - A.) Municipal Employees' Association
 - B.) Firefighters' Association
 - C.) Executives and Management – Unrepresented
2. Conference with Legal Counsel – Pending Litigations: Two Cases
Existing Litigation under Government Code Section 54956.9(d)(1)
 - A.) Tasha Williamson v. City of National City, et al
 - B.) Chicano Federation of San Diego County, Inc. v. City of National City
3. Liability Claim: Government Code Section 54956.95: One Claim
United States Department of the Interior – Fish and Wildlife Services
Agency Notice of Potential Liability Claimed Against: City of National City
4. Conference with Legal Counsel – Potential Litigation: One Case
Potential Litigation Pursuant to Governmental Code Section 54956.9(e)(1)

ADJOURNMENT

Next Regular City Council Meeting: Tuesday, May 5, 2020, 6:00 p.m., City Council Chambers, Civic Center – National City, California.

DRAFT DRAFT DRAFT
**MINUTES OF THE SPECIAL MEETING OF THE
CITY COUNCIL OF THE CITY OF NATIONAL CITY**

May 19, 2020

The Special Meeting of the City Council of the City of National City was called to order at 5:03 p.m. by Mayor / Chairwoman Alejandra Sotelo-Solis.

ROLL CALL

Council / Board members present: Cano, Morrison, Quintero, Rios, Sotelo-Solis.
Administrative Officials present: Morris-Jones, Pedone, Raulston.

CITY COUNCIL

OPEN SESSION

PUBLIC COMMENTS – None.

CLOSED SESSION

1. Conference with Legal Counsel – Pending Litigation: Case No. 37-2019-00065503-CU-PO-CTL
Existing Litigation under Government Code Section 54956.9(d)(1)
Chicano Federation of San Diego County, Inc. v. City of National City
2. Conference with Legal Counsel – Potential Litigation: One Case
Potential Litigation Pursuant to Governmental Code Section 54956.9(e)(1)
3. Conference with Labor Negotiators – Government Code Section 54957.6
Agency Designated Representatives: Eddie Kreisberg, Tony Winney, Robert Meteau, and Lilia Muñoz.

Employee Organizations:

- A.) Municipal Employees' Association
- B.) Executives, Management, and Confidential – Unrepresented

CLOSED SESSION REPORT: AT THE END OF REGULAR COUNCIL MEETING.

ADJOURNMENT

Next Regular City Council Meeting: Tuesday, May 19, 2020, 6:00 p.m., Online Only
– City Council Chambers, Civic Center – National City, California.

City Clerk

The foregoing minutes were approved at the Regular Meeting of October 20, 2020.

Mayor

DRAFT

DRAFT DRAFT DRAFT
**MINUTES OF THE REGULAR MEETING OF THE
CITY COUNCIL AND COMMUNITY DEVELOPMENT COMMISSION –
HOUSING AUTHORITY OF THE CITY OF NATIONAL CITY
ONLINE ONLY MEETING**

May 19, 2020

The Regular Meeting of the City Council and Community Development Commission – Housing Authority of the City of National City was called to order at 6:19 p.m. by Mayor / Chairwoman Alejandra Sotelo-Solis.

ROLL CALL

Council / Board members present: Cano, Morrison, Quintero, Rios, Sotelo-Solis.
Administrative Officials present: Dalla, Morris-Jones, Raulston, Roberts, Williams, Winney, Yano.

PLEDGE OF ALLEGIANCE TO THE FLAG BY MAYOR SOTELO-SOLIS

PUBLIC COMMENTS (SUBMITTED VIA E-MAIL)

City Clerk Michael Dalla publically read written comments submitted via e-mail prior to the meeting. The comments are summarized below.

Lora De Vault expressed her concerns regarding a possible wave of foreclosures and homelessness due to upcoming mortgage and rent payments due after the COVID-19 declared emergency

Zach Farber asked the City to pass a resolution supporting National cancellation of all rents, mortgages for homeowners, small landlords and small businesses for the duration of the pandemic.

Kelly McCormick, Public Health Educator, expressed her concerns regarding the health risks of smoking or vaping tobacco and marijuana.

PROCLAMATIONS AND CERTIFICATES

PROCLAMATION AND CERTIFICATE ADMIN (102-2-1)

1. National City Celebrates National Public Works Week - May 17-23, 2020

PROCLAMATION AND CERTIFICATE ADMIN (102-2-1)

2. National City Proclaims Fair Housing Month

ADJOURNMENT IN MEMORY

Mayor Sotelo-Solis shared highlights of the lives of Salvador Saucedo, former Board Chair for the Metropolitan Area Advisory Committee (MAAC) Project, and Paul Jablonski, CEO of Metropolitan Transit System (MTS). Mayor Sotelo-Solis announced that the meeting will be adjourned in their honor and memory and certificates of adjournment will be mailed to the Saucedo and Jablonski households.

CITY COUNCIL

CONSENT CALENDAR

ADOPTION OF CONSENT CALENDAR. Item No. 3 (NCCMC), Item Nos. 4 through 8 (Resolution No. 2020-90 through 2020-94), Item Nos. 9 and 10 (Reports), Item Nos. 11 and 12 (Warrant Registers). Motion by Rios, seconded by Quintero, to approve the Consent Calendar, except for Item Nos. 5 and 8. Carried by unanimous vote.

MUNICIPAL CODE 2020 (506-2-35)

3. MOTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY APPROVING THE WAIVING OF THE READING OF THE TEXT OF THE ORDINANCES CONSIDERED AT THIS MEETING AND PROVIDING THAT SUCH ORDINANCES SHALL BE INTRODUCED AND/OR ADOPTED AFTER A READING OF THE TITLE ONLY. (City Clerk)

ACTION: Approved. See above.

LABOR RELATIONS FFA MOU 2018-2020 (605-6-14)

4. Resolution No. 2020-90. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY APPROVING THE MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN THE CITY OF NATIONAL CITY AND THE NATIONAL CITY FIREFIGHTERS' ASSOCIATION (NCCFFA). (Human Resources)

ACTION: Adopted. See above.

**AMERICANS WITH DISABILITIES ACT - ADA ADMIN (910-1-3)
ENGINEERING / PUBLIC WORKS DEPT - GRANTS / REPORTS ADMIN
(1104-1-1)**

5. Resolution No. 2020-91. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AUTHORIZING THE ESTABLISHMENT OF ADA IMPROVEMENTS APPROPRIATION OF \$40,031.14 AND USE OF GENERAL FUND UNASSIGNED FUND BALANCE FROM REVENUES RECEIVED THROUGH SB-1186 - LICENSE FEE AND USE FOR CONSTRUCTION-RELATED ACCESSIBILITY TO FUND ACTIVITIES OR PROGRAMS THAT FACILITATE ACCESSIBILITY COMPLIANCE. (Engineering/Public Works)

ACTION: Adopted. See above.

EMERGENCY DECLARATION ADMIN (301-1-2)

6. Resolution No. 2020-92. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY: 1) RATIFYING THE CITY MANAGER'S DECLARATION OF EMERGENCY FOR THE 2424 GRANGER AVENUE SINK HOLE REPAIRS; AND 2) WAIVING OF COMPETITIVE BIDDING PROCEDURES UNDER EMERGENCY CONDITIONS CONSISTENT WITH SECTION 22050 "EMERGENCY CONTRACTING PROCEDURES" OF THE CALIFORNIA PUBLIC CONTRACT CODE AND CHAPTER 2.62 "ALTERNATIVE BID PROCEDURES FOR PUBLIC PROJECTS," SECTION 2.62.070 "EMERGENCIES" OF THE NATIONAL CITY

CONSENT CALENDAR (continued)

6. Resolution No. 2020-92 (continued). MUNICIPAL CODE CONTRACTING PER THE EMERGENCY CONTRACTING PROCEDURE.
(Engineering/Public Works)
ACTION: Adopted. See above.

EMERGENCY DECLARATION ADMIN (301-1-2)

7. Resolution No. 2020-93. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY: 1) RATIFYING THE CITY MANAGER'S DECLARATION OF EMERGENCY FOR THE 1415 EARLE DRIVE SINK HOLE REPAIRS; AND 2) WAIVING OF COMPETITIVE BIDDING PROCEDURES UNDER EMERGENCY CONDITIONS CONSISTENT WITH SECTION 22050 "EMERGENCY CONTRACTING PROCEDURES" OF THE CALIFORNIA PUBLIC CONTRACT CODE AND CHAPTER 2.62 "ALTERNATIVE BID PROCEDURES FOR PUBLIC PROJECTS," SECTION 2.62.070 "EMERGENCIES" OF THE NATIONAL CITY MUNICIPAL CODE CONTRACTING PER THE EMERGENCY CONTRACTING PROCEDURE. (Engineering/Public Works)
ACTION: Adopted. See above.

CONTRACT (C2020-25)

8. Resolution No. 2020-94. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AUTHORIZING THE MAYOR TO EXECUTE A MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM (MTS) AND THE CITY OF NATIONAL CITY REGARDING BUS SHELTER AND BUS BENCH ADVERTISING. (Engineering/Public Works)
ACTION: Adopted. See above.

FINANCIAL MANAGEMENT 2019-2020 (204-1-34)

9. National City Sales Tax Update Newsletter – Fourth Quarter 2019. (Finance)
ACTION: Filed. See above

FINANCIAL MANAGEMENT 2019-2020 (204-1-34)

10. Investment transactions for the month ended February 29, 2020.
ACTION: Filed. See above

WARRANT REGISTER JULY 2019 - JUNE 2020 (202-1-34)

11. Warrant Register #40 for the period of 3/25/20 through 3/31/20 in the amount of \$65,490.00. (Finance)
ACTION: Ratified. See above.

WARRANT REGISTER JULY 2019 - JUNE 2020 (202-1-34)

12. Warrant Register #41 for the period of 4/1/20 through 4/7/20 in the amount of \$4,018,407.45. (Finance)
ACTION: Ratified. See above.

PUBLIC HEARINGS: ORDINANCES AND RESOLUTIONS

MUNICIPAL CODE 2020 (506-2-35)

13. Ordinance No. 2020-2481. PUBLIC HEARING AND ADOPTION OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AMENDING SECTION 18.30.320 (PAWN SHOPS AND BUSINESSES ENGAGED IN SECONDHAND DEALING AND/OR THE PURCHASE AND SELLING OF GOLD AND OTHER PRECIOUS METALS) OF TITLE 18 (ZONING) OF THE NATIONAL CITY MUNICIPAL CODE. (APPLICANT: CITY-INITIATED) (CASE FILE NO. 2019-14 A). (Planning)

RECOMMENDATION: Adopt the Ordinance with amendments to Title 18.

TESTIMONY (VIA E-MAIL): None.

ACTION: Motion by Rios, seconded by Morrison, to close the Public Hearing. Carried by unanimous vote.

Motion by Rios, seconded by Quintero, to adopt the Ordinance. Carried by unanimous vote.

MUNICIPAL CODE 2020 (506-2-35)

14. Ordinance No. 2020-2482. PUBLIC HEARING AND ADOPTION OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY ESTABLISHING LOCAL CAMPAIGN CONTRIBUTION LIMITS. (City Clerk and City Attorney)

RECOMMENDATION: Adopt the Ordinance, as amended.

TESTIMONY (VIA E-MAIL): None.

REQUEST FOR CLARIFICATION: Vice Mayor Rios asked the City Attorney to clarify the reason for the amendment.

City Attorney Morris-Jones responded that the change was made so the definition of 'income' in the Ordinance matched the definition in State law.

ACTION: Motion by Rios, seconded by Cano, to close the Public Hearing. Carried by unanimous vote.

Motion by Rios, seconded by Quintero, to adopt the Ordinance, as amended. Carried by the following vote, to-wit: Ayes: Cano, Quintero, Rios, Sotelo-Solis. Nays: Morrison. Abstain: None. Absent: None.

NON CONSENT RESOLUTIONS

COUNCIL POLICY ADMIN (102-13-1)

15. Resolution No. 2020-95. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AMENDING CITY COUNCIL POLICY NO.107 BY ADDING SECTIONS "F" AND "G" REGARDING NON-RESIDENT APPOINTED BOARD MEMBERS. (City Attorney)

RECOMMENDATION: Adopt the Resolution.

TESTIMONY (VIA E-MAIL): None.

ACTION: Motion by Rios, seconded by Quintero, to adopt the Resolution. Carried by the following vote, to-wit: Ayes: Cano, Quintero, Rios, Sotelo-Solis. Nays: Morrison. Abstain: None. Absent: None.

NEW BUSINESS

CONDITIONAL USE PERMITS 2020 (403-32-4)

16. Notice of Decision – Planning Commission approval of a Conditional Use Permit (CUP) for the on-site sale of beer and wine at a proposed restaurant (Bonchon) located at 1420 East Plaza Blvd., Suite 'D-04'. (Applicant: Hosik Bang & Hyeonyee Lee) (Case File No. 2020-03 CUP) (Planning)

RECOMMENDATION: File the Notice of Decision.

TESTIMONY (VIA E-MAIL): None.

EX-PARTE DISCLOSURE: Vice Mayor Rios stated for the record, that she viewed the Planning Commission meeting.

ACTION: Motion by Rios, seconded by Morrison, to accept the Conditional Use Permit and file the Notice of Decision. Carried by unanimous vote.

STAFF REPORTS

CITY MANAGER / REPORTS ADMIN (1104-1-12)

EMERGENCY / DISASTER PLANNING ADMIN (301-1-1)

17. COVID-19 Update. (City Manager)

City Manager Brad Raulston reported that the San Diego Board of Supervisors ("the Board") has approved an accelerated reopening plan that will allow restaurants and retail to open for dine-in and in-store shopping contingent upon approval by the California Department of Public Health. City Manager Raulston reported that the City is working on a plan to support local business reopening efforts and intend to provide an update to City Council on at the June 2nd Meeting, County Supervisors also voted to make \$25 million of their CARES Act funding available for COVID-19 related expenses to 17 cities in the region who did not qualify for the federal funding. National City could be eligible to receive approximately \$1,100,000 in relief funds. City Manager Raulston said that a proposed budget will be prepared and he will work with City Council to allocate the funds appropriately; unfortunately, the funds are not available for lost revenue due to COVID-19 and the City must take the risk for any ineligible uses.

MAYOR, CITY COUNCIL, AND OTHER ELECTED OFFICIALS

Member Quintero thanked City Manager Raulston for his COVID-19 update. He reminded the Council that they committed to meet during the Legislative recess if necessary to provide governance since we are still in the midst of COVID-19 and proposed establishing working groups to have formal conversations and provide guidance to people who are trying to open or maintain their businesses.

Member Cano gave Mayor Sotelo-Solis's kudos for the great presentation she gave at Paradise Valley Hospital; for implementing and achieving signage goal for the Sweetwater Union High School Class of 2020 signage and said there has been a lot of positive feedback with the food drives being held at St. Anthony's Church.

MAYOR, CITY COUNCIL, AND OTHER ELECTED OFFICIALS (continued)

Member Morrison suggested staff bring back information on procedures for the use of parking lots, parking spaces and sidewalks for outdoor dining and how the City can expedite the permit process to help businesses to operate because many businesses will not be able to function with the existing restrictions. Member Morrison expressed concerns regarding the unsolicited proposal by the Port District for the 24th Street Terminal.

Vice Mayor Rios encouraged people to apply for the vacancy on the Planning Commission; said she thinks the Veterans and Military Families Advisory Committee it is too large and there should be discussion on its size and structure going forward; reported that the San Diego County Water Authority is developing a toolkit of materials to assist property owners and businesses ensure that their plumbing systems are safe as people go back to work and echoed Member Cano's kudos to Mayor Sotelo-Solis and extended thanks as well.

Mayor Sotelo-Solis called for an ad hoc committee with Vice Mayor Rios to give feedback on the Veterans and Military Families Committee; thanked her colleagues for the kudos and said that food distribution is a team and community effort by several organizations; outlined the food distribution days and times; reported on current COVID testing efforts and plans and said the County's 5-0 vote shows that the County Supervisors support cities. The Mayor reported that she provided testimony to the Port of San Diego regarding the City's Balanced Plan and said it is important for the City to continue to have dialogue with the Port to keep the Balanced Plan in the forefront. She said that it is important to talk about slow streets in the community, and would like the City to look into pursuing a possible Slow Streets Initiative. Mayor Sotelo-Solis reported \$15,000 in donations was raised and the goal for the Sweetwater Class of 2020 yard signage was achieved.

CLOSED SESSION REPORT

City Attorney Angil Morris-Jones reported that in Closed Session direction was given on Item No. 1 by a 5-0 vote; no action was taken on Item No. 2; and direction was given on Item No. 3, by a 4-1 vote, with Member Cano voting No. (See attached Exhibit 'L')

ADJOURNMENT

The meeting was adjourned in honor and memory of Mr. Salvador Saucedo and Mr. Paul Jablonski.

Motion by Rios, seconded by Morrison, to adjourn the meeting to the next Regular Meeting of the City Council and Community Development Commission - Housing Authority of the City of National City - Tuesday – June 2, 2020 - 6:00 p.m. – Online Only - Council Chambers - National City, California. Carried by unanimous vote.

The meeting closed at 7:53 p.m.

City Clerk

The foregoing minutes were approved at the Regular Meeting of October 20, 2020.

Mayor

CITY COUNCIL SUMMER LEGISLATIVE RECESS

July 7, 2020 - City Council Meeting - Dispensed With

July 21, 2020 - City Council Meeting - Dispensed With

EXHIBIT 'L'



AGENDA OF A SPECIAL MEETING

CITY COUNCIL OF THE CITY OF NATIONAL CITY

MAIN CONFERENCE ROOM
CIVIC CENTER
1243 NATIONAL CITY BOULEVARD
NATIONAL CITY, CALIFORNIA

Special Meeting - Tuesday, May 19, 2020 – 5:00 p.m.

CITY COUNCIL

OPEN SESSION

CALL TO ORDER

ROLL CALL

CLOSED SESSION

PUBLIC MAY COMMENT ON CLOSED SESSION AGENDA ITEMS.

1. Conference with Legal Counsel – Pending Litigation: Case No. 37-2019-00065503-CU-PO-CTL
Existing Litigation under Government Code Section 54956.9(d)(1)
Chicano Federation of San Diego County, Inc. v. City of National City
2. Conference with Legal Counsel – Potential Litigation: One Case
Potential Litigation Pursuant to Governmental Code Section 54956.9(e)(1)
3. Conference with Labor Negotiators – Government Code Section 54957.6
Agency Designated Representatives: Eddie Kreisberg, Tony Winney, Robert Meteau, and Lilia Muñoz.

Employee Organizations:
A.) Municipal Employees' Association
B.) Executives, Management, and Confidential – Unrepresented

ADJOURNMENT

Next Regular City Council Meeting: Tuesday, June 2, 2020, 6:00 p.m., City Council Chambers, Civic Center – National City, California.

The following page(s) contain the backup material for Agenda Item: [Resolution of the City Council of the City of National City rescinding the former Emergency Operations Plan adopted by Resolution 2010-133, adopting the updated City of National City Emergency Operations Plan, and approving submittal of the Plan to the California Office of Emergency Services. \(Fire\)](#)

Please scroll down to view the backup material.

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: October 20, 2020

AGENDA ITEM NO.:

ITEM TITLE:

Resolution of the City Council of the City of National City rescinding the former Emergency Operations Plan adopted by Resolution 2010-133, adopting the updated City of National City Emergency Operations Plan, and approving submittal of the Plan to the California Office of Emergency Services. (Fire)

PREPARED BY: Frank Parra, Chief of Emergency Services

PHONE: 619-336-4551

DEPARTMENT: Fire

APPROVED BY: _____



EXPLANATION:

See attached Explanation.

FINANCIAL STATEMENT:

ACCOUNT NO.

The National City EOP must be submitted to CalOES for approval in order to receive State and Federal reimbursement for emergency services after a disaster.

APPROVED: _____ **FINANCE**

APPROVED: _____ **MIS**

ENVIRONMENTAL REVIEW:

This is not a project and, therefore, not subject to environmental review.

ORDINANCE: INTRODUCTION FINAL ADOPTION

STAFF RECOMMENDATION:

Adopt the resolution.

BOARD / COMMISSION RECOMMENDATION:

ATTACHMENTS:

1. Explanation
2. City of National City Emergency Operations Plan (Copy may be viewed in the office of the City Clerk)
3. Emergency Plan Review Crosswalk
4. Resolution

Emergency Operations Plan Explanation

The current City of National City Emergency Operations Plan (EOP) was adopted by Resolution No. 2010-133 on June 22, 2010. The National City EOP has since been updated to meet all federal and state criteria as described by the Federal Emergency Management Agency's Comprehensive Preparedness Guide (CPG) 101 and California's Office of Emergency Services (CalOES) Standardized Emergency Management System (SEMS) Crosswalk. The National City EOP has been updated to describe the City's all-hazard approach to emergency operations to protect the safety, health, and welfare of its residents. The National City EOP describes how the City will manage and respond to major emergency incidents, including a system of organization consisting of the Emergency Operations Center (EOC), clear designations of actions that must be conducted during a disaster, assignment of functions to City departments, and checklists for performance of the activities by EOC staff. In order to be eligible for State and Federal reimbursement for emergency services, the National City EOP must be submitted to CalOES for approval.

The main update in the Emergency Operations Plan is the concept of "whole community" planning where Cities are now required to insert language that will consider individuals with access and functional needs. A couple years ago, California counties and cities were getting sued for overlooking the most vulnerable people, including those with disabilities, when preparing for wildfires, floods, and other disasters. Residents who didn't speak English were unable to find information in their language. Individuals who used wheelchairs or relied on electricity to power lifesaving equipment found themselves unable to move and cut off from the outside world, trapped in part, by county and city leaders' inability to plan ahead for emergencies. As a result, we now have included appropriate language in the EOP that will require us to consider the "whole community" in emergency responses particularly when it comes to emergency alerts, evacuations, and setting up shelters. See pages 12 and 14-15 in the EOP.

EMERGENCY PLAN REVIEW CROSSWALK 2019

LOCAL GOVERNMENT AGENCIES

Introduction

The California Governor's Office of Emergency Services (Cal OES) maintains the State Emergency Plan (SEP), and the coordination of local emergency plans with the SEP in accordance with:

- **Government Code § 8568** making the State Emergency Plan effective in each of the state's political subdivisions, and requiring each governing body to carry out the provisions of that plan.
- **GC § 8569** giving the Governor the responsibility to "coordinate the preparation of plans and programs for the mitigation of the effects of an emergency by the political subdivisions of this state, such plans and programs to be integrated into and coordinated with the State Emergency Plan."
- **GC § 8570 (d)** permitting the Governor to "provide for the approval of local emergency plans".
- **GC § 8586** permitting the Governor to "...assign part or all of his powers and duties under this chapter to the Office of Emergency Services".
- **GC § 8607 (e)** to be eligible for any funding of response-related costs under disaster assistance programs, each local agency shall use the standardized emergency management system.

To assist with this coordination of local emergency plans, Cal OES has developed this checklist (referred to as a crosswalk) of emergency plan elements designed to ensure that the fundamentals of the Standardized Emergency Management System (SEMS) and the National Incident Management System (NIMS) are included in the plan. NIMS concepts may be met by following FEMA's Comprehensive Preparedness Guide (CPG) 101, Version 2.0, which provides guidelines on developing emergency operations plans (EOP).

This crosswalk is not inclusive of all topics that could be addressed in an emergency plan. There is no prescribed format. Users of this crosswalk may alter the sequence or format in any manner that meets their needs and complies with SEMS. The current version of this crosswalk can be found on the [Cal OES](#) web page.

A local government's EOP establishes an emergency management organization to provide a basis for the jurisdiction's coordinated actions before, during and

after a disaster. The primary purpose of the EOP is to outline the jurisdiction's all-hazard approach to emergency operations to protect the safety, health, and welfare of its citizens. The jurisdiction's EOP and Continuity Plan (continuity of operations and continuity of government) complement each other. This crosswalk is designed for reviewing local government EOPs and not continuity plans. More information on continuity planning can be found on the [Cal OES Continuity Planning](#) website.

References:

- [State of California Emergency Plan](#)
- [CA-Emergency Support Functions \(CA-ESF\)](#)
- [Standardized Emergency Management System \(SEMS\)](#)
- [National Incident Management System \(NIMS\)](#)
- [FEMA Developing and Maintaining Emergency Operations Plans - Comprehensive Planning Guide \(CPG 101\), Version 2](#)
- [State of California Alert and Warning Guidelines](#)

How to Use This Checklist

Please submit your EOP with a copy of this crosswalk to your Cal OES Regional Branch. Indicate the page location where that element can be found or state "N/A" if it does not apply to your jurisdiction. Several SEMS and CPG 101 elements overlap. Where that occurs, those elements have been combined in the crosswalk and may be addressed as one element. Cal OES regional staff will review your plan and provide comments or feedback in support of your jurisdiction's emergency planning efforts.

Region Contact Information

Coastal Region: 707-862-2372

Inland Region: 916-657-9107

Southern Region: 562-795-2902

EMERGENCY PLAN REVIEW CROSSWALK 2019 LOCAL GOVERNMENT AGENCIES

Agency: City of National City

Plan Name: Emergency Operations Plan

Submitted by: Walter Amedee Date: 10/20/2020

Email: wamedee@nationalcityca.gov Phone Number: (619) 336-4556

Reviewed by: _____ Date: _____

Email: _____ Phone Number: _____

Emergency Operations Plan Crosswalk	Page Where Located	Reviewer Comment or Initials
FOREWORD SECTION – INTRODUCTORY MATERIAL		
<p>1. Promulgation Document/Signature Page:</p> <ul style="list-style-type: none"> • This is a promulgation statement recognizing and adopting the plan as the jurisdiction's all-hazards EOP and signed by the senior elected or appointed official. (CPG 101) • Provide evidence of a dated letter of promulgation or resolution from the governing board. (SEMS) 	3-4	
<p>2. Approval and Implementation:</p> <ul style="list-style-type: none"> • Introduces the plan and outlines its applicability. Include a delegation of authority for specific modifications that may be made to the plan without the senior official's signature. (CPG 101) • Provide a foreword, preface or introduction that explains why the plan was developed and how the plan is to be used. (SEMS) 	2	
<p>3. Plan Concurrence: Provide evidence that the assigned emergency agencies are in agreement with how the plan describes their tasks. This may be in the form of a letter of concurrence or a sign-off sheet.</p>	2	

Emergency Operations Plan Crosswalk	Page Where Located	Reviewer Comment or Initials
(SEMS)		
<p>4. Record of Changes:</p> <ul style="list-style-type: none"> • Normally a table with fields that track each update or change to the plan. (CPG 101) • Who maintains the emergency plan? What is the process? Detail schedules for modifications, revision list, and who has responsibility for ensuring the plan is kept up-to-date. (SEMS) 	5	
<p>5. Record of Distribution:</p> <ul style="list-style-type: none"> • Normally a table with fields that indicate who received the plan, date of delivery and number of copies. (CPG 101) • Include a distribution method that indicates who received the plan and when. (SEMS) 	6	
<p>6. Table of Contents:</p> <ul style="list-style-type: none"> • Outlines the plan's format, key sections, attachments, charts, etc. Identifies the major chapters and key elements within the EOP. (CPG 101) • List of where significant parts of the plan are located by page number and subsection of the plan. (SEMS) 	7-10	
PART I: BASIC PLAN		
<p>7. Purpose: Describe the purpose for developing and maintaining the EOP. (CPG 101)</p>	11	
<p>8. Scope: Describe at what times or under what conditions the plan will be activated. (CPG 101)</p>	11-12	
<p>9. Situation Overview:</p> <ul style="list-style-type: none"> • Provide an overview of the steps taken by the jurisdiction to prepare for disasters. This section should include the following: A) Hazard Analysis Summary; B) Capability Assessment; and C) Mitigation Overview. 	12-14	

<p style="text-align: center;">Emergency Operations Plan Crosswalk</p>	<p style="text-align: center;">Page Where Located</p>	<p style="text-align: center;">Reviewer Comment or Initials</p>
<p>(CPG 101)</p> <ul style="list-style-type: none"> Summarizes the Jurisdictional Hazard Analysis. Includes a description of potential hazards. This could be in a narrative with maps, schematic, or matrix indicating severity potential, affected population estimates, frequency, and geographical characteristics of the jurisdiction. This and other relevant information should be included to provide a rationale for prioritizing emergency preparedness actions for specific hazards. (SEMS) 		
<p>10. Planning Assumptions: Identify what are assumed to be facts for planning purposes in order to make it possible to execute the EOP. (CPG 101)</p>	14	
<p>11. Concept of Operations:</p> <ul style="list-style-type: none"> Explain in broad terms, the jurisdiction's intent with regard to emergency operations. Provide a clear methodology to realize the goals and objectives to execute the plan. This may include a brief discussion of the activation levels identified by the jurisdiction for its operations center, and may touch on direction and control, alert and warning, and continuity matters. (CPG 101) Describe the principles and methods used to carry out emergency operations, including the provision of emergency services by government agencies. (Gov. Code Sec. 8560) 	16-22	
<p>12. Organization and Assignment of Responsibilities:</p> <ul style="list-style-type: none"> Provide an overview of the key functions the jurisdiction will accomplish during an emergency. Include roles that federal, state, territorial, tribal, local, regional and private sector agencies will take to support local operations. Pre-designate jurisdictional and/or functional area representatives to the IC or UC whenever possible. (CPG 101) Identify agency roles and responsibilities during 	29-44	

<p style="text-align: center;">Emergency Operations Plan Crosswalk</p>	<p style="text-align: center;">Page Where Located</p>	<p style="text-align: center;">Reviewer Comment or Initials</p>
<p>disaster situations and include an emergency organization chart. Indicate how the jurisdiction fulfills the five SEMS sections (Management, Plans/Intelligence, Operations, Logistics, and Finance/Administration). (SEMS)</p>		
<p>13. Direction, Control, and Coordination:</p> <ul style="list-style-type: none"> • Describe the framework for all direction, control, and coordination activities. Identify who has tactical and operational control of response assets. Discuss multijurisdictional coordination systems and processes. (CPG 101) • Indicate how the Incident Command System (ICS) will be used in the field. This should include the interface between the field Incident Command Post and the EOC. It should also indicate methods of integrating state and federal field activities into local emergency management operations. (SEMS) 	45-47	
<p>14. Information Collection, Analysis and Dissemination: Describe the required critical or essential information common to all operations identified during the planning process. (CPG 101)</p>	48-49	
<p>15. Communications:</p> <ul style="list-style-type: none"> • Describe the communications and coordination protocols used between response organizations. (CPG 101) • Indicate how the EOC will coordinate and communicate with field units, operational areas, regions, and other entities. (SEMS) 	50-54	
<p>16. Administration, Finance, and Logistics: Describe administrative protocols including documentation, after-action reporting, cost recovery, and resource management. (CPG 101)</p>	55-59	
<p>17. Plan development and Maintenance: Describe</p>	60	

Emergency Operations Plan Crosswalk	Page Where Located	Reviewer Comment or Initials
the process to regularly review and update the EOP. (CPG 101)		
18. Authorities and References: Provide the legal basis for emergency operations and activities. Describe federal, state, and local laws that specifically apply to the plan. List references used to develop the plan. (CPG 101)	61	
BASIC PLAN (Additional SEMS Elements)		
19. SEMS Coordination Levels: Indicate how the jurisdiction coordinates between the different SEMS levels (field, local, operational areas, region, and state), how information is exchanged, and how and when multi/inter-agency coordination and unified command are used. The Operational Area agreement should also be referenced; and the plan should indicate who performs the Operational Area responsibilities.	20-21	
20. Emergency Operations Center Organization: Describe the roles and responsibilities of agencies and departments in the EOC, including who is responsible for ensuring the readiness of the EOC.	22-23	
21. Involvement of special districts, private, and nonprofit agencies: Identify emergency responsibilities of special districts, private, and volunteer agencies, and their roles in the EOC, Incident Command Post, or other emergency facility.	42-44	
22. Essential Facilities-Primary and Alternate EOC: Indicate the location of both the primary and alternate EOC and what conditions would cause the alternate EOC to be activated.	24	
23. Essential Facilities-Activation/Deactivation of EOC: Indicates how, when, and by whom, the Emergency	20-21	

Emergency Operations Plan Crosswalk	Page Where Located	Reviewer Comment or Initials
Operations Center will be activated and deactivated.		
<p>24. Field/EOC Direction and Control Interface: Describe the direction and control relationship between the field responders (ICS) and the EOC. This should include the reporting of pertinent information.</p>	45	
<p>25. Field Coordination with Department Operations Centers (DOC) and EOCs: Include the use and coordination of DOCs and how they fit into the emergency management organization.</p>	45	
<p>26. Essential Facilities-Alternate Government Facilities: Indicate an alternate seat of government to serve as government offices for performing day-to-day functions and a facility that could serve as an alternate emergency operations center.</p>	31	
<p>27. Essential Facilities-Americans with Disabilities Act: Identify how shelter facilities, evacuation/movement, warning, etc. procedures accommodate the provisions of the Americans with Disabilities Act.</p>	14-15	
<p>28. Continuity of Government: Provide persons by position to succeed key government officials and members of the emergency management organization. Also indicate the level and duration of authority these individuals would assume (Gov. Code Sec. 8560).</p>	30	
<p>29. Vital Record Retention: Indicate how vital records are to be protected in the event of a disaster. Most data storage systems have a back-up system. Identify the system, archiving schedules, and who has responsibility for its maintenance.</p>	56	
<p>30. Notification and Mobilization: Describe how resources are mobilized and managed (Gov. Code Sec. 8560). Include methods to contact emergency</p>	46	

Emergency Operations Plan Crosswalk	Page Where Located	Reviewer Comment or Initials
response personnel during normal and after hours. This may be in the form of an alert list.		
31. Mutual Aid: Include a general description of mutual aid system and processes. (Gov. Code Sec. 8560)	24-25	
32. Emergency Proclamations: Indicate the purpose and process of emergency proclamations (include samples).	24, 191-197	
33. Public Information: Include pre-incident and post-incident public awareness, education, and communications plans and protocols. (Gov. Code Sec. 8560)	53-54	
34. Recovery Overview: Include a general recovery concept of operations.	27	
35. Recovery Organization: Provide a description of the recovery organization along with a diagram.	27-28	
36. Recovery Damage Assessment: Describe the damage assessment organization and responsibilities.	55	
37. Recovery Documentation: Describe the documentation process.	55	
38. Recovery After-Action Reports (AAR): Define procedures to submit AAR to Cal OES via Cal EOC.	55-56	
39. Recovery Disaster Assistance: Describe the different programs, their purpose, restrictions, and application process. Include Public Assistance, Individual Assistance, and Hazard Mitigation Grant programs.	56-57	
40. Standard Operating Procedures (SOP) Development: Ensure emergency response agencies develop and maintain SOPs. Indicate in the plan the	45	

Emergency Operations Plan Crosswalk	Page Where Located	Reviewer Comment or Initials
relationship and purpose of SOPs to the plan.		
41. Training and Exercises: Describe the training and exercise programs for the jurisdiction, including who has personal responsibility for the programs. Training should include EOP orientation, SEMS training, a full-scale exercise, and other training as deemed necessary.	167-168	
APPENDICES (SEMS ELEMENTS)		
42. Glossary of Terms: Include a glossary of terms that includes all the terms used throughout the plan.	170-189	
43. References: Identify the references used in developing the plan.	61	
44. Resources: Identify sources for materials and supplies internally and externally.	190	
45. Contact List: Include a list of agencies and personnel not internal to the organization, but critical to emergency operations. May be kept under separate cover.	198-199	
46. Supporting Documentation: Include material necessary to self-certify compliance with SEMS. This should include evidence of training, planning, exercises, and performance.	168	
PART II: EMERGENCY SUPPORT FUNCTION ANNEXES (If Applicable) (CPG 101 ELEMENTS)		
47. Functional Support Annexes: Include functional annexes that add specific information and directions to the EOP. These annexes focus on specific responsibilities, tasks, and operational actions that pertain to the performance of emergency support	N/A	

Emergency Operations Plan Crosswalk	Page Where Located	Reviewer Comment or Initials
<p>functions to include:</p> <ul style="list-style-type: none"> • CA-ESF 1 – Transportation • CA-ESF 2 – Communications • CA-ESF 3 – Construction and Engineering • CA-ESF 4 – Fire and Rescue • CA-ESF 5 – Management • CA-ESF 6 – Care and Shelter • CA-ESF 7 – Resources • CA-ESF 8 – Public Health and Medical • CA-ESF 10 – Hazardous Materials • CA-ESF 11 – Food and Agriculture • CA-ESF 12 – Utilities • CA-ESF 13 – Law Enforcement • CA-ESF 14 - Recovery • CA-ESF 15 – Public Information • CA-ESF 17 – Volunteers and Donation Management • CA-ESF 18 – Cyber Security 		
PART III: FUNCTIONAL ANNEXES (SEMS ELEMENTS)		
<p>48. Management Section: Include the following activities and responsibilities:</p> <ul style="list-style-type: none"> • Overall EOC management • Public information assignment • Identification of a media center • Rumor control • Public inquires • Provision for public safety communications and policy • Identification of a Safety Officer • Facility security • Agency liaison • State/Federal field activity coordination 	65-85	
<p>49. Operations Section: Include the following activities and responsibilities:</p> <ul style="list-style-type: none"> • General warning 	86-104	

<p style="text-align: center;">Emergency Operations Plan Crosswalk</p>	<p style="text-align: center;">Page Where Located</p>	<p style="text-align: center;">Reviewer Comment or Initials</p>
<ul style="list-style-type: none"> • Special population warning • Authority to activate Emergency Alert System • Inmate evacuation • Traffic direction and control • Debris removal • Evacuation • Evacuation and care for pets and livestock • Access control • Hazardous materials management • Coroner operations • Emergency medical care • Transportation management • Crisis counseling for emergency responders • Urban search and rescue • Disease prevention and control • Utility restoration • Flood operations • Initial damage assessments • Safety assessments • Shelter and feeding operations • Emergency food and water distribution 		
<p>50. Planning/Intelligence Section: Include the following activities and responsibilities:</p> <ul style="list-style-type: none"> • Situation status • Situation analysis • Information display • Documentation • Advance planning • Technical services • Action planning • Demobilization 	105-113	
<p>51. Logistics Section: Include the following activities and responsibilities:</p> <ul style="list-style-type: none"> • Field incident support • Communications support 	114-125	

Emergency Operations Plan Crosswalk	Page Where Located	Reviewer Comment or Initials
<ul style="list-style-type: none"> • Transportation support • Personnel • Supply and procurement • Resource tracking • Sanitation services • Computer support 		
<p>52. Finance/Administration Section: Include the following activities and responsibilities:</p> <ul style="list-style-type: none"> • Fiscal management • Timekeeping • Purchasing • Compensation and claims • Cost recovery • Travel request, forms, and claims 	126-133	
PART IV: SUPPORT ANNEXES (CPG 101 ELEMENTS)		
<p>53. Support Functions: Describe critical operational functions and who is responsible for carrying them out. They may include:</p> <ul style="list-style-type: none"> • Continuity of Government/Operations • Warning • Population Protection • Financial Management • Mutual aid/Multijurisdictional Coordination • Private Sector Coordination • Volunteer and Donations Management • Worker Safety and Health • Prevention and Protection 	N/A	
PART V: HAZARD, THREAT, or INCIDENT SPECIFIC ANNEXES		
<p>54. Threat Specific Appendices: The EOP should address response activities that are specific to all hazards that pose a threat to the jurisdiction. Describe</p>	134-166	

<p style="text-align: center;">Emergency Operations Plan Crosswalk</p>	<p style="text-align: center;">Page Where Located</p>	<p style="text-align: center;">Reviewer Comment or Initials</p>
<p>any emergency response strategies that apply to a specific type of hazard. These may include:</p> <ul style="list-style-type: none"> • Avalanche • Severe Storm • Earthquake • Tsunami • Volcanic Activity • Tornado • Floods • Dam Failure • Hazardous Materials Incident - Incorporate or reference the Hazardous Materials Area Plan • Radiological Incident • Biological Incident • Terrorism Incident • Other hazards, threat, or incidents 		
<p>ADDITIONAL SEMS ELEMENTS FOR CONSIDERATION</p>		
<p>55. Dams: If there are dams in the area, the plan should have or reference inundation maps that indicate what areas could flood, the time the flood wave arrives at specific locations, and when the water will recede. Operational information necessary to carry-out an evacuation of all potentially flooded areas should be indicated for each dam. The information required for each dam should include shelter locations, location of critical facilities such as government center hospitals, nursing homes, schools, day care centers, etc. Each dam evacuation plan should also indicate other facilities with large concentrations of people with disabilities, persons that lack their own transportation, or persons requiring special assistance.</p>	<p>13</p>	

Comments:

RESOLUTION NO. 2020 -

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY
RESCINDING THE FORMER EMERGENCY OPERATIONS PLAN ADOPTED BY
RESOLUTION 2010-133, ADOPTING THE UPDATED CITY OF NATIONAL CITY 2020
EMERGENCY OPERATIONS PLAN, AND APPROVING SUBMITTAL OF THE PLAN
TO THE CALIFORNIA OFFICE OF EMERGENCY SERVICES**

WHEREAS, the City of National City Emergency Operations Plan (“EOP”) has been updated to describe how the City of National City will manage and respond to major emergency incidents, including system of organization consisting of the Emergency Operations Center (“EOC”), clear designations of actions that must be conducted during a disaster, assignment of functions to City departments, and checklists for performance of the activities by EOC staff.; and

WHEREAS, the City of National City Emergency Operations Plan meets all federal and state criteria as described by the Federal Emergency Management Agency’s Comprehensive Preparedness Guide (“CPG”) 101 and California’s Office of Emergency Services (“CalOES”) Standardized Emergency Management System (“SEMS”) Crosswalk; and

WHEREAS, the City of National City Emergency Operations Plan describes the method of requesting mutual aid resources from the County, State, and Federal Governments when needed and one of the eligibility requirements for State and Federal funding for Emergency Services is submittal of the City of National City Emergency Operations Plan to CalOES.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of National City hereby rescinds the former Emergency Operations Plan adopted by Resolution 2010-133 on June 22, 2010.

BE IT FURTHER RESOLVED that the City Council hereby adopts the 2020 City of National City Emergency Operations Plan, and approves submittal of the City of National City Emergency Operations Plan to to the California Office of Emergency Services.

PASSED and ADOPTED this 20th day of October, 2020

Alejandra Sotelo-Solis, Mayor

ATTEST:

Michael R. Dalla, City Clerk

APPROVED AS TO FORM:

Angil P. Morris-Jones, City Attorney

The following page(s) contain the backup material for Agenda Item: [Resolution of the City Council of the City of National City authorizing the acceptance of the FY 2019 Operation Stonegarden Grant in the amount of \\$60,000, and authorizing the Chief of Police to execute the Agreement for the award of the grant funds and sign grant documents indemnifying the granting agency against any liability arising from grant related operations, and authorizing the establishment of the Police Department Grants Fund appropriations and a corresponding revenue budget, in the amount of the grant for reimbursement of overtime, fringe benefits and mileage for programmatic operations. The grant is retroactive to September 1, 2019 and terminates on May 31, 2022. \(Police\)](#)

Please scroll down to view the backup material.

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: 10/20/2020

AGENDA ITEM NO. |

ITEM TITLE:

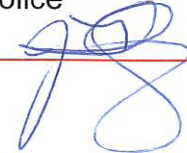
Resolution of the City Council of the City of National City authorizing the acceptance of the FY 2019 Operation Stonegarden Grant in the amount of \$60,000, and authorizing the Chief of Police to execute the Agreement for the award of the grant funds and sign grant documents indemnifying the granting agency against any liability arising from grant related operations, and authorizing the establishment of the Police Department Grants Fund appropriations and a corresponding revenue budget, in the amount of the grant for reimbursement of overtime, fringe benefits and mileage for programmatic operations. The grant is retroactive to 9/1/19 and terminates on 5/31/22.

PREPARED BY: David Bavencoff

PHONE: (619) 336-4498

DEPARTMENT: Police

APPROVED BY: _____



EXPLANATION:

The County of San Diego through the San Diego County Sheriff's Department received grant funding from the California Governor's Office of Emergency Services (Cal OES) via the U.S. Department of Homeland Security (DHS) for the Fiscal Year (FY) 2019 Operation Stonegarden (OPSG) Grant (under the Homeland Security Grant Program). As one of the 22 participating agencies, the National City Police Department's share of the total grant amount is \$60,000. The Police Department's participation is governed by a Memorandum of Agreement with the San Diego County Sheriff's Department, who serves as the fiscal agent for the grant. The Operation Stonegarden Program is a reimbursable grant for law enforcement preparedness and operational readiness along the land and water borders of the United States, and to address cross-border crimes in the region. As designated, the National City Police Department plans to spend all \$60,000 on overtime, fringe benefits, and vehicle mileage. No matching funds are required. There is no impact on the general fund.

FINANCIAL STATEMENT:

APPROVED: _____

Finance

ACCOUNT NO. Expenditure: 290-411-671-*
Revenue: 290-11671-3498

APPROVED: _____

MIS

This program does not require a match or in-kind contribution; therefore, there is no impact to the General Fund.

ENVIRONMENTAL REVIEW:

Not applicable

ORDINANCE: INTRODUCTION:

FINAL ADOPTION:

STAFF RECOMMENDATION:

Staff recommends the acceptance of the grant.

BOARD / COMMISSION RECOMMENDATION:

Not applicable

ATTACHMENTS:

- 1) Agreement for the FY 2019 Operation Stonegarden (OPSG) Grant

**AGREEMENT FOR
FISCAL YEAR 2019
OPERATION STONEGARDEN (OPSG)**

1. PARTIES TO THE AGREEMENT

This Agreement is between the COUNTY OF SAN DIEGO ("COUNTY"), the CITY OF CARLSBAD, CITY OF CHULA VISTA, CITY OF CORONADO, CITY OF ESCONDIDO, CITY OF LA MESA, CITY OF NATIONAL CITY, CITY OF OCEANSIDE (collectively the "CITIES"), SAN DIEGO UNIFIED PORT DISTRICT ("SDUPD"), SYCUAN TRIBAL POLICE DEPARTMENT ("STPD"), UNIVERSITY OF CALIFORNIA SAN DIEGO ("UCSD"), COUNTY OF LOS ANGELES ("LAC"), COUNTY OF MONTEREY ("MC"), COUNTY OF ORANGE ("OC"), COUNTY OF SAN LUIS OBISPO ("SLOC"), COUNTY OF SAN MATEO ("SMC"), COUNTY OF SANTA BARBARA ("SBC"), COUNTY OF VENTURA ("VC"), CALIFORNIA HIGHWAY PATROL ("CHP"), DEPARTMENT OF FISH AND WILDLIFE ("DFW"), and the CALIFORNIA DEPARTMENT OF PARKS AND RECREATION ("DPR"), collectively the "PARTIES", for support of the Operation Stonegarden ("OPSG") program.

1.1 Party Departments Or Agencies Participating In The Agreement

- 1.1.1 For the COUNTY, participating agencies are the Probation Department ("PROBATION") and the Sheriff's Department ("SHERIFF").
- 1.1.2 For the CITIES, SDUPD, STPD, and UCSD, participating agencies are their respective police department.
- 1.1.3 For LAC, MC, OC, SLOC, SMC, SBC, and VC, participating agencies are their respective Sheriff's department.
- 1.1.4 CHP, DFW, and DPR do not have subordinate agencies or department participants.

2. RECITALS

2.1 WHEREAS, COUNTY through SHERIFF applied for, and was awarded grant funds from the U. S. Department of Homeland Security (DHS) passed through the California Governor's Office of Emergency Services (Cal OES), under the Fiscal Year (FY) 2019 Operation Stonegarden (OPSG) grant program. As the sole applicant for the San Diego Border Patrol Sector, SHERIFF shall be the lead agency to manage the OPSG program.

2.2 WHEREAS, funds shall be used to support the OPSG program to enhance law enforcement preparedness and operational readiness along the land and water borders of the United States.

2.3 WHEREAS, Government Code § 55632 authorizes COUNTY and PARTIES to contract for provision of joint law enforcement services.

2.4 WHEREAS, PARTIES desire to enter into an agreement with provisions concerning the nature and extent of OPSG collaboration, services rendered, and compensation.

2.5 WHEREAS, COUNTY, by action of the Board of Supervisors Minute Order No. 1 on January 14, 2020, approved and authorized the SHERIFF to execute expenditure contracts to use FY 2019 OPSG funds to reimburse PARTIES for program related management and administration, overtime; equipment and vehicle purchases; fuel, mileage, flight, and vehicle and equipment maintenance costs incurred not to exceed the amounts described in Exhibit A – FY 2019 OPSG Budget Worksheet in paragraph 2.7 below, during the project period September 1, 2019 through May 31, 2022.

2.6 WHEREAS, PARTIES shall retain documentation supporting all expenditures reimbursed from OPSG grant funds, ensure all expenditures are allowable under grant requirements, adhere to the federal procurement standards found in Title 2 of the Code of Federal Regulations, Part 200, Subpart D, Section §200.317-200.326, and comply with the Single Audit Act Amendments of 1996 and Title 2 of the Code of Federal Regulations, Part 200, Subpart F - Audit Requirements regarding organization-wide financial and compliance audit reports if \$750,000 or more of OPSG federal funds are expended in a fiscal year.

2.6.1 Documentation shall be retained in accordance with the [FEMA Preparedness Grants Manual](#) and any other OPSG grant requirements, and shall be available for audit and inspection.

2.7 WHEREAS, PARTIES acknowledge the following information for the OPSG grant program:

- (a) Federal Grantor Agency: U. S. Department of Homeland Security (DHS)
- (b) Administrative Authority: Federal Emergency Management Agency (FEMA)
- (c) Operational Oversight: U. S. Customs and Border Protection (CBP)
- (d) State Administrative Agency (SAA) or Pass-Through Agency: California Governor's Office of Emergency Services (Cal OES)
- (e) Program Title: Homeland Security Grant Program (HSGP) Operation Stonegarden (OPSG)
- (f) Grant Identification Number: 2019-0035
- (g) Federal CFDA Number: 97.067

2.8 WHEREAS, PARTIES agree and shall utilize and adhere to the following Exhibits attached hereto and/or available using the referenced link:

- (a) Exhibit A – FY 2019 OPSG Budget Worksheet
- (b) Exhibit B – FY 2019 OPSG Grant Assurances
- (c) Exhibit C – FY 2019 OPSG Operations Order
- (d) Exhibit D – [Title 2 of the Code of Federal Regulations Part 200](#),
- (e) Exhibit E – Federal Grant Requirements

- (f) Exhibit F - [FY 2019 Homeland Security Grant Program \(HSGP\) Notice of Funding Opportunity \(NOFO\)](#)
- (g) Exhibit G - [FY 2019 Homeland Security Grant Program \(HSGP\) California Supplement to the Federal Notice of Funding Opportunity](#)
- (h) Exhibit H – [Federal Preparedness Grants Manual](#)

However, nothing in the above-mentioned Exhibits shall limit the requirements of this Agreement.

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, PARTIES jointly intend that COUNTY will reimburse, and PARTIES will provide, a level of OPSG services as set forth in this Agreement.

3. PURPOSE AND INTENT

The purpose of this Agreement is to satisfy the OPSG grant program proposal awarded by the DHS and passed through to the Cal OES, under the FY 2019 Operation Stonegarden grant program.

4. SCOPE OF SERVICES

4.1 Method of Service Delivery

SHERIFF will manage the OPSG grant program, oversee the funding allocation of the PARTIES, and be administratively responsible for coordination of PARTIES' obligations under this Agreement. The SHERIFF's OPSG grant program team will be staffed as described in paragraph 6. STANDARDS OF SERVICE: OBLIGATIONS OF THE PARTIES.

4.2 Overview of Basic Services

PARTIES will provide OPSG Operations ("Operations") by increasing law enforcement presence in each PARTY's designated jurisdiction and in coordination with other OPSG partner agencies in order to support the U. S. Customs and Border Protection efforts in the region to improve border security. PARTIES will enforce local and state laws and will not enforce or aid in the enforcement of immigration laws on behalf of U. S. Customs and Border Protection (CBP) and U. S. Border Patrol (BP).

5. TERM OF AGREEMENT

5.1 Initial Term

The term of this Agreement shall be retroactive to 12:01 a.m. on September 1, 2019 and shall continue in effect through and terminate at midnight on May 31, 2022; subject to the termination provision in paragraph 5.3.

5.2 Option to Extend

Renewal or extension of the Agreement beyond May 31, 2022 shall be subject to remaining grant funds and to a time extension approved by Cal OES. Any PARTY that does not agree to renew shall terminate its participation at the end of the term of this Agreement.

5.3 Termination

Subject to the applicable provisions of state law, each PARTY may terminate its participation in this Agreement upon ninety (90) days minimum written notice to the other PARTIES.

5.3.1 A PARTY may terminate its participation in this Agreement immediately upon written notice to the other PARTIES in the event it becomes ineligible to receive grant funds under this Agreement.

5.3.2 As the lead agency, SHERIFF, with approval from either FEMA, CBP and/or Cal OES as needed, may require the termination of a PARTY's participation if it is determined that the PARTY has violated the provisions of this Agreement, including failure to provide the Anticipated Outcome set forth in section 6.2.

6. STANDARDS OF SERVICE: OBLIGATIONS OF THE PARTIES

6.1 Debarment and Suspension

PARTIES shall ensure and certify that they are not presently debarred and suspended from receiving Federal grant funds as required by Executive Orders (EO) 12549 and 12689, and 2 CFR 200.213 and codified in 2 CFR Part 180, Debarment and Suspension. PARTIES found to be noncompliant are not eligible for cost reimbursement.

6.2 Anticipated Outcome

The anticipated outcome of Operations to be provided by PARTIES under this Agreement is increased law enforcement presence in each PARTY's designated jurisdiction in order to support the U. S. Department of Homeland Security, U. S. Customs and Border Protection efforts in the region to improve border security and reduce border related crime. The anticipated outcome will be reached by achieving the goals and accomplishing the missions set forth below by the PARTIES and in Exhibit C – FY 2019 OPSG Operations Order.

6.2.1 PARTIES will provide enhanced enforcement by increasing patrol presence in proximity to the border and/or routes of ingress from the border, including the water borders. In addition, PARTIES will utilize their unique investigatory areas of expertise in operations.

6.2.2 Increase intelligence/information sharing among PARTIES, including but not limited to:

- (a) Conducting bi-monthly meetings with a minimum of one representative from each PARTY.

(b) Increasing information sharing during operations.

6.2.3 Prior to Operations, PARTIES' Designated Coordinator, in paragraph 6.3.3, shall submit an Operations Plan to the Integrated Planning Team (IPT) at SDCOPSG2008@cbp.dhs.gov at least 72 hours prior to the operation.

6.2.3.1 The IPT is comprised of the SHERIFF and BP sworn personnel.

6.2.3.2 The role of the IPT is to provide support and guidance to the local, state, and federal law enforcement stakeholders within the grant.

6.2.4 Within 48 hours following the conclusion of each OPSG Operation:

6.2.4.1 Each PARTY will complete a Daily Activity Report (DAR) and submit completed DAR in Excel format to CBP San Diego Sector at SDCOPSG2008@cbp.dhs.gov and SHERIFF at stonegarden@sdsheriff.org.

6.2.4.2 The Operations Coordinator will email all backup source documents (e.g., arrest reports, citations, field interviews, etc.) to SDCOPSG2008@cbp.dhs.gov

6.2.5 PARTIES will send their weekly/bi-weekly/monthly OPSG schedule (whichever applies), as it becomes available, utilizing the appropriate format, to SDCOPSG2008@cbp.dhs.gov.

6.2.5.1 All schedules will be compiled by BP to be sent to the Law Enforcement Coordination Center (LECC).

6.3 Personnel Qualifications and Assignment

6.3.1 Qualifications

Each PARTY shall ensure that personnel assigned to perform Operations pursuant to this Agreement meet the minimum qualifications for their specific classification.

6.3.2 Management, Direction, and Supervision; Independent Contractors

The hiring, firing, management, direction, and supervision of each PARTY's personnel, the standards of performance, the discipline of each PARTY's personnel, and all other matters incident to the performance of such services, shall be performed by and be the responsibility of each PARTY in each PARTY's sole but reasonable judgment and in accord with the provisions of applicable labor agreements. Each PARTY shall be the appointing authority for all its personnel provided to OPSG by this Agreement. PARTIES shall have no liability for any direct payment of salary, wages, indemnity, or other compensation or benefit to any other PARTY's personnel.

Each PARTY and its respective officers, agents, and employees are independent contractors and are not officers, agents, and employees of any other PARTY. Each PARTY's personnel are under the direct and exclusive supervision of that PARTY, and each PARTY assumes full responsibility for the performance of its own personnel in connection with this Agreement. No PARTY has the authority to bind any other PARTY.

6.3.3 Designated Coordinators

SHERIFF shall select and designate a Coordinator, at the rank of Sheriff's Lieutenant or higher, who shall manage and direct Operations. Each other PARTY shall select and designate a coordinator for their respective agency under this Agreement. The designated coordinators for each PARTY shall serve as their agency contact and shall implement, as needed, appropriate procedures governing the performance of all requirements under this Agreement and shall be responsible for meeting and conferring in good faith in order to address any disputes which may arise concerning implementation of this Agreement.

6.3.4 Staffing for Basic Services

PARTIES shall ensure that adequate numbers of their qualified respective personnel are provided to Operations at all times during the term of this Agreement to meet the Basic Services, Scope of Services, and Standards of Service commitments set forth herein.

6.3.5 Equipment and Supplies

COUNTY will provide SHERIFF OPSG personnel with all supplies and/or prescribed safety gear, body armor, and/or standard issue equipment necessary to perform Operations. Similarly, all other PARTIES will provide their respective OPSG personnel with all supplies and/or prescribed safety gear, body armor, and/or standard issue equipment necessary to perform Operations unless otherwise specified in Exhibit C- FY 2019 OPSG Operations Order.

6.3.5.1 PARTIES are responsible for the procurement of their own equipment to be used in Operations.

6.3.5.2 PARTIES will maintain an inventory list of all equipment purchased with OPSG funds and when practicable, the equipment shall be labeled with: "*Purchased with funds provided by the U. S. Department of Homeland Security*".

7. COST OF SERVICES/CONSIDERATION

7.1 General

7.1.1 As full consideration for the satisfactory performance and completion by PARTIES of Operations set forth in this Agreement, COUNTY shall reimburse PARTIES for personnel assigned to perform Operations on the basis of claims and

submittals as set forth hereunder. Such payments by COUNTY are dependent on the continued availability of funds from the DHS passed through the Cal OES.

7.1.2 PARTIES agree that awarded funds identified as allowable costs, as set forth in Exhibit F – FY 2019 Homeland Security Grant Program Notice of Funding Opportunity (HSGP NOFO), shall be expended only for approved Operations operating expenses, and equipment as detailed in Exhibit A – FY 2019 Budget Worksheet, and that unallowable costs are not reimbursable as set forth in Exhibit F – FY 2019 HSGP NOFO.

7.1.3 No reimbursement shall be made to a PARTY during any period of time within which that PARTY is in default on filing any informational or financial reports required by SHERIFF. SHERIFF shall make any necessary adjustments to PARTY claims to correct for overpayments, underpayments, or disallowances.

7.2 Project Costs/Rate of Compensation

SHERIFF shall reimburse PARTIES for overtime worked by personnel assigned to perform Operations and shall reimburse for costs approved in Exhibit C – FY 2019 OPSG Operations Order, based upon available funding and the actual costs incurred by PARTIES to provide Operations.

7.3 Method of Payment

PARTIES shall submit to SHERIFF, accurate and complete reimbursement forms, labor reports, timesheets, Daily Activity Reports, equipment and equipment maintenance invoices, purchase orders and/or contracts, that represent amounts to be reimbursed under this Agreement within sixty (60) days from the date when expenditure was incurred. All requests for reimbursement shall be sent to:

San Diego County Sheriff's Department
O-41 Grants Unit (OPSG)
P. O. Box 939062
San Diego, CA 92193-9062

7.3.1 Reimbursement forms and invoices must have the signature of PARTY's Authorized Agent, certifying that the invoice and substantiating documentation, e.g., labor reports, timesheets, etc., are true and correct.

7.3.2 PARTIES shall provide payroll records for each and every person whose costs are reimbursable under this Agreement, to include, at a minimum, the person's name, classification, duty position, task, regular hourly rate, overtime hourly rate, overtime hours worked, date(s) overtime worked, and fringe benefit rate and cost.

7.3.2.1 PARTIES shall make available to SHERIFF for inspection, upon request, all payroll records and any other records that relate to the Basic Services provided under this Agreement.

7.3.3 PARTIES shall provide complete procurement records to substantiate reimbursement requests for approved equipment and services, including but not limited to copies of certified vendor's invoice, vendor's debarment record, proofs of payment to vendor, purchase order and contract showing that Federal Grant Requirements (attached hereto as Exhibit E – Federal Grant Requirements) have been incorporated into, and/or PARTY's standard procurement policy and procedure along with documentations that substantiates full and open competition.

7.3.3.1 PARTIES shall make available to SHERIFF for inspection and upon request, all procurement records that provide historical and background information to answer inquiries pertaining to the acquisition of equipment and services that may arise during an audit or until the grant record retention period expires.

7.3.4 Noncompetitive procurements of equipment exceeding the \$250,000 simplified acquisition threshold established by Federal Acquisition Regulation (FAR) 48 CFR Subpart 2.1, in accordance with 41 U.S.C. 1908, will require prior written approval from Cal OES.

7.3.4.1 Prior to purchasing equipment determined to be noncompetitive, PARTIES shall provide SHERIFF by email a copy of their Purchasing Agent's approval for the noncompetitive procurement which SHERIFF will submit to Cal OES for approval.

7.3.5 PARTIES shall obtain a performance bond from vendors prior to procuring equipment items costing over \$250,000, or any vehicle, aircraft, or watercraft, to be paid at the time of purchase, in order to ensure delivery of the equipment within ninety (90) days of the performance period end date.

7.3.5.1 Performance bond shall be included for reimbursement with invoice.

7.3.6 Within ninety (90) business days upon receipt of valid invoice and supporting documentation specified in subparagraphs under 7.3, SHERIFF will reimburse PARTIES for the Basic Services agreed to.

7.3.7 Each PARTY shall manage their allocation and track their claims to ensure they remain within their allocated amount as specified in Exhibit A – FY 2019 OPSG Budget Worksheet.

7.4 Reimbursement Disallowances

PARTIES not in compliance with procedures in paragraph 7.3 above risk having incurred expenditures disallowed for reimbursement by SHERIFF. PARTIES that fail to submit claims for reimbursement within sixty (60) days will be notified in writing by SHERIFF that the claim(s) is/are past due, and funds allocated to the PARTY for that time period may be redistributed among other PARTIES.

8. PROGRAM/FINANCIAL ADMINISTRATION

8.1 PARTIES shall use as the primary reference in all programmatic, financial, and grant administration matters and adhere to the policies and regulations in Exhibit D - Title 2 of the Code of Federal Regulations Part 200 (2 CFR Part 200), Exhibit F – FY 2019 HSGP NOFO, Exhibit G – FY 2019 HSGP CA Supplement to the NOFO, and Exhibit H – Federal Preparedness Grants Manual, in conjunction with updates issued by the Office of Management and Budget (OMB), Grants & Training (G&T) information bulletins, and Cal OES policy, regulations, and statutes.

8.1.1 Contract Provisions

PARTIES shall ensure that *all* contracts adhere to all applicable contract provisions stated in 2 CFR 200.317 – 200.326 and found in Appendix II - Contract Provisions for Non-Federal Entity Contracts under Federal Awards. Reimbursement claims associated with contracts that are found to be in noncompliance will be denied.

8.1.2 Methods of Procurement

PARTIES shall adhere to the procurement methods found in 2 CFR 200, Subpart D, Section 200.320.

9. REPAYMENT OF REIMBURSEMENTS

9.1 Any PARTY found through compliance assessments, audits, or monitoring site visits, to be out of compliance with paragraphs 7.3 and 8 above, shall retroactively repay SHERIFF, within ninety (90) days of notification, any reimbursement found out of compliance which was paid to PARTY during the term of, and even after the term, of this Agreement. This provision shall survive termination or expiration of this Agreement.

10. INDEMNIFICATION – WORKERS' COMPENSATION, EMPLOYMENT AND CLAIMS AND LIABILITY ISSUES

10.1 The COUNTY shall fully indemnify and hold harmless non-County PARTIES and their respective officers, employees and agents, from any claims, losses, fines, expenses (including attorneys' fees and court costs and/or arbitration costs), costs, damages or liabilities arising from or related to (1) any workers' compensation claim or demand or other workers' compensation proceeding arising from or related to, or claimed to arise from or relate to, employment which is brought by an employee of the COUNTY or any contract labor provider retained by the COUNTY, or (2) any claim, demand, suit, or other proceeding arising from or related to, or claimed to arise from or relate to, the status of employment (including without limitation, compensation, demotion, promotion, discipline, termination,

hiring, work assignment, transfer, disability, leave or other such matters) which is brought by an employee of the COUNTY or any contract labor provider retained by the COUNTY.

10.2 Each non-County PARTY shall fully indemnify and hold harmless the COUNTY, its officers, employees, and agents, from any claims, losses, fines, expenses (including attorneys' fees and court costs or arbitration costs), costs, damages or liabilities arising from or related to (1) any workers' compensation claim or demand or other workers' compensation proceeding arising from or related to, or claimed to arise from or relate to, employment which is brought by an employee of that respective non-County PARTY or any contract labor provider retained by non-County PARTY, or (2) any claim, demand, suit, or other proceeding arising from or related to, or claimed to arise from or relate to, the status of employment (including without limitation, compensation, demotion, promotion, discipline, termination, hiring, work assignment, transfer, disability, leave or other such matters) which is brought by an employee of that respective non-County PARTY or any contract labor provider retained by the non-County PARTY.

10.3 Each non-County PARTY shall fully indemnify and hold harmless the other non-County PARTIES, its officers, employees, and agents, from any claims, losses, fines, expenses (including attorneys' fees and court costs or arbitration costs), costs, damages or liabilities arising from or related to (1) any workers' compensation claim or demand or other workers' compensation proceeding arising from or related to, or claimed to arise from or relate to, employment which is brought by an employee of that respective non-County PARTY or any contract labor provider retained by non-County PARTY, or (2) any claim, demand, suit, or other proceeding arising from or related to, or claimed to arise from or relate to, the status of employment (including without limitation, compensation, demotion, promotion, discipline, termination, hiring, work assignment, transfer, disability, leave or other such matters) which is brought by an employee of that respective non-County PARTY or any contract labor provider retained by the non-County PARTY.

11. INDEMNIFICATION RELATED TO ACTS OR OMISSIONS; NEGLIGENCE

11.1 Claims Arising From Sole Acts or Omissions of a PARTY

Each PARTY to this Agreement hereby agrees to defend and indemnify the other PARTIES to this Agreement, their agents, officers, and employees, from any claim, action, or proceeding against the other PARTIES, arising solely out of its own acts or omissions in the performance of this Agreement. At each PARTY's sole discretion, each PARTY may participate at its own expense in the defense of any claim, action, or proceeding, but such participation shall not relieve any PARTY of any obligation imposed by this Agreement. PARTIES shall notify each other promptly of any claim, action, or proceeding and cooperate fully in the defense.

11.2 Claims Arising From Concurrent Acts or Omissions

The PARTIES hereby agree to defend themselves from any claim, action, or proceeding arising out of the concurrent acts or omissions of the PARTIES. In such cases, PARTIES agree to retain their own legal counsel, bear their own defense costs, and waive their right to seek reimbursement of such costs, except as provided in paragraph 11.4 below.

11.3 Joint Defense

Notwithstanding paragraph 11.2 above, in cases where PARTIES agree in writing to a joint defense, PARTIES may appoint joint defense counsel to defend the claim, action, or proceeding arising out of the concurrent acts or omissions of PARTIES. Joint defense counsel shall be selected by mutual agreement of PARTIES. PARTIES agree to share the costs of such joint defense and any agreed settlement in equal amounts, except as provided in paragraph 11.4 below. PARTIES further agree that no PARTY may bind the others to a settlement agreement without the written consent of the others.

11.4 Reimbursement and/or Reallocation

Where a trial verdict or arbitration award allocates or determines the comparative fault of the parties, PARTIES may seek reimbursement and/or reallocation of defense costs, settlement payments, judgments and awards, consistent with such comparative fault.

12. GENERAL PROVISIONS

12.1 Notices

Any notice, request, demand, or other communication required or permitted hereunder shall be in writing and may be personally delivered or given as of the date of mailing by depositing such notice in the United States mail, first-class postage prepaid and addressed as follows, or, to such other place as each PARTY may designate by subsequent written notice to each other:

To COUNTY and SHERIFF:

Sheriff
San Diego County Sheriff's Department
P. O. Box 939062
San Diego, CA 92193-9062
To Non-County PARTIES:

Chief Probation Officer
Probation Department
9444 Balboa Avenue, Ste. 500
San Diego, CA 92123

Chief of Police
Carlsbad Police Department
2560 Orion Way
Carlsbad, CA 92010

Chief of Police
Chula Vista Police Department
315 Fourth Avenue
Chula Vista, CA 91910

Chief of Police
Coronado Police Department
700 Orange Avenue
Coronado, CA 92118

Chief of Police
Escondido Police Department
1163 North Centre City Parkway
Escondido, CA 92026

Chief of Police
La Mesa Police Department
8085 University Avenue
La Mesa, CA 91942

Chief of Police
National City Police Department
1200 National City Blvd.
National City, CA 91950

Chief of Police
Oceanside Police Department
3855 Mission Avenue
Oceanside, CA 92054

Chief of Harbor Police
San Diego Harbor Police Department
3380 N. Harbor Drive
San Diego, CA 92101

Chief of Police
University of California-San Diego
Police Department
9500 Gilman Drive, MC 0017
La Jolla, CA 92093

Chief of Police
Sycuan Tribal Police Department
4 Kwaaypaay Road
El Cajon, CA 92019

Sheriff
Orange County Sheriff's Department
550 N. Flower Street
Santa Ana, CA 92703

Sheriff
Ventura County Sheriff's Office
800 South Victoria Avenue
Ventura, CA 93009

Sheriff
Los Angeles County Sheriff's Department
Special Enforcement Bureau
1060 N. Eastern Avenue
Los Angeles, CA 90063

Sheriff
Monterey County Sheriff's Office
1414 Natividad Road
Salinas, CA 93906

Sheriff
San Luis Obispo County Sheriff's Office
1585 Kansas Avenue
San Luis Obispo, CA 93405

Sheriff
San Mateo County Sheriff's Office
400 County Center
Redwood City, CA 94063

Sheriff
Santa Barbara County Sheriff's Office
4434 Calle Real
Santa Barbara, CA 93110

Chief
California Highway Patrol
9330 Farnham Street
San Diego, CA 92123

Chief of Enforcement
California Department of Fish and Wildlife
1416 9th Street, Room 1326
Sacramento, CA 95814

Chief
California Department of Parks and
Recreation
1416 9th Street
Sacramento, CA 95814

A notice shall be effective on the date of personal delivery if personally delivered before 5:00 p.m. on a business day or otherwise on the first business day following personal delivery; or two (2) business days following the date the notice is postmarked, if mailed; or on the first business day following delivery to the applicable overnight courier, if sent by overnight courier for next business day delivery and otherwise when actually received.

12.2 Amendment; Assignment

This Agreement may be modified or amended only by a written document signed by the COUNTY through SHERIFF and the affected PARTY or PARTIES, and no oral understanding or agreement shall be binding on any PARTY or PARTIES. No PARTY shall assign any of its rights or delegate any of its obligations hereunder without the prior written consent of the other PARTIES.

12.3 Entire Agreement

This Agreement constitutes the complete and exclusive statement of agreement between the COUNTY and non-County PARTIES with respect to the subject matter hereto. As such, all prior written and oral understandings are superseded in total by this Agreement.

12.4 Construction

This Agreement will be deemed to have been made and shall be construed, interpreted, governed, and enforced pursuant to, and in accordance with, the laws of the State of California. The headings and captions used in this Agreement are for convenience and ease of reference only and shall not be used to construe, interpret, expand, or limit the terms of the Agreement and shall not be construed against any one PARTY.

12.5 Waiver

A waiver by COUNTY or non-County PARTIES of a breach of any of the covenants to be performed by COUNTY or non-County PARTIES shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions, or conditions of this Agreement. In addition, the failure of any PARTY to insist upon strict compliance with any provision of this Agreement shall not be considered a waiver of any right to do so, whether for that breach or any subsequent breach. The acceptance by COUNTY or non-County PARTIES of either performance or payment shall not be considered a waiver of PARTY's preceding breach of this Agreement.

12.6 Authority to Enter Agreement

COUNTY and non-County PARTIES have all requisite power and authority to conduct their respective business and to execute, deliver, and perform the Agreement. Each PARTY warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and to bind each respective PARTY.

12.7 Cooperation

COUNTY through SHERIFF and Non-County PARTIES will cooperate in good faith to implement this Agreement.

12.8 Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. COUNTY will provide each CITY with a copy of this Agreement once fully executed.

12.9 Severability

This Agreement is subject to all applicable laws and regulations. If any provision of this Agreement is found by any Court or other legal authority, or is agreed upon by the PARTIES, to be in conflict with any law or regulation, then the conflicting provision shall be considered null and void. If the effect of nullifying any conflicting provision is such that a material benefit of this Agreement to any PARTY is lost, then the Agreement may be terminated at the option of the affected PARTY, with the notice as required in this Agreement. In all other cases, the remainder of this Agreement shall be severable and shall continue in full force and effect.

12.10 Legislative Changes

If any changes are made to regulations pursuant to which this Agreement is made or to any successor legislation or regulations, or if the DHS imposes any budget requirements or limitations applicable to this Agreement and the services to be provided hereunder, then (1) to the extent any of the changes are of mandatory application, such change(s) shall apply to the PARTIES and this Agreement, and this Agreement shall be deemed to be amended to be consistent with such changes(s) except to the extent that such change(s) alter(s) a material provision of this Agreement in which case such material provision shall be voidable and the PARTIES will negotiate in good faith to amend the Agreement as necessary, and (2) to the extent any of the changes are not of mandatory application, such change(s) shall not affect this Agreement or the right or obligations of COUNTY and non-COUNTY under this Agreement unless the PARTIES mutually agree to subject themselves to such changes(s).

12.11 Representation

Each PARTIES' Chief, and/or Sheriff, or their respective designee, shall represent its PARTY in all discussions pertaining to this Agreement. SHERIFF, or his or her designee, shall represent COUNTY in all discussions pertaining to this Agreement.

12.12 Dispute Resolution Concerning Services and Payment

In the event of any dispute concerning services and payment arising from this Agreement, representatives described in paragraph 12.10, will meet and confer within ten (10) business days after receiving notice of the dispute to resolve the dispute.

12.13 Termination of Funding

In the event that funding for reimbursement of costs related to Operations is terminated by the DHS, this Agreement in its entirety shall be considered null and void and COUNTY through SHERIFF and PARTIES shall no longer be required to provide Operations as described herein. In such event, PARTIES shall meet immediately, and if agreed upon by the PARTIES, mutually develop and implement within a reasonable time frame, a transition plan for the provision of Operations through alternate means.

12.14 Obligation

This Agreement shall be binding upon the successors of the PARTIES.

12.15 California Law

This Agreement is executed and delivered within the State of California and the rights and obligations of the PARTIES hereto shall be construed and enforced in accordance with, and governed by, the laws of the State of California.

IN WITNESS WHEREOF, the PARTIES hereto approve and agree to the terms of this Agreement, such Agreement being effective September 1, 2019, unless otherwise specified.

**COUNTY OF SAN DIEGO
SHERIFF'S DEPARTMENT**

William D. Gore
Sheriff

Approved as to form and legality:
**THOMAS MONTGOMERY
OFFICE OF COUNTY COUNSEL
COUNTY OF SAN DIEGO**

Mark Day
Senior Deputy

**COUNTY OF SAN DIEGO
PROBATION DEPARTMENT**

Adolfo Gonzales
Chief

**CARLSBAD POLICE
DEPARTMENT**

Neil Gallucci
Chief

**CHULA VISTA POLICE
DEPARTMENT**

Roxana Kennedy
Chief

**CORONADO POLICE
DEPARTMENT**

Charles Kaye
Chief

**ESCONDIDO POLICE
DEPARTMENT**

Ed Varso
Chief

**LA MESA POLICE
DEPARTMENT**

Walt Vasquez
Chief

**NATIONAL CITY
POLICE DEPARTMENT**

Jose Tellez
Chief

**UNIVERSITY OF CALIFORNIA -
SAN DIEGO POLICE DEPARTMENT**

David S. Rose
Chief

**SYCUAN TRIBAL POLICE
DEPARTMENT**

William Denke
Chief

**ORANGE COUNTY
SHERIFF'S DEPARTMENT**

Don Barnes
Sheriff-Coroner

**LOS ANGELES COUNTY
SHERIFF'S DEPARTMENT**

Alex Villanueva
Sheriff

**SAN MATEO COUNTY
SHERIFF'S OFFICE**

Carlos G. Bolanos
Sheriff

**OCEANSIDE POLICE
DEPARTMENT**

Frank McCoy
Chief

**SAN DIEGO HARBOR POLICE
DEPARTMENT**

Mark Stainbrook
Vice President of Public Safety/Chief

**VENTURA COUNTY
SHERIFF'S OFFICE**

William Ayub
Sheriff

Approved as to form and legality:
LEON J. PAGE
OFFICE OF THE COUNTY COUNSEL
COUNTY OF ORANGE

Nicole A. Sims
Supervising Deputy

Approved as to form:
MARY WICKHAM
OFFICE OF THE COUNTY COUNSEL
COUNTY OF LOS ANGELES

Michele Jackson
Principal Deputy County Counsel

**SAN LUIS OBISPO COUNTY
SHERIFF'S OFFICE**

Ian Parkinson
Sheriff

**MONTEREY COUNTY
SHERIFF'S OFFICE**

Steve Bernal
Sheriff

CALIFORNIA HIGHWAY PATROL

Omar Watson
Chief, Border Division

**CALIFORNIA DEPARTMENT
OF PARKS AND RECREATION**

Gina Moran
District Superintendent

**SANTA BARBARA COUNTY
SHERIFF'S OFFICE**

Bill Brown
Sheriff-Coroner

**CALIFORNIA DEPARTMENT
OF FISH AND WILDLIFE**

Melinda Peacock
Section Chief
Contracts and Procurement Section
Business Management Branch

RESOLUTION NO. 2020 -

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY
AUTHORIZING THE ACCEPTANCE OF THE FISCAL YEAR 2019 OPERATION
STONEGARDEN GRANT IN THE AMOUNT \$60,000, AND AUTHORIZING THE
CHIEF OF POLICE TO EXECUTE THE AGREEMENT FOR THE AWARD OF THE
GRANT FUNDS AND SIGN GRANT DOCUMENTS INDEMNIFYING THE GRANTING
AGENCY AGAINST ANY LIABILITY ARISING FROM GRANT RELATED
OPERATIONS, AND AUTHORIZING THE ESTABLISHMENT OF THE POLICE
DEPARTMENT GRANT FUND APPROPRIATIONS AND A CORRESPONDING
REVENUE BUDGET IN THE AMOUNT OF \$60,000 FOR REIMBURSEMENT OF
OVERTIME, FRINGE BENEFITS AND MILEAGE FOR
PROGRAMMATIC OPERATIONS**

WHEREAS, the County of San Diego, through the San Diego Sheriff's Department receives federal government grant funds from the California Governor's Office of Emergency Services ("Cal OES") via the U.S. Department of Homeland Security ("DHS") for the Fiscal Year 2019 Operation Stonegarden ("OPSG") Grant; and

WHEREAS, Operation Stonegarden is designed to enhance law enforcement preparedness and operational readiness along the land and water borders of the United States, and to address cross-border crime in the region; and

WHEREAS, the National City Police Department's participation in Operation Stonegarden is governed through an Agreement each fiscal year with the San Diego County Sheriff's Department; and

WHEREAS, as one of the 22 participant agencies, the National City Police Department's share of grant funding is \$60,000, which will be used for reimbursement of overtime, fringe benefits, and mileage for programmatic operations; and

WHEREAS, the San Diego County Sheriff's Department is responsible for coordinating the reimbursement requests for the grant funds; and

WHEREAS, the grant is retroactive to September 1, 2019 and terminates on May 31, 2022.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of National City hereby authorizes the acceptance of the Fiscal Year 2019 Operation Stonegarden Grant in the amount to \$60,000.

BE IT FURTHER RESOLVED that the City Council hereby approves and authorizes the Chief of Police to execute an Agreement for the 2019 Operation Stonegarden Grant and grant documents indemnifying the granting agency against any liability arising from grant related operations.

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Resolution No. 2020
Page Two

BE IT FURTHER RESOLVED that the City Council hereby approves and authorizes the establishment of a Police Department Grants fund appropriation and a corresponding revenue budget in the amount of \$60,000 for reimbursement of overtime, fringe benefits and mileage for programmatic operations. Said Agreement is on file in the office of the City Clerk.

PASSED and ADOPTED this 20th day of October, 2020.

Alejandra Sotelo-Solis, Mayor

ATTEST:

Michael R. Dalla, City Clerk

APPROVED AS TO FORM:

Angil P. Morris-Jones, City Attorney

The following page(s) contain the backup material for Agenda Item: [Resolution of the City Council of the City of National City: 1\) accepting the work performed by Select Electric, Inc. for the Citywide Traffic Signal and ADA Improvements, CIP No. 18-05; 2\) ratifying the execution of Change Order No. 5 for the traffic signal improvements at 2nd Avenue and Sweetwater Road in the amount of \\$58,049.24; 3\) ratifying the execution of Change Order No. 7 for the street improvements at 2nd Avenue and Sweetwater Road in the amount of \\$63,196.94; 4\) approving the final contract amount of \\$926,695.06; 5\) ratifying the release of retention in the amount of \\$46,360.92; and 6\) authorizing the Mayor to sign the Notice of Completion for the project. \(Engineering/Public Works\)](#)

Please scroll down to view the backup material.

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: October 20, 2020

AGENDA ITEM NO.

ITEM TITLE:

Resolution of the City Council of the City of National City, 1) accepting the work performed by Select Electric, Inc. for the Citywide Traffic Signal and ADA Improvements, CIP No. 18-05; 2) ratifying the execution of Change Order No. 5 for the traffic signal improvements at 2nd Ave and Sweetwater Rd. in the amount of \$58,049.24; 3) ratifying the execution of Change Order No. 7 for the street improvements at 2nd Ave and Sweetwater Rd. in the amount of \$63,196.94; 4) approving the final contract amount of \$926,695.06; 5) ratifying the release of retention in the amount of \$46,360.92; and 6) authorizing the Mayor to sign the Notice of Completion for the project.

PREPARED BY: Jose Lopez, P.E., Deputy City Engineer

DEPARTMENT: Engineering/Public Works

PHONE: 619-336-4312

APPROVED BY: 

EXPLANATION:

See attached.

FINANCIAL STATEMENT:

APPROVED:  Finance

ACCOUNT NO.

APPROVED: _____ MIS

The required funds were available through prior City Council TransNet Prop A appropriations for Traffic Signal Upgrades (Fund 307), resulting in no impact to the General Fund.

ENVIRONMENTAL REVIEW:

Caltrans Determination of Categorical Exclusion under 23 CFR 771.117 was approved March 23, 2015, and revalidated January 12, 2017.

ORDINANCE: **INTRODUCTION:** **FINAL ADOPTION:**

STAFF RECOMMENDATION:

Adopt Resolution accepting the work performed by Select Electric, Inc. for the Citywide Traffic Signal and ADA Improvements, CIP No. 18-05 and approving the final contract amount of \$926,695.06.

BOARD / COMMISSION RECOMMENDATION:

N/A

ATTACHMENTS:

1. Explanation
2. Notice of Completion
3. Final Contract Balance Report
4. Resolution

The Citywide Traffic Signal and ADA Improvements Project included installing pedestrian crosswalk striping, Americans with Disabilities Act (ADA) enhancements, pedestrian countdown signal heads, audible pedestrian push button systems, and other traffic signal modifications / equipment at the following 7 intersections:

- Palm Avenue & E. 4th Street
- Palm Avenue & Division Street
- "D" Avenue & E. 18th Street
- "D" Avenue & E. 24th Street
- Euclid Avenue & Division Street
- National City Blvd & 16th Street
- 2nd Ave & Sweetwater Road

On April 18, 2018, the bid solicitation was posted on PlanetBids, a free public electronic bidding system for contractors. On April 20, 2018 and April 27, 2018, the bid solicitation was advertised in local newspapers.

On May 10, 2018, four (4) bids were received by the 10:00 a.m. deadline, opened and publicly disclosed. Bid results were available by the end of the business day, May 10, 2018. Select Electric, Inc. was the apparent lowest bidder with a total bid amount of \$797,970 as the basis of award.

Select Electric, Inc.'s bid was determined to be responsive. Upon review of all required documents submitted and reference checks, Select Electric, Inc. was deemed the lowest responsible bidder qualified to perform the work as described in the project specifications.

On June 19, 2018, the City Council adopted Resolution No. 2018-96 awarding the contract to Select Electric, Inc., in the not-to-exceed amount of \$797,970.

The Notice to Proceed with construction was issued on July 18, 2018. Construction started on July 18, 2018 and was completed on March 7, 2020.

The change orders issued for this project are detailed in the Final Contract Balance Report (see attached). The change orders increased the contract by \$150,474.06, and line item adjustments decreased the contract by \$21,749 for a net contract increase of \$128,725.06. This results in a 16.1% contract increase for a final contract balance of \$926,695.06 (\$9,029.56 above the contingency amount). As the contractor began the exploratory digging required to locate underground utilities prior to beginning any infrastructure installation, numerous unforeseen utility conflicts were uncovered at 16th Street and National City Blvd, and Sweetwater Road and 2nd Avenue. This resulted in additional unforeseen excavations in order to correctly install new traffic signal foundations to support new signal poles.

Change Order No. 5 in the amount of \$58,049.24 addressed the unforeseen excavations and potholing necessitated by the unmarked underground utility conflicts in order to install the new signal pole foundations and poles.

Change Order No. 7 addressed a design revision to accommodate the design of an Active Transportation Project, Sweetwater River Bikeway/30th Street Bicycle Facility Improvements, CIP No. 18-14 which ties into the Citywide Traffic Signal and ADA Improvements Project at Sweetwater Road and 2nd Avenue. While change order #7 increased the contract by \$63,196.94, Change Order No. 10 associated with the aforementioned redesign, reduced the contract by \$30,759.31 for a net contract increase of \$32,437.63.

Change Order No. 5 and No. 7 were necessary in an effort to prevent construction delays while the contractor was actively working on the site. By continuing to progress on the construction site at Sweetwater Rd. and 2nd Ave, safety hazards associated with an inactive site on a busy intersection were avoided, as well as the additional potential costs associated with the delay.

As a result of satisfactory completion of the project, staff recommends that City Council, 1) accept the work of Select Electric, Inc., for the Citywide Traffic Signal and ADA Improvements, CIP No. 18-05; 2) ratify the execution of Change Order No. 5 for the traffic signal improvements at 2nd Ave and Sweetwater Rd. in the amount of \$58,049.24; 3) ratify the execution of Change Order No. 7 for the street improvements at 2nd Ave and Sweetwater Rd. in the amount of \$63,196.94; 4) approve the final contract amount of \$926,695.06; 5) ratify the release of retention in the amount of \$46,360.92; and 6) authorize the Mayor to sign the Notice of Completion for the project.

The Notice of Completion will be filed with the San Diego County Recorder's Office.

RECORDING REQUESTED BY
WHEN RECORDED MAIL TO:
NAME: CITY OF NATIONAL CITY
ADDRESS: 243 NATIONAL CITY BOULEVARD
NATIONAL CITY, CA 91950

NOTICE OF COMPLETION

CALIFORNIA CIVIL CODE SECTION 3093

NOTICE IS HEREBY GIVEN of the completion on March 9, 2020 of the:
Citywide Traffic Signal and ADA Improvements, CIP No. 18-05

Work of improvement or portion of work of improvement under construction or alteration.

-	National City	CA	91950
Street Address	City	State	Zip Code

The undersigned owns the following interest or estate in said property:

Owner in fee

Nature of the interest or estate of owner (mortgagor, lessee, etc.)

Said work of improvement was performed on the property pursuant to a contract with

Select Electric Inc.

Name of Original Contractor

The following work and material were supplied:

Labor provided: Traffic Signal Labor, General Laborer. Materials: Concrete, Asphalt, Electrical, Traffic Signal supplies, Traffic Control supplies. Equipment: Paving, Traffic Signal, Concrete equipment.

General statement of kind of labor, services, equipment or materials

The names and addresses of co-owners are: N/A

Joint tenants, tenants in common, or other owners

Dated: October 20, 2020;

Signature of Owner

City of National City, 1243 National City Blvd., National City, CA 91950

I, the undersigned, say: I have read the foregoing Notice of Completion and know the contents thereof; the same is true of my own knowledge. I declare under penalty of perjury that the foregoing is true and correct.

Executed on October 20, 2020 at, National City, California.

Signature: _____
ALEJANDRA SOTELO-SOLIS, MAYOR



FINAL CONTRACT BALANCE

DATE: June 22, 2020
PROJECT: Citywide Traffic Signal and ADA Improvements
FY 18-19
CIP No. 18-05
TO: Select Electric Inc.
2790 Business Park Drive
Vista, Ca, 92078

ORIGINAL CONTRACT AMOUNT: \$797,970
START DATE: July, 18, 2018
COMPLETION DATE: March, 7, 2020
ORIGINAL CONTRACT LENGTH: 130 Working Days
EXTENTION OF WORK DAYS: 207 Working Days
TOTAL CONTRACT TIME: 337 Working Days
FINAL CONTRACT AMOUNT: \$926,695.06

DESCRIPTION:

The Final Contract Balance reports final line item amounts and summarizes all change orders to produce a final contract amount.

CHANGE ORDERS AND LINE ITEM ADJUSTMENTS:

Change Order #1 required additional potholing at the intersection of National City Blvd and 16ths St. due to utility conflicts at two of the four proposed traffic signal locations. This Change Order total amount is **\$5,918.36**.

Change Order #2 required additional potholing at the intersection of 2nd and Sweetwater due to utility conflicts at all proposed traffic signal locations. This Change Order total amount was **\$2,937.53**.

Change Order #3 was deleted and was not executed. This Change Order total amount was **\$00.00**.

Change Order #4 directed the Contractor to perform additional potholing at the SE and SW corner of 2nd and Sweetwater due to the redesign of this intersection. This Change Order total amount was **\$3,363.50**.

Changer Order #5 directed the contractor to perform additional potholing, surveying, excavation, compaction, preparation of traffic signal pole foundations and conduit per the redesign of the traffic signal poles and foundations on the SE and SW corner of 2nd St and Sweetwater Rd. This Change Order total amount was **\$58,049.24**.

FINAL CONTRACT BALANCE

Citywide Traffic Signal and ADA Improvements

CIP No. 18-05

Change Order #6 directed the Contractor to perform additional potholing, excavation compaction and preparation of Pole foundation "D" at National City Blvd and 16th St due to the demolition of the unmarked City sewer line. This Change Order total amount is **\$5,181.60**.

Change Order #7 directed the Contractor to demo the original curb and gutter that was placed at 2nd St and Sweetwater Rd per the original plan. Change Order #7 directed the Contractor to do additional grading, compaction, forming, and placing of concrete sidewalk, ADA curb ramps, and bike path to accommodate the revised grades. This Change Order total amount was **\$63,196.94**.

Change Order #8 directed the contractor to install an additional continental crosswalk at the intersection of 2nd and SW per the revised plan and also directed the Contractor to install "Keep Clear Markings", 2 "Do Not Block Intersection" signs and remove existing striping. This Change Order total amount was **\$3,746.96**.

Change Order #9 directed the contractor to import additional class II base to raise the grade within the DG footprint at the SE corner of 2nd and SW. This work included additional filter fabric, installation of various size boulders and the grading of decomposed granite. This Change Order total amount was **\$19,324.90**.

Change Order #10 reduced line item #18 asphalt quantities for a credit back to the City of \$68,841. The scope of work at 2nd and SW for all asphalt repairs changed substantially, it was agreed upon by the Contractor and the City to track all asphalt work under T&M. The total T&M amount is \$38,081.69. The billing statement reflects payment on line item #18 and recovers the deduction on Change Order #10 Line Item. This Change Order total amount was **\$(30,759.31)**.

Change Order #11 directed the contractor to remove and replace the existing 4 east bound limit line loops at the intersection of Sweetwater Rd and 2nd St. The loops were found and exposed during construction and the Engineer confirmed the loops were not operating properly to support a fully operational intersection. The City and the Contractor agreed to a lump sum price for this work. This Change Order total amount was **\$1,200.00**.

Change Order #12 captured the additional mobilization for traffic signal installation at 16th St and National City Blvd due to the plans not calling out the correct pole schedule in the original plans. This Change Order total amount was **\$3,123.98**.

Change Order # 13 captured the disposal and dump fees of the additional spoils from the NW corner of 2nd St and Sweetwater Rd. The additional spoils were generated due to relocation of Traffic Signal A and the unknown conditions of the soil material. The Contractor encountered unsuitable material and existing culvert that generated additional spoils due to the sluffing of material into our excavation. This Change Order total amount was **\$6,514.04**.

Change Order # 14 directed the contractor to perform additional excavating, grading, compaction and installation of conduit to relocate 1 pedestrian push button pole per the revised plan at the SE corner of 2nd and Sweetwater. This Change Order total amount was **\$1,391.96**.

Change Order #15 directed the Contractor to remove and replace 2 existing south bound advanced detection loops at Division St and Palm Ave. The Design Engineer tested the new traffic signal

FINAL CONTRACT BALANCE

Citywide Traffic Signal and ADA Improvements

CIP No. 18-05

improvements and discovered that the advanced detection loops were not working to their full potential and recommended to have the loops replaced for a fully operation traffic signal system. This work was done at an agreed lump sum price. This Change Order total amount was **\$1,400.00**.

Change Order #16 directed the Contractor to remove the abandoned City sewer line at 16th and National City Blvd to allow for re-routing of conduit. The city sewer line was unmarked and encountered during the conduit installation process. At this time City staff confirmed the sewer line was abandoned and can be removed. This Change Order total amount was **\$2,488.24**.

Change Order # 17 directed the contractor to remove and dispose of 12-inches of unsuitable material at the SE and NW corner of Euclid Ave and Division St. This change order also captures the import, grading and compaction of Class II Base to properly achieve optimal compaction for new curb ramps and asphalt paving. This Change Order total amount was **\$3,396.12**.

All Change Orders listed above increased the total contract amount **\$150,474.06**.

Line Item #16 – Construct Curb Ramp had an original quantity of 17 curb ramps. Throughout the project, 5 ramps were deleted from the Contract and gave a credit amount of **\$18,280** back to the City.

Line Item #17 – Construct 6" Type G-2 Curb & Gutter per SDRSD G-2 had an original quantity of 310 LF. Throughout the project, the estimated linear footage was less than estimated and the project placed a total 328 LF of Type G-2 Curb & Gutter. This increased the total line item amount by **\$1,062.00**.

Line Item #19 – Construct 4" PCC Sidewalk per SDRSD G-7 had an original quantity of 2,900 SF. Throughout the project the estimated square footage was less than estimated and the project placed a total 2,927 SF of 4" PCC Sidewalk. This increased the total line amount by **\$189.00**.

Line Item #20 Furnish and Install Mulch was not used during the project and gave a credit amount of **\$4,720.00** back to the City.

All line item adjustments decreased the total contract by **\$21,749.00**.

CONTRACT ADJUSTMENT:

As a result of the above change orders and line item adjustments, the contract price is adjusted as follows:

1. The final contract price is adjusted to **\$926,695.06**.
2. As a result of the satisfactory completion of said project, a retention amount of **\$46,360.92** is set for invoice processing and payment upon the receipt of signatures and City Council's ratification of this agreement and the Notice of Completion.

This document and its purpose to balance payment shall be considered full compensation for furnishing and installing the materials, labor, tools and equipment, profit, overhead, and all incidentals for performing the work described above. Select Electric Inc. will not be entitled to damages or additional payment for delays as described in the 2012 edition of the Standard Specifications for Public Works Construction, Section 6-6.3, for performing the work as described above.

RESOLUTION NO. 2020 -

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY, 1) ACCEPTING THE WORK PERFORMED BY SELECT ELECTRIC, INC. FOR THE CITYWIDE TRAFFIC SIGNAL AND ADA IMPROVEMENTS, CIP NO. 18-05; 2) RATIFYING THE EXECUTION OF CHANGE ORDER NO. 5 FOR THE TRAFFIC SIGNAL IMPROVEMENTS AT 2ND AVENUE AND SWEETWATER ROAD IN THE AMOUNT OF \$58,049.24; 3) RATIFYING THE EXECUTION OF CHANGE ORDER NO. 7 FOR THE STREET IMPROVEMENTS AT 2ND AVENUE AND SWEETWATER ROAD IN THE AMOUNT OF \$63,196.94; 4) APPROVING THE FINAL CONTRACT AMOUNT OF \$926,695.06; 5) RATIFYING THE RELEASE OF RETENTION IN THE AMOUNT OF \$46,360.92; AND 6) AUTHORIZING THE MAYOR TO SIGN THE NOTICE OF COMPLETION FOR THE PROJECT

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of National City as follows:

It appearing to the satisfaction of the Engineering Department that all work required to be done by Select Electric, Inc. for the Citywide Traffic Signal and ADA Improvements, CIP No. 18-05 have been completed the City Council of National City hereby 1.) accepts said work; 2.) ratifies the execution of Change Order No. 5 for the Traffic Signal Improvements at 2nd Avenue and Sweetwater Road in the amount of \$58,049; 3.) ratifies the execution of Change Order No. 7 for the Street Improvements at 2nd Avenue and Sweetwater Road in the amount of \$63,196.94; 4.) approves the final contract amount of \$926,695.06; 5.) ratifies the release of the retention in the amount of \$46,360.92; and 6.) authorizes the Mayor to execute the Notice of Completion, and orders that payment for said work be made in accordance with said contract.

PASSED and ADOPTED this 20th day of October, 2020.

Alejandra Sotelo-Solis, Mayor

ATTEST:

Michael R. Dalla, City Clerk

APPROVED AS TO FORM:

Angil P. Morris-Jones, City Attorney

The following page(s) contain the backup material for Agenda Item: [Resolution of the City Council of the City of National City: 1\) awarding a contract to Perry Electric in the amount of \\$335,400 for the Citywide Pedestrian Safety Improvements Project, CIP No. 19-13; 2\) authorizing a 15% contingency in the amount of \\$50,310 for any unforeseen changes; and 3\) authorizing the Mayor to execute the contract. \(Engineering/Public Works\)](#)
Please scroll down to view the backup material.

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING

October 20, 2020

AGENDA ITEM

ITEM TITLE:

Resolution of the City Council of the City of National City, 1) awarding a contract to Perry Electric in the amount of \$335,400 for the Citywide Pedestrian Safety Improvements Project, CIP No. 19-13; 2) authorizing a 15% contingency in the amount of \$50,310 for any unforeseen changes; and 3) authorizing the Mayor to execute the contract.

PREPARED BY: Carla Hutchinson, Assistant Engineer - Civil ^{C.H.}

DEPARTMENT: Engineering and Public Works

PHONE: 619-336-4388

APPROVED BY: 

EXPLANATION:

See attached explanation.

FINANCIAL STATEMENT:

APPROVED: 

FINANCE

ACCOUNT NO.

APPROVED: _____

MIS

Contract Award (funds are available through prior City Council CIP Appropriations)

Expenditure Account No. 296-409-500-598-6049 (Citywide Pedestrian Safety Improvements Project) - \$335,400

15% Contingency – (Funds are available through prior City Council CIP Appropriations)

Expenditure Account No. 296-409-500-598-6049 (Citywide Pedestrian Safety Improvements Project) - \$50,310

ENVIRONMENTAL

Caltrans Determination of Categorical Exclusion under 23 CFR 771.117(c): activity (c)(27), approved October 30, 2019.

ORDINANCE: INTRODUCTION

FINAL ADOPTION

STAFF

Adopt Resolution awarding a contract to Perry Electric in the amount of \$335,400 for the Citywide Pedestrian Safety Improvements Project, CIP No. 19-13.

BOARD / COMMISSION

N/A

ATTACHMENTS

1. Explanation w/ Exhibits
2. Bid Opening Summary
3. Three Lowest Bidders Summary
4. Owner-Contractor Agreement
5. Resolution

Explanation

On November 3, 2015, the California Department of Transportation (Caltrans) awarded a \$512,900 Highway Safety Improvement Program (HSIP) grant for the Citywide Pedestrian Safety Improvements Project. Staff inventoried and analyzed crash data throughout the City's roadway network and compiled a list of priority signalized intersections with an elevated number of pedestrian and bicycle related collisions. A safety evaluation was performed for the intersections including field observations, identification of potentially hazardous characteristics, and potential improvements that would result in safer operations. From January 1, 2009 to December 31, 2013 there have been 25 collisions that involved pedestrians or bicyclists within the influence area of the signalized locations.

On January 27, 2020, Caltrans authorized the City to proceed with the construction phase in the amount of \$512,900. There is a \$154,780 local match requirement, which is available through prior City Council local *TransNet* appropriations for FY 2020 Traffic Signal Upgrades CIP. However, due to the construction bids coming in well under budget, staff will coordinate with Caltrans to utilize the available grant funds to cover the City's match as the project is eligible for 100% reimbursement. The local match for this project was only intended to cover the costs in excess of the grant funds. If the City's request is not approved, Staff will satisfy the match requirement by paying for the construction management services.

The project proposes to install pedestrian countdown signal heads and ADA-compliant APS (Accessible Pedestrian Signals) push buttons at 36 of the City's signalized intersections. In order to select specific intersections, staff inventoried and analyzed crash data throughout the City's roadway network and compiled a list of priority signalized intersections with an elevated number of pedestrian and bicycle related collisions. A safety evaluation was performed for the intersections including field observations, identification of potentially hazardous characteristics, and potential improvements that would result in safer operations. Using this systemic approach, citywide pedestrian countdown head upgrades were identified as a priority improvement project at the prioritized intersections.

On August 25, 2020, the bid solicitation was posted on PlanetBids, a free public electronic bidding system for contractors. On September 1, 2020 and September 3, 2020, the bid solicitation was advertised in local newspapers.

On September 17, 2020, eight (8) bids were received by the 2:00 p.m. deadline. Bid results were immediately available for viewing on PlanetBids. Perry Electric was the apparent lowest bidder with a total bid amount of \$335,400. Upon review of all documents submitted, Perry Electric bid was deemed responsive, and they are the lowest responsible bidder qualified to perform the work as described in the project specifications.

Therefore, staff recommends awarding a contract to Perry Electric in the not-to-exceed amount of \$335,400. Staff also recommends authorizing a 15% contingency in the amount of \$50,310 to address any unforeseen conditions that may arise.

Attached are the bid opening summary sheet and a line item summary of the three lowest bidders for reference. Also attached is the Owner-Contractor Agreement. Construction is estimated to be completed by Spring 2021.



LEGEND

- SIGNALIZED PROJECT LOCATION
- CITY BOUNDARY
- CALTRANS RIGHT OF WAY

Int. #	Signalized Intersection
1	8th St & Harbor Dr
2	8th St & Roosevelt Ave
3	8th St & Highland Ave
4	8th St & V Ave
5	8th St & Harbison Ave
6	18th St & L Ave
7	18th St & Palm Ave
8	30th St & D Ave
9	Sweetwater Rd & Valley Rd
10	Sweetwater Rd & Plaza Bonita Rd/Stockman St
11	Sweetwater Rd & Calmoor St
12	Sweetwater Rd & Plaza Bonita Centerway
13	Bay Marina Dr & Marina Wy
14	Bay Marina Dr & Cleveland Ave
15	Mile of Cars Wy & Wilson Ave
16	Mile of Cars Wy & Hoover Ave
17	Division Rd & Highland Ave
18	Division Rd & Harbison Ave

Int. #	Signalized Intersection
19	Euclid Ave & 4th St
20	Euclid Ave & 20th St
21	National City Blvd & 1st St
22	National City Blvd & 4th St
23	National City Blvd & Mile of Cars Wy/24th St
24	Plaza Blvd & Roosevelt Ave
25	Plaza Blvd & Highland Ave
26	Plaza Blvd & L Ave
27	Plaza Blvd & Palm Ave
28	Plaza Blvd & Grove St
29	Plaza Blvd & Pedestrian Xing
30	Plaza Blvd & Manchester St
31	Plaza Blvd/Paradise Valley Rd & 8th St
32	Paradise Valley Rd & Plaza Entrada/Plaza Blvd
33	Tidelands Ave & 19th St
34	Tidelands Ave & Bay Marina Dr
35	Plaza Bonita Centerway & Valley Rd
36	16th St & Palm Ave

PROPOSED PEDESTRIAN SIGNAL HEADS:



COUNTDOWN TYPE

PROPOSED PEDESTRIAN PUSH BUTTONS:



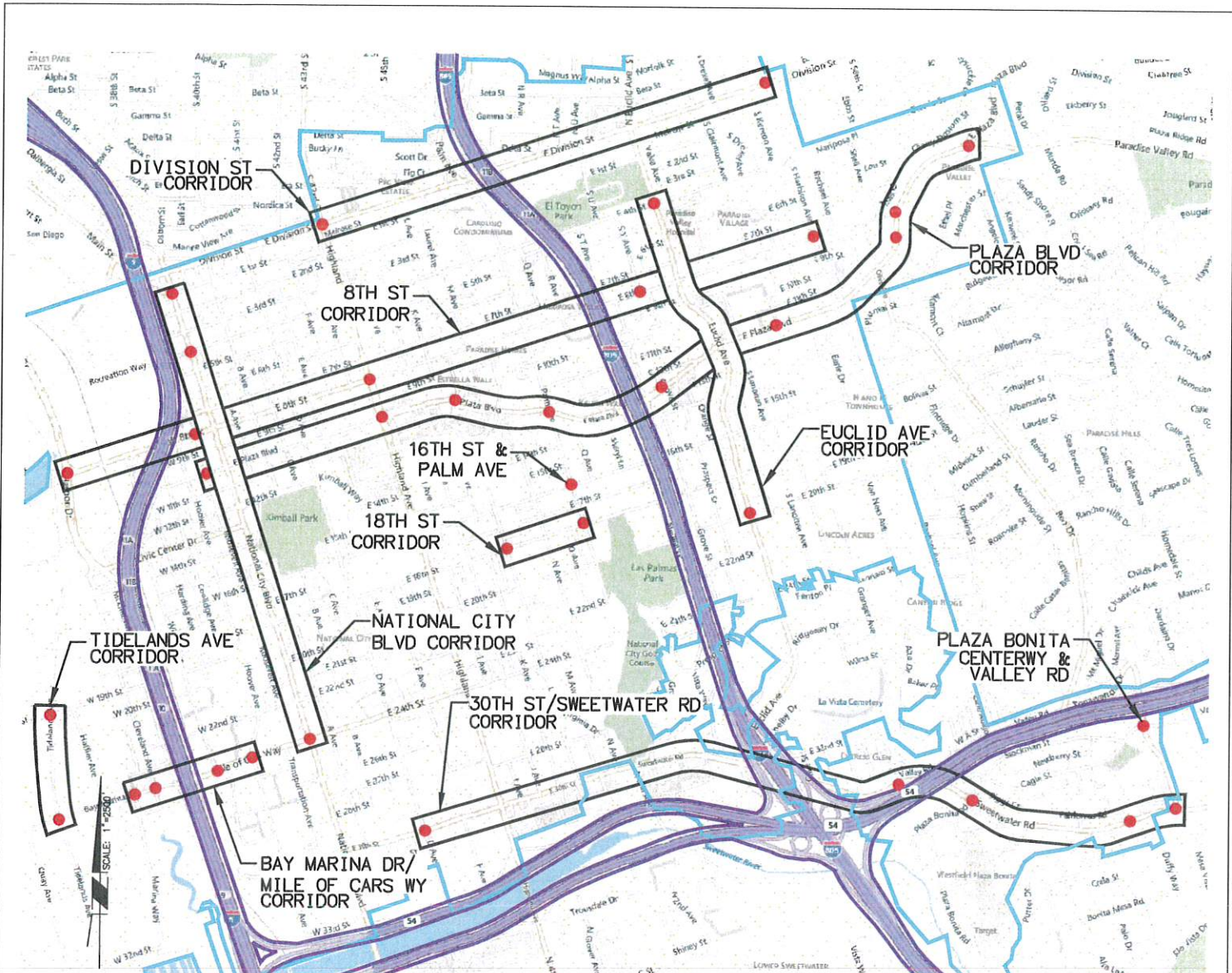
ADA-COMPLIANT APS PUSH BUTTON



PROPOSED CONDITIONS
 CITY OF NATIONAL CITY
 S19: INSTALL PEDESTRIAN COUNTDOWN SIGNAL HEADS
 2016 HIGHWAY SAFETY IMPROVEMENT PROGRAM (HSIP)

ATTACHMENT

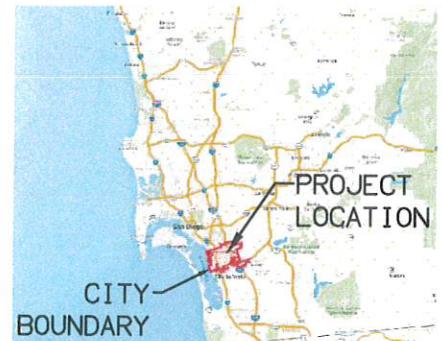
3-2



LEGEND

- SIGNALIZED PROJECT LOCATION
- CORRIDOR LIMITS
- CITY BOUNDARY
- CALTRANS RIGHT OF WAY

VICINITY MAP



VICINITY/LOCATION MAP

CITY OF NATIONAL CITY
 S19: INSTALL PEDESTRIAN COUNTDOWN SIGNAL HEADS
 2016 HIGHWAY SAFETY IMPROVEMENT PROGRAM (HSIP)

ATTACHMENT



BID OPENING RESULTS

NAME: Citywide Pedestrian Safety Improvements Project
CIP NO: 19-13
DATE: Thursday, September 17, 2020
TIME: 2:00 P.M.
ESTIMATE: \$452,000
PROJECT ENGINEER: Carla Hutchinson

NO.	BIDDER'S NAME	BID AMOUNT	BID SECURITY - BOND
1.	Perry Electric 10765 Woodside Ave Santee, CA 92071	\$335,400.00	Bond
2.	Baker Electric 1298 Pacific Oaks Place Escondido, CA 92029	\$351,439.00	Bond
3.	Select Electric, Inc. 2790 Business Park Drive Vista, CA 92081	\$365,500.00	Bond
4.	Lekos Electric, Inc. 1370 Pioneer Way El Cajon, CA 92020	\$405,762.00	Bond
5.	NC Construction Co 2201 E WINSTON RD ANAHEIM, CA 92806	\$419,501.00	Bond
6.	CTE, Inc. 9991 Possum Creek Lane El Cajon, CA 92021	\$437,614.00	Bond
7.	Palm Engineering 7330 OPPORTUNITY ROAD SUITE A SAN DIEGO, CA 92111	\$448,500.00	Bond
8.	PTM General 5942 Acorn Street Riverside, CA 92504	\$457,057.00	Bond

Citywide Pedestrian Safety Improvements (CIP No. 19-13)

Item No.	Description	Unit	Qty.	Perry Electric		Baker Electric		Select Electric, Inc.	
				Unit Price	Extension (Quantity x Unit Price)	Unit Price	Extension (Quantity x Unit Price)	Unit Price	Extension (Quantity x Unit Price)
1	Mobilization	LS	1	\$2,500.00	\$2,500.00	\$18,500.00	\$18,500.00	\$16,730.00	\$16,730.00
2	Traffic Control	LS	1	\$8,500.00	\$8,500.00	\$1,000.00	\$1,000.00	\$5,500.00	\$5,500.00
3	Remove Existing Equipment per Plans	LS	1	\$2,500.00	\$2,500.00	\$28,399.00	\$28,399.00	\$30,000.00	\$30,000.00
4	Furnish and Install Polara iN2 (or approved equal) APS Pushbutton System Control Unit with Interconnect Board Complete per Plans	EA	34	\$3,400.00	\$115,600.00	\$3,081.00	\$104,754.00	\$3,996.00	\$135,864.00
5	Furnish and Install Polara iN2 (or approved equal) APS Pushbutton Assemblies per Plans	EA	234	\$750.00	\$175,500.00	\$669.00	\$156,546.00	\$619.00	\$144,846.00
6	Furnish and Install New LED Countdown Pedestrian Head Module	EA	176	\$175.00	\$30,800.00	\$240.00	\$42,240.00	\$185.00	\$32,560.00
				Total	\$335,400.00		\$351,439.00		\$365,500.00

OWNER - CONTRACTOR AGREEMENT

CITYWIDE PEDESTRIAN SAFETY IMPROVEMENTS PROJECT, CIP NO. 19-13

This Owner-Contractor Agreement ("Agreement") is made by and between the City of National City, 1243 National City Boulevard National City, California 91950 and **Perry Electric ("Contractor")**, 10765 Woodside Avenue, Santee, CA 92071, on the 20th day of October, 2020, for the construction of the above referenced Project.

In consideration of the mutual covenants and agreements set forth herein, the Owner and Contractor have mutually agreed as follows:

1. CONSTRUCTION

The Contractor agrees to do all the work and furnish all the labor, services, materials and equipment necessary to construct and complete the Project in a turn-key manner in accordance with this Agreement and all documents and plans referenced in Exhibit "A", (hereinafter "Contract Documents"), in compliance with all relevant Federal, State of California, County of San Diego and City of National City codes and regulations, and to the satisfaction of the Owner.

2. CONTRACT PRICE

Owner hereby agrees to pay and the Contractor agrees to accept as full compensation for constructing the project in accordance with these Contract Documents in an amount not to exceed the contract price as set forth in Exhibit "B" attached hereto and incorporated herein by reference. Payments to the Contractor shall be made in the manner described in the Special Provisions.

3. TIME FOR PERFORMANCE

Time is of the essence for this Agreement and the Contractor shall construct the project in every detail to a complete and turn-key fashion to the satisfaction of the Owner within the specified duration set forth in the Special Provisions.

4. NON-DISCRIMINATION

In the performance of this Agreement, the Contractor shall not refuse or fail to hire or employ any qualified person, or bar or discharge from employment any person, or discriminate against any person, with respect to such person's compensation, terms, conditions or privileges of employment because of such person's race, religious status, sex or age.

5. AUTHORIZED OWNER REPRESENTATIVES

On behalf of the Owner, the Project Manager designated at the pre-construction meeting shall be the Owner's authorized representative in the interpretation and enforcement of all Work performed in connection with this Agreement.

6. WORKERS' COMPENSATION INSURANCE

a) By my signature hereunder, as Contractor, I certify that I am aware of the provisions of Section 3700 of the Labor Code, which requires every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of the Work of this Agreement.

b) The Contractor shall require each subcontractor to comply with the requirements of Section 3700 of the Labor Code. Before commencing any Work, the Contractor shall cause each subcontractor to execute the following certification:

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

7. ENTIRE AGREEMENT; CONFLICT

The Contract Documents comprise the entire agreement between the Owner and the Contractor with respect to the Work. In the event of conflict between the terms of this Agreement and the bid of the Contractor, then this Agreement shall control and nothing herein shall be considered as an acceptance of the terms of the bid conflicting herewith.

8. MAINTENANCE OF AGREEMENT DOCUMENTATION

Contractor shall maintain all books, documents, papers, employee time sheets, accounting records and other evidence pertaining to costs incurred and shall make such materials available at its office at all reasonable times during the term of this Agreement and for three (3) years from the date of final payment under this Agreement, for inspection by Owner and copies thereof shall be furnished to Owner if requested.

9. INDEPENDENT CONTRACTOR

At all times during the term of this Agreement, Contractor shall be an independent contractor and shall not be an employee, agent, partner or joint venturer of the Owner. Owner shall have the right to control Contractor insofar as the results of Contractor's

services rendered pursuant to this Agreement; however, Owner shall not have the right to control the means by which Contractor accomplishes such services.

10. LICENSES AND PERMITS

Contractor represents and declares to Owner that it has all licenses, permits, qualifications and approvals of whatever nature which are legally required to practice its profession. Contractor represents and warrants to Owner that Contractor shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement, any licenses, permits, qualifications or approvals which are legally required for Contractor to practice its profession.

11. GOVERNING LAW, VENUE

This Agreement and the Contract Documents shall be construed under and in accordance with the laws of the State of California, and the appropriate venue for any action or proceeding arising from this Agreement and/or the Contract Documents shall be had in the Superior Court of San Diego, Central Branch.

12. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original.

13. FALSE CLAIMS

Contractor acknowledges that if a false claim is submitted to the Owner, it may be considered fraud and Contractor may be subject to criminal prosecution. Contractor acknowledges that the False Claims Act, California Government Code sections 12650, et seq., provides for civil penalties where a person knowingly submits a false claim to a public entity. These provisions include within their scope false claims made with deliberate ignorance of the false information or in reckless disregard of the truth or falsity of the information. In the event the Owner seeks to recover penalties pursuant to the False Claims Act, it is entitled to recover its litigation costs, including attorneys' fees. Contractor hereby acknowledges that the filing of a false claim may the Contractor to an administrative debarment proceeding wherein Contractor may be prevented from further bidding on public contracts for a period of up to five (5) years.

I have read and understood all of the provisions of this Section 15, above:

J.P.
(Initial)

AIR
(Initial)

14. AGREEMENT MODIFICATION

This Agreement and the Contract Documents may not be modified orally or in any manner other than by an amendment in writing and signed by the Owner and the Contractor.

IN WITNESS WHEREOF this Agreement is executed as of the date first written above.

Owner:

Alejandra Sotelo-Solis
Mayor, City of National City

APPROVED AS TO FORM:

By: _____
Angil P. Morris-Jones
City Attorney

Contractor:

Perry Electric



(Owner/Officer signature)

Todd Perry President

Print name and title

(Second officer signature if a corporation)



Andrew Rivera Secretary

Print name and title

09007172

Contractor's City Business License No.

747931 C10

State Contractor's License No. and Class

11519 Woodside Ave

Business street address

Santee CA 92071

City, State and Zip Code

EXHIBIT A

CONTRACT DOCUMENTS

Owner/Contractor Agreement

Bid Schedule

Addenda

Plans

Special Provisions (Specifications)

San Diego County Regional Standard Drawings

City of National City Standard Drawings

Standard Specifications for Public Works Construction and Regional Supplements
(Greenbook)

State Standard Specifications

State Standard Plans

California Building, Mechanical, Plumbing and Electrical Codes

Permits issued by jurisdictional regulatory agencies

Electric, gas, and communications companies specifications and standards

Sweetwater Authority specifications and standards

Specifications, standards and requirements of MTS, BNSF, SANDAG, Port of San Diego and
all other agencies that may be adjacent and/or affected by the project.

EXHIBIT B

CONTRACT PRICE

(NOTE - TO BE COMPLETED TO CONFORM WITH BID SCHEDULE ITEMS)

CORPORATE CERTIFICATE

I, Andrew Rivera certify that I am the Secretary of the Corporation named as Contractor in the foregoing Contract; that Todd Perry, who signed said contract on behalf of the Contractor, was then President of said Corporation; that said contract was duly signed for and in behalf of said Corporation by authority of its governing body and is within the scope of its corporate powers.

I, Andrew Rivera certify that I am the Secretary of the Corporation named as Contractor in the foregoing Contract; that Todd Perry, who signed said contract on behalf of the Contractor, was then President of said Corporation; that said contract was duly signed for and in behalf of said Corporation by authority of its governing body and is within the scope of its corporate powers.

Corporate Seal: _____



PARTNERSHIP CERTIFICATE

STATE OF _____)

) ss

COUNTY OF _____)

On this _____ day of _____, 20____, before me, the undersigned, a Notary Public in and for said County and State, personally appeared:

_____ (Notary Seal)

known to me to be _____ of the partners of the partnership that executed the within instrument, and acknowledged to me that such partnership executed the same.

Signature: _____

Name (Type or Print): _____

(Notary Public in and for said County and State)

My Commission expires: _____

PERFORMANCE BOND

WHEREAS, the City Council of the City of National City, by Resolution No. 2020-_____, on the 20th day of October, 2020, has awarded Perry Electric, hereinafter designated as the "Principal", the CITYWIDE PEDESTRIAN SAFETY IMPROVEMENTS PROJECT, CIP NO. 19-13.

WHEREAS, said Principal is required under the terms of said contract to furnish a bond for the faithful performance of said contract.

NOW, THEREFORE, we, the Principal and UNITED STATES FIRE INSURANCE COMPANY as surety, are held and firmly bound unto the City of National City, hereinafter called the "City", in the penal sum of Three Hundred Thirty Five Thousand, Four Hundred (\$335,400.00) lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT if the above bounden Principal, his/her or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and agreements in the said contract any alteration thereof made as therein provides, on his or their part, to be kept and performed at the time and in the amount therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the City of National City, its officers, agents, employees, and volunteers as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and virtue.

And the said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract or to the work to be performed herein or the specifications accompanying the same shall in any wise affect its obligations on this bond, and it does hereby waive notice of any such

change, extension of time, alteration or additions to the terms of the contract or to the work or to the specifications.

In the event suit is brought upon this bond by the City and judgment is recovered, the surety shall pay all costs incurred by the City in such suit, including a reasonable attorney's fee to be fixed by the Court.

IN WITNESS WHEREOF three identical counterparts of this instrument, each of which shall for all purposes be deemed an original thereof, have been duly executed by the

Principal and Surety above named, on the 2ND day of OCTOBER, 2020.

UNITED STATES
FIRE INSURANCE COMPANY (SEAL)

 (SEAL)

MARK D. IATAROLA, ATTORNEY-IN-FACT (SEAL)

Surety

T & M ELECTRIC, INC.
DBA: PERRY ELECTRIC (SEAL)

 (SEAL)

TODD PERRY, PRESIDENT (SEAL)

Principal

PERFORMANCE BOND

ATTORNEY-IN-FACT ACKNOWLEDGEMENT OF SURETY

STATE OF _____)
) ss
COUNTY OF _____)

On this _____ day of _____, 20____, before me, the undersigned, a Notary Public in and for said County and State, personally appeared _____ known to me to be the person whose name is subscribed to the within instrument as the attorney-in-fact of the _____, the corporation named as Surety in said instrument, and acknowledged to me that he subscribed the name of said corporation thereto as Surety, and his own name as attorney-in-fact.

NOTE: Signature of those executing for Surety must be properly acknowledged.	NOTE: The Attorney-in-fact must attach a certified copy of the Power of Attorney.
--	---

Signature: _____

Name (Type or Print): _____

Notary Public in and for said County and State

My Commission expires: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

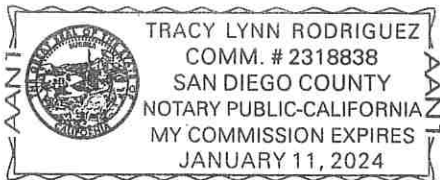
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }
County of SAN DIEGO }

On 10/02/2020 before me, TRACY LYNN RODRIGUEZ, NOTARY PUBLIC
Date Here Insert Name and Title of the Officer

personally appeared MARK D. IATAROLA
Name(s) of Signer(s)

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



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

WITNESS my hand and official seal.

Signature *Tracy Lynn Rodriguez*
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____
Document Date: _____ Number of Pages: _____
Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: MARK D. IATAROLA Signer's Name: _____
 Corporate Officer – Title(s): _____ Corporate Officer – Title(s): _____
 Partner – Limited General Partner – Limited General
 Individual Attorney in Fact Individual Attorney in Fact
 Trustee Guardian of Conservator Trustee Guardian of Conservator
 Other: _____ Other: _____
Signer is Representing: _____ Signer is Representing: _____

**POWER OF ATTORNEY
UNITED STATES FIRE INSURANCE COMPANY
PRINCIPAL OFFICE - MORRISTOWN, NEW JERSEY**

07642

KNOW ALL MEN BY THESE PRESENTS: That United States Fire Insurance Company, a corporation duly organized and existing under the laws of the state of Delaware, has made, constituted and appointed, and does hereby make, constitute and appoint:

John G. Maloney, Helen Maloney, Mark D. Iatarola, Sandra Figueroa, Jessica Schmal

each, its true and lawful Attorney(s)-In-Fact, with full power and authority hereby conferred in its name, place and stead, to execute, acknowledge and deliver: Any and all bonds and undertakings of surety and other documents that the ordinary course of surety business may require, and to bind United States Fire Insurance Company thereby as fully and to the same extent as if such bonds or undertakings had been duly executed and acknowledged by the regularly elected officers of United States Fire Insurance Company at its principal office, in amounts or penalties not exceeding: **Fifty Million Dollars (\$50,000,000).**

This Power of Attorney limits the act of those named therein to the bonds and undertakings specifically named therein, and they have no authority to bind United States Fire Insurance Company except in the manner and to the extent therein stated.

This Power of Attorney revokes all previous Powers of Attorney issued on behalf of the Attorneys-In-Fact named above and expires on January 31, 2020.

This Power of Attorney is granted pursuant to Article IV of the By-Laws of United States Fire Insurance Company as now in full force and effect, and consistent with Article III thereof, which Articles provide, in pertinent part:

Article IV, Execution of Instruments - Except as the Board of Directors may authorize by resolution, the Chairman of the Board, President, any Vice-President, any Assistant Vice President, the Secretary, or any Assistant Secretary shall have power on behalf of the Corporation:

- (a) to execute, affix the corporate seal manually or by facsimile to, acknowledge, verify and deliver any contracts, obligations, instruments and documents whatsoever in connection with its business including, without limiting the foregoing, any bonds, guarantees, undertakings, recognizances, powers of attorney or revocations of any powers of attorney, stipulations, policies of insurance, deeds, leases, mortgages, releases, satisfactions and agency agreements;
- (b) to appoint, in writing, one or more persons for any or all of the purposes mentioned in the preceding paragraph (a), including affixing the seal of the Corporation.

Article III, Officers, Section 3.11, Facsimile Signatures. The signature of any officer authorized by the Corporation to sign any bonds, guarantees, undertakings, recognizances, stipulations, powers of attorney or revocations of any powers of attorney and policies of insurance issued by the Corporation may be printed, facsimile, lithographed or otherwise produced. In addition, if and as authorized by the Board of Directors, dividend warrants or checks, or other numerous instruments similar to one another in form, may be signed by the facsimile signature or signatures, lithographed or otherwise produced, of such officer or officers of the Corporation as from time to time may be authorized to sign such instruments on behalf of the Corporation. The Corporation may continue to use for the purposes herein stated the facsimile signature of any person or persons who shall have been such officer or officers of the Corporation, notwithstanding the fact that he may have ceased to be such at the time when such instruments shall be issued.

IN WITNESS WHEREOF, United States Fire Insurance Company has caused these presents to be signed and attested by its appropriate officer and its corporate seal hereunto affixed this 10th day of March, 2016.

UNITED STATES FIRE INSURANCE COMPANY

AR

Anthony R. Slimowicz, Executive Vice President



State of New Jersey }
County of Morris }

On this 10th day of March 2016, before me, a Notary public of the State of New Jersey, came the above named officer of United States Fire Insurance Company, to me personally known to be the individual and officer described herein, and acknowledged that he executed the foregoing instrument and affixed the seal of United States Fire Insurance Company thereto by the authority of his office.

**SONIA SCALA
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES 3/25/2024
No. 2163686**

Sonia Scala

Sonia Scala (Notary Public)

I, the undersigned officer of United States Fire Insurance Company, a Delaware corporation, do hereby certify that the original Power of Attorney of which the foregoing is a full, true and correct copy is still in force and effect and has not been revoked.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of United States Fire Insurance Company on the 2ND day of OCTOBER, 2020

UNITED STATES FIRE INSURANCE COMPANY

Peter M. Quinn

Peter M. Quinn, Senior Vice President



ACKNOWLEDGMENT

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

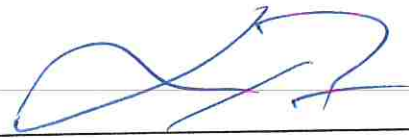
State of California
County of San Diego

On October 7, 2020 before me, Andrew I. Rivera, Notary Public
(insert name and title of the officer)

personally appeared Todd Perry
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)



PAYMENT BOND

WHEREAS, the City Council of the City of National City, by Resolution No. 2020-_____, on the **20th day of October, 2020**, has awarded **Perry Electric**, hereinafter designated as the "Principal", the CITYWIDE PEDESTRIAN SAFETY IMPROVEMENTS PROJECT, CIP NO. 19-13.

WHEREAS, said Principal is required by Chapter 5 (commencing at Section 3225) and Chapter 7 (commencing at Section 3247), Title 15, Part 4, Division 3 of the California Civil Code to furnish a bond in connection with said contract;

NOW, THEREFORE, we, the Principal and UNITED STATES FIRE INSURANCE COMPANY as surety, are held and firmly bound unto the City of National City, hereinafter called the "City", in the penal sum of **Three Hundred Thirty Five Thousand, Four Hundred (\$335,400.00)** lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if said Principal, his/her or its subcontractors, heirs, executors, administrators, successors, or assigns, shall fail to pay any of the persons named in Section 3181 of the California Civil Code, or amounts due under the Unemployment Insurance Code with respect to work or labor performed by any such claimant, or for any amounts required to be deducted, withheld, and paid over to the Franchise Tax Board from the wages of employees of the Contractor and his subcontractors pursuant to Section 18806 of the Revenue and Taxation Code, with respect to such work and labor the Surety will pay for the same in an amount not exceeding the sum hereinafter specified, and also, in case suit is brought upon this bond, a reasonable attorney's fee, to be fixed by the Court.

This Bond shall inure to the benefit of any of the persons named in Section 3181 of the California Civil Code, so as to give a right of action to such persons or their assigns in any suit brought upon this bond.

It is further stipulated and agreed that the Surety on this bond shall not be exonerated or released from the obligation of this bond by any change, extension of time for performance, addition, alteration or modification in, to, or of any contract, plans, specifications, or agreement pertaining or relating to any scheme or work of improvement hereinabove described or pertaining or relating to the furnishing of labor, materials, or equipment therefore, not by any change or modification of any terms of payment or extension of the time for any payment pertaining or relating to any scheme or work of improvement hereinabove described, nor by any rescission or attempted rescission of the contract, agreement or bond, nor by any conditions precedent or subsequent in the bond attempting to limit the right of recovery of claimants otherwise entitled to recover under any such contract or agreement or under the bond, nor by any fraud practiced by any person other than the claimant seeking to recover on the bond and that this bond be construed most strongly against the Surety and in favor of all persons for whose benefit such bond is given, and under no circumstances shall Surety be released from liability to those for whose benefit such bond has been given, by reason of any breach of contract between the owner of Public Entity and original contractor or on the part of any obliges named in such bond, but the sole conditions of recovery shall be that claimant is a person described in Section 3110 or 3112 of the California Civil Code, and has not been paid the full amount of his claim and that Surety does hereby waive notice of any such change, extension of time, addition, alteration or modification herein mentioned.

IN WITNESS WHEREOF three identical counterparts of this instrument, each of which shall for all purposes be deemed an original thereof, have been duly executed by the Principal and Surety above named, on the 2ND day of OCTOBER, 2020.

UNITED STATES
FIRE INSURANCE COMPANY (SEAL)

Mark D. Iatarola (SEAL)

MARK D. IATAROLA, ATTORNEY-IN-FACT (SEAL)

T & M ELECTRIC, INC.
DBA: PERRY ELECTRIC (SEAL)

Todd Perry (SEAL)

TODD PERRY, PRESIDENT (SEAL)

Surety

Principal

ATTORNEY-IN-FACT ACKNOWLEDGEMENT OF SURETY

STATE OF _____)
) ss
COUNTY OF _____)

On this day _____ of _____, 20____, before me, the undersigned, a Notary Public in and for said County and State, personally appeared _____ known to me to be the person whose name is subscribed to the within instrument as the attorney-in-fact of the _____, the corporation named as Surety in said instrument, and acknowledged to me that he subscribed the name of said corporation thereto as Surety, and his own name as attorney-in-fact.

NOTE: Signature of those executing for Surety must be properly acknowledged.	NOTE: The Attorney-in-fact must attach a certified copy of the Power of Attorney.
--	---

Signature: _____

Name (Type or Print): _____
(Notary Public in and for said County and State)

My Commission expires: _____

ATTACH ALL BONDS

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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 SAN DIEGO }

On 10/02/2020 before me, TRACY LYNN RODRIGUEZ, NOTARY PUBLIC
Date Here Insert Name and Title of the Officer
personally appeared MARK D. IATAROLA
Name(s) of Signer(s)

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



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

WITNESS my hand and official seal.

Signature *Tracy Lynn Rodriguez*
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____
Document Date: _____ Number of Pages: _____
Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: MARK D. IATAROLA Signer's Name: _____
 Corporate Officer – Title(s): _____ Corporate Officer – Title(s): _____
 Partner – Limited General Partner – Limited General
 Individual Attorney in Fact Individual Attorney in Fact
 Trustee Guardian of Conservator Trustee Guardian of Conservator
 Other: _____ Other: _____
Signer is Representing: _____ Signer is Representing: _____

**POWER OF ATTORNEY
UNITED STATES FIRE INSURANCE COMPANY
PRINCIPAL OFFICE - MORRISTOWN, NEW JERSEY**

07642

KNOW ALL MEN BY THESE PRESENTS: That United States Fire Insurance Company, a corporation duly organized and existing under the laws of the state of Delaware, has made, constituted and appointed, and does hereby make, constitute and appoint:

John G. Maloney, Helen Maloney, Mark D. Iatarola, Sandra Figueroa, Jessica Schmal

each, its true and lawful Attorney(s)-In-Fact, with full power and authority hereby conferred in its name, place and stead, to execute, acknowledge and deliver: Any and all bonds and undertakings of surety and other documents that the ordinary course of surety business may require, and to bind United States Fire Insurance Company thereby as fully and to the same extent as if such bonds or undertakings had been duly executed and acknowledged by the regularly elected officers of United States Fire Insurance Company at its principal office, in amounts or penalties not exceeding: **Fifty Million Dollars (\$50,000,000).**

This Power of Attorney limits the act of those named therein to the bonds and undertakings specifically named therein, and they have no authority to bind United States Fire Insurance Company except in the manner and to the extent therein stated.

This Power of Attorney revokes all previous Powers of Attorney issued on behalf of the Attorneys-In-Fact named above and expires on January 31, 2020.

This Power of Attorney is granted pursuant to Article IV of the By-Laws of United States Fire Insurance Company as now in full force and effect, and consistent with Article III thereof, which Articles provide, in pertinent part:

Article IV, Execution of Instruments - Except as the Board of Directors may authorize by resolution, the Chairman of the Board, President, any Vice-President, any Assistant Vice President, the Secretary, or any Assistant Secretary shall have power on behalf of the Corporation:

- (a) to execute, affix the corporate seal manually or by facsimile to, acknowledge, verify and deliver any contracts, obligations, instruments and documents whatsoever in connection with its business including, without limiting the foregoing, any bonds, guarantees, undertakings, recognizances, powers of attorney or revocations of any powers of attorney, stipulations, policies of insurance, deeds, leases, mortgages, releases, satisfactions and agency agreements;
- (b) to appoint, in writing, one or more persons for any or all of the purposes mentioned in the preceding paragraph (a), including affixing the seal of the Corporation.

Article III, Officers, Section 3.11, Facsimile Signatures. The signature of any officer authorized by the Corporation to sign any bonds, guarantees, undertakings, recognizances, stipulations, powers of attorney or revocations of any powers of attorney and policies of insurance issued by the Corporation may be printed, facsimile, lithographed or otherwise produced. In addition, if and as authorized by the Board of Directors, dividend warrants or checks, or other numerous instruments similar to one another in form, may be signed by the facsimile signature or signatures, lithographed or otherwise produced, of such officer or officers of the Corporation as from time to time may be authorized to sign such instruments on behalf of the Corporation. The Corporation may continue to use for the purposes herein stated the facsimile signature of any person or persons who shall have been such officer or officers of the Corporation, notwithstanding the fact that he may have ceased to be such at the time when such instruments shall be issued.

IN WITNESS WHEREOF, United States Fire Insurance Company has caused these presents to be signed and attested by its appropriate officer and its corporate seal hereunto affixed this 10th day of March, 2016.

UNITED STATES FIRE INSURANCE COMPANY



A.R.S.

Anthony R. Slimowicz, Executive Vice President

State of New Jersey }
County of Morris }

On this 10th day of March 2016, before me, a Notary public of the State of New Jersey, came the above named officer of United States Fire Insurance Company, to me personally known to be the individual and officer described herein, and acknowledged that he executed the foregoing instrument and affixed the seal of United States Fire Insurance Company thereto by the authority of his office.

SONIA SCALA
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES 3/25/2024
No. 2163686

Sonia Scala

Sonia Scala (Notary Public)

I, the undersigned officer of United States Fire Insurance Company, a Delaware corporation, do hereby certify that the original Power of Attorney of which the foregoing is a full, true and correct copy is still in force and effect and has not been revoked.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of United States Fire Insurance Company on the 2ND day of OCTOBER, 2020

UNITED STATES FIRE INSURANCE COMPANY



Peter M. Quinn

Peter M. Quinn, Senior Vice President

ACKNOWLEDGMENT

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

State of California
County of San Diego

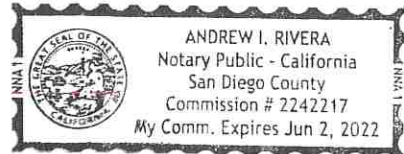
On October 7, 2020 before me, Andrew I. Rivera, Notary Public
(insert name and title of the officer)

personally appeared Todd Perry,
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 [Handwritten Signature] (Seal)



RESOLUTION NO. 2020 -

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY, 1) AWARDED A CONTRACT TO PERRY ELECTRIC IN THE AMOUNT OF \$335,400 FOR THE CITYWIDE PEDESTRIAN SAFETY IMPROVEMENTS PROJECT, CIP NO. 19-13; 2) AUTHORIZING A 15% CONTINGENCY IN THE AMOUNT OF \$50,310 FOR ANY UNFORESEEN CHANGES; AND 3) AUTHORIZING THE MAYOR TO EXECUTE THE CONTRACT

WHEREAS, on November 3, 2015, the California Department of Transportation (“Caltrans”) awarded the City of National City (“City”) a \$512,900 Highway Safety Improvement Program (“HSIP”) grant for the Citywide Pedestrian Safety Improvements Project; and

WHEREAS, City Staff inventoried and analyzed crash data throughout the City of National City’s (“City”) roadway network and compiled a list of priority signalized intersections with an elevated number of pedestrian and bicycle related collisions; and

WHEREAS, on July 25, 2019, Caltrans authorized the City to proceed with the construction phase; and

WHEREAS, a safety evaluation was performed for the intersections including field observations, identification of potentially hazardous characteristics, and potential improvements that would result in safer operations; and

WHEREAS, from January 1, 2009 to December 31, 2013 there have been 25 collisions that involved pedestrians or bicyclists within the influence area of the signalized locations; and

WHEREAS, on January 27, 2020, Caltrans authorized the City to proceed with the construction phase in the amount of \$512,900 with a \$154,780 local match requirement, which is available through prior City Council local *TransNet* appropriations for Fiscal Year 2020 Traffic Signal Upgrades CIP; and

WHEREAS, with construction bids coming in well under budget, City Staff will coordinate with Caltrans to utilize the available grant funds to cover the City’s match as the project is eligible for 100% reimbursement; and

WHEREAS, the local match for this project was only intended to cover the costs in excess of the grant funds, however, if the City’s request is not approved, City Staff will satisfy the match requirement by paying for the construction management services; and

WHEREAS, the project proposes to install pedestrian countdown signal heads and ADA-compliant APS (“Accessible Pedestrian Signals”) push buttons at 36 of the City’s signalized intersections; and

WHEREAS, on August 25, 2020, the bid solicitation was posted on PlanetBids, a free public electronic bidding system for contractors and on September 1, 2020 and September 3, 2020, the bid solicitation was advertised in local newspapers; and

**Resolution No. 2020 –
Page Two**

WHEREAS, on September 17, 2020, eight (8) bids were received by the 2:00 p.m. deadline for the Citywide Pedestrian Safety Improvements Project, CIP No. 19-13; and

WHEREAS, Perry Electric, was the lowest responsive bidder qualified to perform the work as described in the project specifications with a total bid amount of \$335,400; and

WHEREAS, a 15% contingency amount up to \$50,310 for any unforeseen changes to the Project is requested.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of National City hereby awards Citywide Pedestrian Safety Improvements Project, CIP No. 19-13, to the lowest responsive, responsible bidder, to wit:

PERRY ELECTRIC

BE IT FURTHER RESOLVED by the City Council of the City of National City that the Mayor is hereby authorized to execute on behalf of the City a contract in the amount of \$335,400 with Perry Electric for the Citywide Pedestrian Safety Improvements Project, CIP No. 19-13. Said contract is on file in the office of the City Clerk.

BE IT FURTHER RESOLVED that the City Council authorizes a 15% contingency in the amount of up to \$50,310 for any unforeseen changes.

PASSED and ADOPTED this 20th day of October, 2020

Alejandra Sotelo-Solis, Mayor

ATTEST:

Michael R. Dalla, City Clerk

APPROVED AS TO FORM:

Angil P. Morris-Jones, City Attorney

The following page(s) contain the backup material for Agenda Item: [Resolution of the City Council of the City of National City: 1\) awarding a contract to Lekos Electric, Inc. in the amount of \\$102,784 for the East 4th Street Protected Left-Turn Enhancements Project, CIP No. 19-14; 2\) authorizing a 15% contingency in the amount of \\$15,418 for any unforeseen changes; and 3\) authorizing the Mayor to execute the contract. \(Engineering/Public Works\).](#) Please scroll down to view the backup material.

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING

October 20, 2020

AGENDA ITEM

ITEM TITLE:

Resolution of the City Council of the City of National City, 1) awarding a contract to Lekos Electric, Inc. in the amount of \$102,784 for the E. 4th Street Protected Left-Turn Enhancements Project, CIP No. 19-14; 2) authorizing a 15% contingency in the amount of \$15,418 for any unforeseen changes; and 3) authorizing the Mayor to execute the contract.

PREPARED BY: Carla Hutchinson, Assistant Engineer - Civil ^{CH}

DEPARTMENT: Engineering and Public Works

PHONE: 619-336-4388

APPROVED BY: 

EXPLANATION:

See attached explanation.

FINANCIAL STATEMENT:

APPROVED: 

FINANCE

ACCOUNT NO.

APPROVED: _____

MIS

Contract Award (funds are available through prior City Council CIP Appropriations)

Expenditure Account No. 296-409-500-598-6047 (E. 4th Street Protected Left-Turn Enhancements) - \$102,784

15% Contingency – (Funds are available through prior City Council CIP Appropriations)

Expenditure Account No. 296-409-500-598-6047 (E. 4th Street Protected Left-Turn Enhancements) - \$15,418

ENVIRONMENTAL

Caltrans Determination of Categorical Exclusion under 23 CFR 771.117(c): activity (c)(8), approved November 19, 2019.

ORDINANCE: INTRODUCTION

FINAL ADOPTION

STAFF

Adopt Resolution awarding a contract to Lekos Electric, Inc. in the amount of \$102,784 for the E. 4th Street Protected Left-Turn Enhancements Project, CIP No. 19-14.

BOARD / COMMISSION

N/A

ATTACHMENTS

1. Explanation w/ Exhibits
2. Bid Opening Summary
3. Three Lowest Bidders Summary
4. Owner-Contractor Agreement
5. Resolution

Explanation

On December 12, 2016, the California Department of Transportation (Caltrans) awarded a \$177,440 Highway Safety Improvement Program (HSIP) grant for the E. 4th Street Protected Left-Turn Enhancements Project. Staff identified traffic signal operations as a top safety priority in the City. The City conducted a safety evaluation for the project locations utilizing the most recent five years of collision data. From January 1, 2009 to December 31, 2013 there have been 9 collisions within the influence area. The City determined that modifying the project intersection traffic signals from permissive left turn phasing to protected left-turn phasing will reduce crash incidence and improve intersection safety for motorists, pedestrians, and bicyclists.

On January 27, 2020, Caltrans authorized the City to proceed with the construction phase in the amount of \$177,400. There is no local match requirement.

The project proposes to replace existing permissive left-turn phases and signal heads with protected left-turn phases and signal heads on existing and/or new traffic signal poles and mast arms to enhance safety at the following intersections:

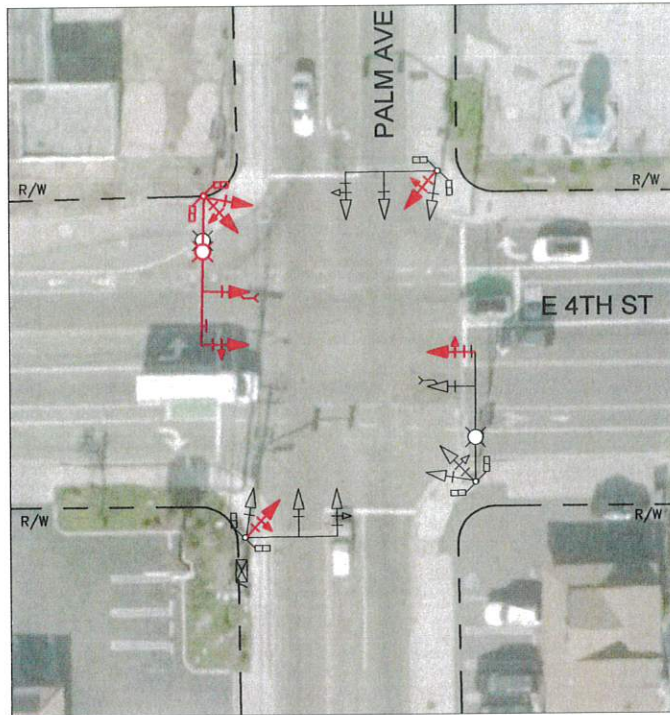
- Palm Ave & E. 4th St
- Euclid Ave & E. 4th St

On August 25, 2020, the bid solicitation was posted on PlanetBids, a free public electronic bidding system for contractors. On September 1, 2020 and September 3, 2020, the bid solicitation was advertised in local newspapers.

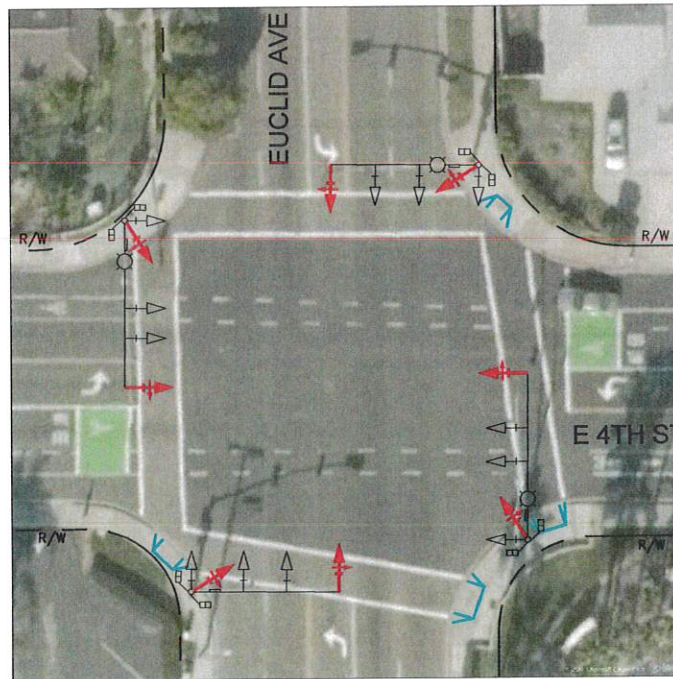
On September 15, 2020, five (5) bids were received by the 2:00 p.m. deadline. Bid results were immediately available for viewing on PlanetBids. Lekos Electric, Inc. was the apparent lowest bidder with a total bid amount of \$102,784. Upon review of all documents submitted, Lekos Electric, Inc. bid was deemed responsive, and they are the lowest responsible bidder qualified to perform the work as described in the project specifications.

Therefore, staff recommends awarding a contract to Lekos Electric, Inc. in the not-to-exceed amount of \$102,784. Staff also recommends authorizing a 15% contingency in the amount of \$15,418 to address any unforeseen conditions that may arise.

Attached are the bid opening summary sheet and a line item summary of the three lowest bidders for reference. Also attached is the Owner-Contractor Agreement. Construction is estimated to be completed by Spring 2021.






PALM AVE & E 4TH ST



EUCLID AVE & 4TH ST

LEGEND

-  EXISTING TRAFFIC SIGNAL EQUIPMENT
-  PROPOSED TRAFFIC SIGNAL EQUIPMENT
-  PROPOSED ADA CURB RAMP

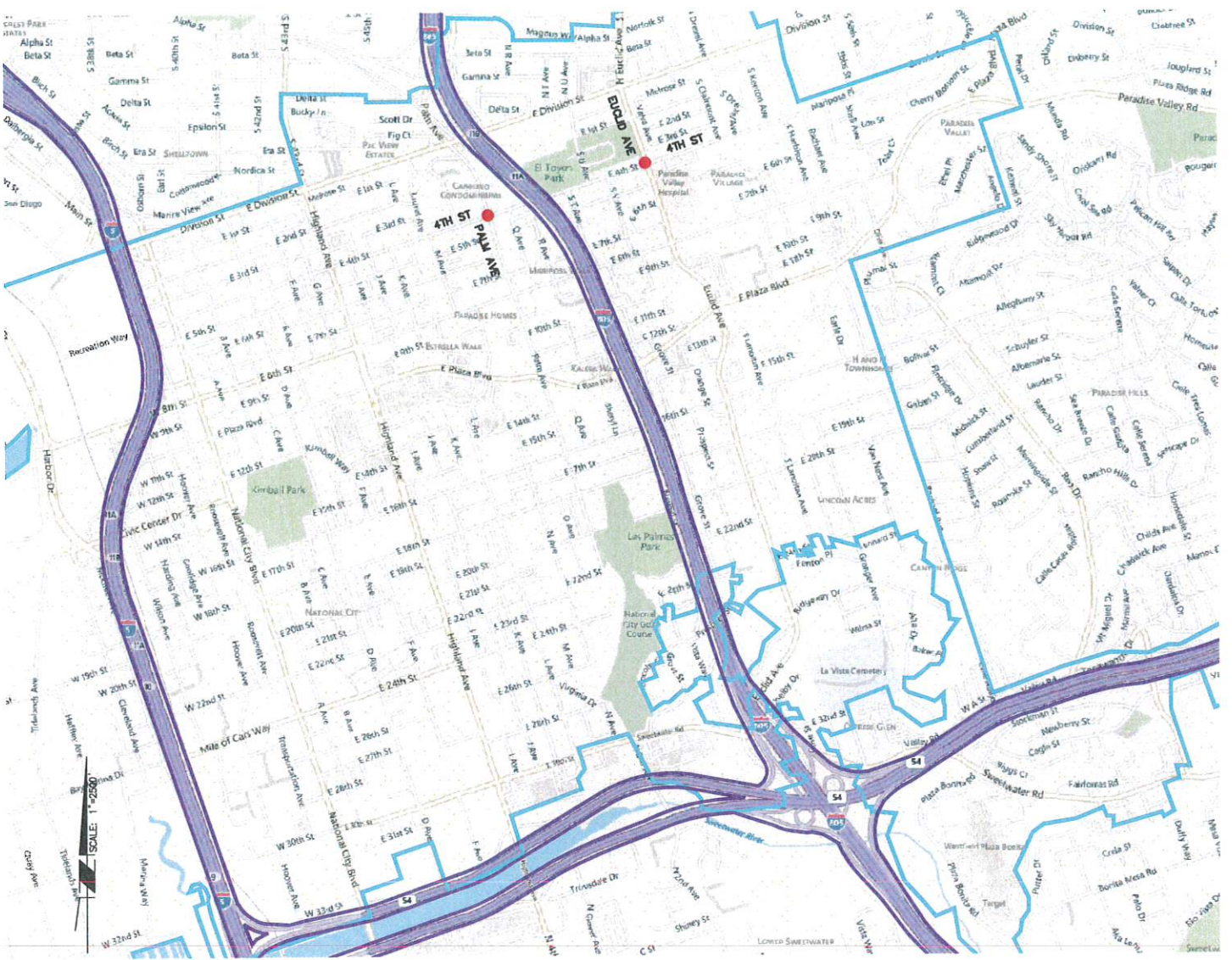


PROPOSED CONDITIONS

CITY OF NATIONAL CITY

ATTACHMENT

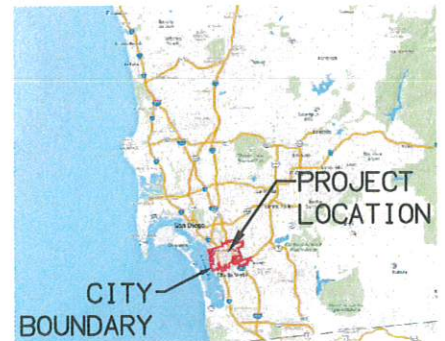
1



LEGEND

- SIGNALIZED PROJECT LOCATION
- CITY BOUNDARY
- CALTRANS RIGHT OF WAY

VICINITY MAP



VICINITY/LOCATION MAP

CITY OF NATIONAL CITY

ATTACHMENT

1



BID OPENING RESULTS

NAME: E. 4th Street Protected Left-Turn Enhancements Project
CIP NO: 19-14
DATE: Tuesday, September 15, 2020
TIME: 2:00 P.M.
ESTIMATE: \$150,000
PROJECT ENGINEER: Carla Hutchinson

NO.	BIDDER'S NAME	BID AMOUNT	BID SECURITY - BOND
1.	Lekos Electric, Inc. 1370 Pioneer Way El Cajon, CA 92020	\$102,784.00	Bond
2.	Baker Electric 1298 Pacific Oaks Place Escondido, CA 92029	\$115,995.00	Bond
3.	Perry Electric 11519 woodside ave santee, CA 92071	\$134,500.00	Bond
4.	Palm Engineering 7330 OPPORTUNITY ROAD SUITE A SAN DIEGO, CA 92111	\$139,849.75	Bond
5.	CTE, Inc. 9991 Possum Creek Lane El Cajon, CA 92021	\$177,700.00	Bond

E. 4th Street Protected Left-Turn Enhancements (CIP No. 19-14)

				Lekos Electric, Inc.		Baker Electric		Perry Electric	
Item No.	Description	Unit	Qty.	Unit Price	Extension (Quantity x Unit Price)	Unit Price	Extension (Quantity x Unit Price)	Unit Price	Extension (Quantity x Unit Price)
1	Mobilization	LS	1	\$8,200.00	\$8,200.00	\$5,450.00	\$5,450.00	\$3,000.00	\$3,000.00
2	Traffic Control	LS	1	\$4,200.00	\$4,200.00	\$1,000.00	\$1,000.00	\$8,000.00	\$8,000.00
3	Signal Wiring and Splicing	LS	1	\$5,134.00	\$5,134.00	\$4,491.00	\$4,491.00	\$24,000.00	\$24,000.00
4	Remove existing equipment per plan	LS	1	\$1,200.00	\$1,200.00	\$9,906.00	\$9,906.00	\$5,000.00	\$5,000.00
5	Sidewalk repair	LS	1	\$4,000.00	\$4,000.00	\$6,888.00	\$6,888.00	\$8,000.00	\$8,000.00
6	Relocate existing EVP detector from vehicle head to mast arm with mounting and wiring	EA	8	\$220.00	\$1,760.00	\$115.00	\$920.00	\$500.00	\$4,000.00
7	Furnish and Install New Polara iN2 (or approved equal) APS Pushbutton System Complete with Control Unit and Pushbutton Assemblies per Plans	EA	2	\$8,700.00	\$17,400.00	\$9,595.00	\$19,190.00	\$7,500.00	\$15,000.00
8	Furnish and Install GTT Opticom (or approved equal) pole mounted GPS Radio Unit Complete including mounting hardware and cable and 764 Multimode Phase Selector	EA	1	\$11,800.00	\$11,800.00	\$19,000.00	\$19,000.00	\$12,000.00	\$12,000.00
9	Furnish and Install mast arm mounted "Dog House" 5-section vehicle head with mounting	EA	6	\$1,100.00	\$6,600.00	\$1,170.00	\$7,020.00	\$1,200.00	\$7,200.00
10	Furnish and Install pole mounted 5-section vehicle head with mounting	EA	6	\$1,400.00	\$8,400.00	\$1,482.00	\$8,892.00	\$1,200.00	\$7,200.00
11	Furnish and Install custom sign per CA MUTCD and per plan	EA	2	\$300.00	\$600.00	\$246.00	\$492.00	\$500.00	\$1,000.00
12	Furnish and Install LED countdown pedestrian head module	EA	16	\$326.00	\$5,216.00	\$302.00	\$4,832.00	\$200.00	\$3,200.00
13	Furnish and Install New Pedestrian Pushbutton Post with Foundation Complete per Caltrans Standard Plan ES-7A	EA	1	\$1,700.00	\$1,700.00	\$1,088.00	\$1,088.00	\$3,200.00	\$3,200.00
14	Furnish and Install #5 Pull Box	EA	2	\$450.00	\$900.00	\$661.00	\$1,322.00	\$1,500.00	\$3,000.00

15	Furnish and Install 2" PVC Conduit	EA	320	\$48.00	\$15,360.00	\$32.00	\$10,240.00	\$50.00	\$16,000.00
16	Furnish and Install 1" PVC Conduit	EA	15	\$65.00	\$975.00	\$78.00	\$1,170.00	\$300.00	\$4,500.00
17	Furnish and Install 6' vehicle detection loop	EA	6	\$600.00	\$3,600.00	\$1,511.00	\$9,066.00	\$900.00	\$5,400.00
18	Furnish and Install LED safety light fixture	EA	3	\$1,913.00	\$5,739.00	\$1,676.00	\$5,028.00	\$1,600.00	\$4,800.00
				Total	\$102,784.00		\$115,995.00		\$134,500.00

OWNER - CONTRACTOR AGREEMENT

E. 4TH STREET PROTECTED LEFT-TURN ENHANCEMENTS PROJECT, CIP NO. 19-14

This Owner-Contractor Agreement ("Agreement") is made by and between the City of National City, 1243 National City Boulevard National City, California 91950 and **Lekos Electric, Inc. ("Contractor")**, 1370 Pioneer Way, El Cajon, CA 92020, on the 20th day of October, 2020, for the construction of the above referenced Project.

In consideration of the mutual covenants and agreements set forth herein, the Owner and Contractor have mutually agreed as follows:

1. CONSTRUCTION

The Contractor agrees to do all the work and furnish all the labor, services, materials and equipment necessary to construct and complete the Project in a turn-key manner in accordance with this Agreement and all documents and plans referenced in Exhibit "A", (hereinafter "Contract Documents"), in compliance with all relevant Federal, State of California, County of San Diego and City of National City codes and regulations, and to the satisfaction of the Owner.

2. CONTRACT PRICE

Owner hereby agrees to pay and the Contractor agrees to accept as full compensation for constructing the project in accordance with these Contract Documents in an amount not to exceed the contract price as set forth in Exhibit "B" attached hereto and incorporated herein by reference. Payments to the Contractor shall be made in the manner described in the Special Provisions.

3. TIME FOR PERFORMANCE

Time is of the essence for this Agreement and the Contractor shall construct the project in every detail to a complete and turn-key fashion to the satisfaction of the Owner within the specified duration set forth in the Special Provisions.

4. NON-DISCRIMINATION

In the performance of this Agreement, the Contractor shall not refuse or fail to hire or employ any qualified person, or bar or discharge from employment any person, or discriminate against any person, with respect to such person's compensation, terms, conditions or privileges of employment because of such person's race, religious status, sex or age.

5. AUTHORIZED OWNER REPRESENTATIVES

On behalf of the Owner, the Project Manager designated at the pre-construction meeting shall be the Owner's authorized representative in the interpretation and enforcement of all Work performed in connection with this Agreement.

6. WORKERS' COMPENSATION INSURANCE

a) By my signature hereunder, as Contractor, I certify that I am aware of the provisions of Section 3700 of the Labor Code, which requires every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of the Work of this Agreement.

b) The Contractor shall require each subcontractor to comply with the requirements of Section 3700 of the Labor Code. Before commencing any Work, the Contractor shall cause each subcontractor to execute the following certification:

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

7. ENTIRE AGREEMENT; CONFLICT

The Contract Documents comprise the entire agreement between the Owner and the Contractor with respect to the Work. In the event of conflict between the terms of this Agreement and the bid of the Contractor, then this Agreement shall control and nothing herein shall be considered as an acceptance of the terms of the bid conflicting herewith.

8. MAINTENANCE OF AGREEMENT DOCUMENTATION

Contractor shall maintain all books, documents, papers, employee time sheets, accounting records and other evidence pertaining to costs incurred and shall make such materials available at its office at all reasonable times during the term of this Agreement and for three (3) years from the date of final payment under this Agreement, for inspection by Owner and copies thereof shall be furnished to Owner if requested.

9. INDEPENDENT CONTRACTOR

At all times during the term of this Agreement, Contractor shall be an independent contractor and shall not be an employee, agent, partner or joint venturer of the Owner. Owner shall have the right to control Contractor insofar as the results of Contractor's

services rendered pursuant to this Agreement; however, Owner shall not have the right to control the means by which Contractor accomplishes such services.

10. LICENSES AND PERMITS

Contractor represents and declares to Owner that it has all licenses, permits, qualifications and approvals of whatever nature which are legally required to practice its profession. Contractor represents and warrants to Owner that Contractor shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement, any licenses, permits, qualifications or approvals which are legally required for Contractor to practice its profession.

11. GOVERNING LAW, VENUE

This Agreement and the Contract Documents shall be construed under and in accordance with the laws of the State of California, and the appropriate venue for any action or proceeding arising from this Agreement and/or the Contract Documents shall be had in the Superior Court of San Diego, Central Branch.

12. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original.

13. FALSE CLAIMS

Contractor acknowledges that if a false claim is submitted to the Owner, it may be considered fraud and Contractor may be subject to criminal prosecution. Contractor acknowledges that the False Claims Act, California Government Code sections 12650, et seq., provides for civil penalties where a person knowingly submits a false claim to a public entity. These provisions include within their scope false claims made with deliberate ignorance of the false information or in reckless disregard of the truth or falsity of the information. In the event the Owner seeks to recover penalties pursuant to the False Claims Act, it is entitled to recover its litigation costs, including attorneys' fees. Contractor hereby acknowledges that the filing of a false claim may the Contractor to an administrative debarment proceeding wherein Contractor may be prevented from further bidding on public contracts for a period of up to five (5) years.

I have read and understood all of the provisions of this Section 15, above:


(Initial)


(Initial)

14. AGREEMENT MODIFICATION

This Agreement and the Contract Documents may not be modified orally or in any manner other than by an amendment in writing and signed by the Owner and the Contractor.

IN WITNESS WHEREOF this Agreement is executed as of the date first written above.

Owner:

Alejandra Sotelo-Solis
Mayor, City of National City

APPROVED AS TO FORM:

By: _____
Angil P. Morris-Jones
City Attorney

Contractor:
Lekos Electric, Inc.



(Owner/Officer signature)

Teresa E. Lekos - President, Secretary, Treasurer

Print name and title



(Second officer signature if a corporation)

J. Riley Lekos - Vice President

Print name and title

09001383

Contractor's City Business License No.

588410 C-10

State Contractor's License No. and Class

1370 Pioneer Way

Business street address

El Cajon CA 92020

City, State and Zip Code

EXHIBIT A

CONTRACT DOCUMENTS

Owner/Contractor Agreement

Bid Schedule

Addenda

Plans

Special Provisions (Specifications)

San Diego County Regional Standard Drawings

City of National City Standard Drawings

Standard Specifications for Public Works Construction and Regional Supplements (Greenbook)

State Standard Specifications

State Standard Plans

California Building, Mechanical, Plumbing and Electrical Codes

Permits issued by jurisdictional regulatory agencies

Electric, gas, and communications companies specifications and standards

Sweetwater Authority specifications and standards

Specifications, standards and requirements of MTS, BNSF, SANDAG, Port of San Diego and all other agencies that may be adjacent and/or affected by the project.

EXHIBIT B

CONTRACT PRICE

(NOTE - TO BE COMPLETED TO CONFORM WITH BID SCHEDULE ITEMS)

CORPORATE CERTIFICATE

I, Teresa E. Lekos _____ certify that I am the Secretary of the Corporation named as Contractor in the foregoing Contract; that Teresa E. Lekos _____, who signed said contract on behalf of the Contractor, was then President _____ of said Corporation; that said contract was duly signed for and in behalf of said Corporation by authority of its governing body and is within the scope of its corporate powers.

I, Teresa E. Lekos _____ certify that I am the Secretary of the Corporation named as Contractor in the foregoing Contract; that John Riley Lekos _____, who signed said contract on behalf of the Contractor, was then Vice President _____ of said Corporation; that said contract was duly signed for and in behalf of said Corporation by authority of its governing body and is within the scope of its corporate powers.

Corporate Seal: 

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT
CIVIL CODE § 1189

State of California }
 County of SAN DIEGO }
 On 10-8-2020 before me, PAULA L. STINNETT, NOTARY PUBLIC
 Date Here Insert Name and Title of the Officer
 personally appeared TERESA E. LEWIS
 Name(s) of Signer(s)



Place Notary Seal Above

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: Paula L. Stinnett
 Signature of Notary Public

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: CORPORATE CERT. Document Date: _____
 Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____	Signer's Name: _____
<input type="checkbox"/> Corporate Officer — Title(s): _____	<input type="checkbox"/> Corporate Officer — Title(s): _____
<input type="checkbox"/> Partner — <input type="checkbox"/> Limited <input type="checkbox"/> General	<input type="checkbox"/> Partner — <input type="checkbox"/> Limited <input type="checkbox"/> General
<input type="checkbox"/> Individual <input type="checkbox"/> Attorney in Fact	<input type="checkbox"/> Individual <input type="checkbox"/> Attorney in Fact
<input type="checkbox"/> Trustee <input type="checkbox"/> Guardian or Conservator	<input type="checkbox"/> Trustee <input type="checkbox"/> Guardian or Conservator
<input type="checkbox"/> Other: _____	<input type="checkbox"/> Other: _____

Signer Is Representing: _____ Signer Is Representing: _____

BOND NUMBER: 6021309771
PREMIUM: \$2,542.00
Premium subject to adjustment
based on final contract price.

PERFORMANCE BOND

WHEREAS, the City Council of the City of National City, by Resolution No. 2020-_____, on the **20th day of October, 2020**, has awarded **Lekos Electric, Inc.**, hereinafter designated as the "Principal", the E. 4TH STREET PROTECTED LEFT-TURN ENHANCEMENTS PROJECT, CIP NO. 19-14.

WHEREAS, said Principal is required under the terms of said contract to furnish a bond for the faithful performance of said contract.

NOW, THEREFORE, we, the Principal and United States Fire Insurance Company _____ as surety, are held and firmly bound unto the City of National City, hereinafter called the "City", in the penal sum of **One Hundred Two Thousand, Seven Hundred Eighty Four (\$102,784.00)** lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT if the above bounden Principal, his/her or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and agreements in the said contract any alteration thereof made as therein provides, on his or their part, to be kept and performed at the time and in the amount therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the City of National City, its officers, agents, employees, and volunteers as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and virtue.

And the said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract or to the work to be performed herein or the specifications accompanying the same shall in any wise affect its obligations on this bond, and it does hereby waive notice of any such

change, extension of time, alteration or additions to the terms of the contract or to the work or to the specifications.

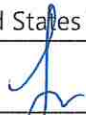
In the event suit is brought upon this bond by the City and judgment is recovered, the surety shall pay all costs incurred by the City in such suit, including a reasonable attorney's fee to be fixed by the Court.

IN WITNESS WHEREOF three identical counterparts of this instrument, each of which shall for all purposes be deemed an original thereof, have been duly executed by the

Principal and Surety above named, on the 7th day of October, 2020.

United States Fire Insurance Company (SEAL)

Lekos Electric, Inc. (SEAL)



(SEAL)



(SEAL)

Lawrence F. McMahon
Attorney-in-Fact

(SEAL)

Teresa E. Lekos, President

(SEAL)

Surety

Principal



Please see attached California All-Purpose Acknowledgment for Surety

PERFORMANCE BOND

ATTORNEY-IN-FACT ACKNOWLEDGEMENT OF SURETY

STATE OF _____)
) ss
COUNTY OF _____)

On this _____ day of _____, 20____, before me, the undersigned, a Notary Public in and for said County and State, personally appeared _____ known to me to be the person whose name is subscribed to the within instrument as the attorney-in-fact of the _____, the corporation named as Surety in said instrument, and acknowledged to me that he subscribed the name of said corporation thereto as Surety, and his own name as attorney-in-fact.

NOTE: Signature of those executing for Surety must be properly acknowledged.	NOTE: The Attorney-in-fact must attach a certified copy of the Power of Attorney.
--	---

Signature: _____

Name (Type or Print): _____

Notary Public in and for said County and State

My Commission expires: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT
CIVIL CODE § 1189

State of California }
 County of SAN DIEGO }
 On 10-8-2010 before me, PAULA L. STINNETT, NOTARY PUBLIC
 Date Here Insert Name and Title of the Officer
 personally appeared TERESA E. LEXOS
 Name(s) of Signer(s)



Place Notary Seal Above

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: Paula L. Stinnett
 Signature of Notary Public

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: PERFORMANCE BOND Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

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

- | | |
|--|--|
| <input type="checkbox"/> Corporate Officer — Title(s): _____ | <input type="checkbox"/> Corporate Officer — Title(s): _____ |
| <input type="checkbox"/> Partner — <input type="checkbox"/> Limited <input type="checkbox"/> General | <input type="checkbox"/> Partner — <input type="checkbox"/> Limited <input type="checkbox"/> General |
| <input type="checkbox"/> Individual <input type="checkbox"/> Attorney in Fact | <input type="checkbox"/> Individual <input type="checkbox"/> Attorney in Fact |
| <input type="checkbox"/> Trustee <input type="checkbox"/> Guardian or Conservator | <input type="checkbox"/> Trustee <input type="checkbox"/> Guardian or Conservator |
| <input type="checkbox"/> Other: _____ | <input type="checkbox"/> Other: _____ |

Signer Is Representing: _____ Signer Is Representing: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

Civil Code § 1189

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 San Diego

On OCT 07 2020 before me, Maria Guise, Notary Public,
Date Insert Name of Notary exactly as it appears on the official seal

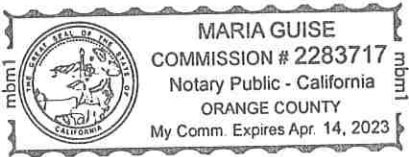
personally appeared Lawrence F. McMahon
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(~~s~~) whose name(~~s~~) is/~~s~~ subscribed to the within instrument and acknowledged to me that he/~~she/it~~ executed the same in his/~~her/its~~ authorized capacity(~~ies~~), and that by his/~~her/its~~ 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 Maria Guise
Signature of Notary Public Maria Guise



Place Notary Seal Above

OPTIONAL

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

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

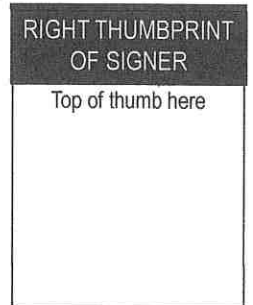
- Individual
- Corporate Officer — Title(s): _____
- Partner Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer is Representing:
Surety Company

Signer's Name: _____

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



Signer is Representing:

POWER OF ATTORNEY
UNITED STATES FIRE INSURANCE COMPANY
PRINCIPAL OFFICE - MORRISTOWN, NEW JERSEY

87171413620

KNOW ALL MEN BY THESE PRESENTS: That United States Fire Insurance Company, a corporation duly organized and existing under the laws of the state of Delaware, has made, constituted and appointed, and does hereby make, constitute and appoint:

Lawrence F. McMahon, Sarah Myers, Lilla De Loera, Janice Martin

each, its true and lawful Attorney(s)-In-Fact, with full power and authority hereby conferred in its name, place and stead, to execute, acknowledge and deliver: Any and all bonds and undertakings of surety and other documents that the ordinary course of surety business may require, and to bind United States Fire Insurance Company thereby as fully and to the same extent as if such bonds or undertakings had been duly executed and acknowledged by the regularly elected officers of United States Fire Insurance Company at its principal office, in amounts or penalties not exceeding: **Seven Million, Five Hundred Thousand Dollars (\$7,500,000)**.

This Power of Attorney limits the act of those named therein to the bonds and undertakings specifically named therein, and they have no authority to bind United States Fire Insurance Company except in the manner and to the extent therein stated.

This Power of Attorney revokes all previous Powers of Attorney issued on behalf of the Attorneys-In-Fact named above and expires on January 31, 2021.

This Power of Attorney is granted pursuant to Article IV of the By-Laws of United States Fire Insurance Company as now in full force and effect, and consistent with Article III thereof, which Articles provide, in pertinent part:

Article IV, Execution of Instruments - Except as the Board of Directors may authorize by resolution, the Chairman of the Board, President, any Vice-President, any Assistant Vice President, the Secretary, or any Assistant Secretary shall have power on behalf of the Corporation:

(a) to execute, affix the corporate seal manually or by facsimile to, acknowledge, verify and deliver any contracts, obligations, instruments and documents whatsoever in connection with its business including, without limiting the foregoing, any bonds, guarantees, undertakings, recognizances, powers of attorney or revocations of any powers of attorney, stipulations, policies of insurance, deeds, leases, mortgages, releases, satisfactions and agency agreements;

(b) to appoint, in writing, one or more persons for any or all of the purposes mentioned in the preceding paragraph (a), including affixing the seal of the Corporation.

Article III, Officers, Section 3.11, Facsimile Signatures. The signature of any officer authorized by the Corporation to sign any bonds, guarantees, undertakings, recognizances, stipulations, powers of attorney or revocations of any powers of attorney and policies of insurance issued by the Corporation may be printed, facsimile, lithographed or otherwise produced. In addition, if and as authorized by the Board of Directors, dividend warrants or checks, or other numerous instruments similar to one another in form, may be signed by the facsimile signature or signatures, lithographed or otherwise produced, of such officer or officers of the Corporation as from time to time may be authorized to sign such instruments on behalf of the Corporation. The Corporation may continue to use for the purposes herein stated the facsimile signature of any person or persons who shall have been such officer or officers of the Corporation, notwithstanding the fact that he may have ceased to be such at the time when such instruments shall be issued.

IN WITNESS WHEREOF, United States Fire Insurance Company has caused these presents to be signed and attested by its appropriate officer and its corporate seal hereunto affixed this 22nd day of August 2019.

UNITED STATES FIRE INSURANCE COMPANY



A. R. Slimowicz

Anthony R. Slimowicz, Executive Vice President

State of Pennsylvania }
County of Philadelphia }

On this 22nd day of August 2019, before me, a Notary public of the State of Pennsylvania, came the above named officer of United States Fire Insurance Company, to me personally known to be the individual and officer described herein, and acknowledged that he executed the foregoing instrument and affixed the seal of United States Fire Insurance Company thereto by the authority of his office.

Commonwealth of Pennsylvania – Notary Seal
Tamara Watkins, Notary Public
Philadelphia County
My commission expires August 22, 2023
Commission number 1348843

Tamara Watkins

Tamara Watkins

(Notary Public)

I, the undersigned officer of United States Fire Insurance Company, a Delaware corporation, do hereby certify that the original Power of Attorney of which the foregoing is a full, true and correct copy is still in force and effect and has not been revoked.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of United States Fire Insurance Company on the day of 20
October 7, 2020

UNITED STATES FIRE INSURANCE COMPANY



Al Wright

Al Wright, Senior Vice President

PAYMENT BOND

WHEREAS, the City Council of the City of National City, by Resolution No. 2020-_____, on the **20th day of October, 2020**, has awarded **Lekos Electric, Inc.**, hereinafter designated as the "Principal", the E. 4TH STREET PROTECTED LEFT-TURN ENHANCEMENTS PROJECT, CIP NO. 19-14.

WHEREAS, said Principal is required by Chapter 5 (commencing at Section 3225) and Chapter 7 (commencing at Section 3247), Title 15, Part 4, Division 3 of the California Civil Code to furnish a bond in connection with said contract;

NOW, THEREFORE, we, the Principal and United States Fire Insurance Company as surety, are held and firmly bound unto the City of National City, hereinafter called the "City", in the penal sum of **One Hundred Two Thousand, Seven Hundred Eighty Four (\$102,784.00)** lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if said Principal, his/her or its subcontractors, heirs, executors, administrators, successors, or assigns, shall fail to pay any of the persons named in Section 3181 of the California Civil Code, or amounts due under the Unemployment Insurance Code with respect to work or labor performed by any such claimant, or for any amounts required to be deducted, withheld, and paid over to the Franchise Tax Board from the wages of employees of the Contractor and his subcontractors pursuant to Section 18806 of the Revenue and Taxation Code, with respect to such work and labor the Surety will pay for the same in an amount not exceeding the sum hereinafter specified, and also, in case suit is brought upon this bond, a reasonable attorney's fee, to be fixed by the Court.

This Bond shall inure to the benefit of any of the persons named in Section 3181 of the California Civil Code, so as to give a right of action to such persons or their assigns in any suit brought upon this bond.

It is further stipulated and agreed that the Surety on this bond shall not be exonerated or released from the obligation of this bond by any change, extension of time for performance, addition, alteration or modification in, to, or of any contract, plans, specifications, or agreement pertaining or relating to any scheme or work of improvement hereinabove described or pertaining or relating to the furnishing of labor, materials, or equipment therefore, not by any change or modification of any terms of payment or extension of the time for any payment pertaining or relating to any scheme or work of improvement hereinabove described, nor by any rescission or attempted rescission of the contract, agreement or bond, nor by any conditions precedent or subsequent in the bond attempting to limit the right of recovery of claimants otherwise entitled to recover under any such contract or agreement or under the bond, nor by any fraud practiced by any person other than the claimant seeking to recover on the bond and that this bond be construed most strongly against the Surety and in favor of all persons for whose benefit such bond is given, and under no circumstances shall Surety be released from liability to those for whose benefit such bond has been given, by reason of any breach of contract between the owner of Public Entity and original contractor or on the part of any obliges named in such bond, but the sole conditions of recovery shall be that claimant is a person described in Section 3110 or 3112 of the California Civil Code, and has not been paid the full amount of his claim and that Surety does hereby waive notice of any such change, extension of time, addition, alteration or modification herein mentioned.

IN WITNESS WHEREOF three identical counterparts of this instrument, each of which shall for all purposes be deemed an original thereof, have been duly executed by the Principal and Surety above named, on the 7th day of October, 2020.

United States Fire Insurance Company (SEAL)

Lekos Electric, Inc. (SEAL)

 (SEAL)

 (SEAL)

Lawrence F. McMahon
Attorney-in-Fact (SEAL)

Teresa E. Lekos, President (SEAL)

Surety

Principal



Please see attached California All-Purpose Acknowledgment for Surety

ATTORNEY-IN-FACT ACKNOWLEDGEMENT OF SURETY

STATE OF _____)
) ss
COUNTY OF _____)

On this day _____ of _____, 20____, before me, the undersigned, a Notary Public in and for said County and State, personally appeared _____ known to me to be the person whose name is subscribed to the within instrument as the attorney-in-fact of the _____, the corporation named as Surety in said instrument, and acknowledged to me that he subscribed the name of said corporation thereto as Surety, and his own name as attorney-in-fact.

NOTE: Signature of those executing for Surety must be properly acknowledged.	NOTE: The Attorney-in-fact must attach a certified copy of the Power of Attorney.
--	---

Signature: _____

Name (Type or Print): _____
(Notary Public in and for said County and State)

My Commission expires: _____

ATTACH ALL BONDS

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT
CIVIL CODE § 1189

State of California }
 County of SAN DIEGO }
 On 10-8-2020 before me, PAULA L. STINNETT, NOTARY PUBLIC
 Date Here Insert Name and Title of the Officer
 personally appeared TERESA E. LEVOS
 Name(s) of Signer(s)



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

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

WITNESS my hand and official seal.
 Signature: Paula L. Stinnett
 Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Payment Bond Document Date: _____
 Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

- | | |
|--|--|
| Signer's Name: _____ | Signer's Name: _____ |
| <input type="checkbox"/> Corporate Officer — Title(s): _____ | <input type="checkbox"/> Corporate Officer — Title(s): _____ |
| <input type="checkbox"/> Partner — <input type="checkbox"/> Limited <input type="checkbox"/> General | <input type="checkbox"/> Partner — <input type="checkbox"/> Limited <input type="checkbox"/> General |
| <input type="checkbox"/> Individual <input type="checkbox"/> Attorney in Fact | <input type="checkbox"/> Individual <input type="checkbox"/> Attorney in Fact |
| <input type="checkbox"/> Trustee <input type="checkbox"/> Guardian or Conservator | <input type="checkbox"/> Trustee <input type="checkbox"/> Guardian or Conservator |
| <input type="checkbox"/> Other: _____ | <input type="checkbox"/> Other: _____ |

Signer Is Representing: _____ Signer Is Representing: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT Civil Code § 1189

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 San Diego

On OCT 07 2020 before me, Maria Guise, Notary Public,
Date Insert Name of Notary exactly as it appears on the official seal

personally appeared Lawrence F. McMahon
Name(s) of Signer(s)

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

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

Witness my hand and official seal.

Signature [Handwritten Signature]
Signature of Notary Public Maria Guise



Place Notary Seal Above

OPTIONAL

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

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

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

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer is Representing:
Surety Company

Signer's Name: _____

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

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer is Representing:

POWER OF ATTORNEY
UNITED STATES FIRE INSURANCE COMPANY
PRINCIPAL OFFICE - MORRISTOWN, NEW JERSEY

87171413620

KNOW ALL MEN BY THESE PRESENTS: That United States Fire Insurance Company, a corporation duly organized and existing under the laws of the state of Delaware, has made, constituted and appointed, and does hereby make, constitute and appoint:

Lawrence F. McMahon, Sarah Myers, Lilla De Loera, Janice Martin

each, its true and lawful Attorney(s)-In-Fact, with full power and authority hereby conferred in its name, place and stead, to execute, acknowledge and deliver: Any and all bonds and undertakings of surety and other documents that the ordinary course of surety business may require, and to bind United States Fire Insurance Company thereby as fully and to the same extent as if such bonds or undertakings had been duly executed and acknowledged by the regularly elected officers of United States Fire Insurance Company at its principal office, in amounts or penalties not exceeding: **Seven Million, Five Hundred Thousand Dollars (\$7,500,000)**.

This Power of Attorney limits the act of those named therein to the bonds and undertakings specifically named therein, and they have no authority to bind United States Fire Insurance Company except in the manner and to the extent therein stated.

This Power of Attorney revokes all previous Powers of Attorney issued on behalf of the Attorneys-In-Fact named above and expires on January 31, 2021.

This Power of Attorney is granted pursuant to Article IV of the By-Laws of United States Fire Insurance Company as now in full force and effect, and consistent with Article III thereof, which Articles provide, in pertinent part:

Article IV, Execution of Instruments - Except as the Board of Directors may authorize by resolution, the Chairman of the Board, President, any Vice-President, any Assistant Vice President, the Secretary, or any Assistant Secretary shall have power on behalf of the Corporation:

(a) to execute, affix the corporate seal manually or by facsimile to, acknowledge, verify and deliver any contracts, obligations, instruments and documents whatsoever in connection with its business including, without limiting the foregoing, any bonds, guarantees, undertakings, recognizances, powers of attorney or revocations of any powers of attorney, stipulations, policies of insurance, deeds, leases, mortgages, releases, satisfactions and agency agreements;

(b) to appoint, in writing, one or more persons for any or all of the purposes mentioned in the preceding paragraph (a), including affixing the seal of the Corporation.

Article III, Officers, Section 3.11, Facsimile Signatures. The signature of any officer authorized by the Corporation to sign any bonds, guarantees, undertakings, recognizances, stipulations, powers of attorney or revocations of any powers of attorney and policies of insurance issued by the Corporation may be printed, facsimile, lithographed or otherwise produced. In addition, if and as authorized by the Board of Directors, dividend warrants or checks, or other numerous instruments similar to one another in form, may be signed by the facsimile signature or signatures, lithographed or otherwise produced, of such officer or officers of the Corporation as from time to time may be authorized to sign such instruments on behalf of the Corporation. The Corporation may continue to use for the purposes herein stated the facsimile signature of any person or persons who shall have been such officer or officers of the Corporation, notwithstanding the fact that he may have ceased to be such at the time when such instruments shall be issued.

IN WITNESS WHEREOF, United States Fire Insurance Company has caused these presents to be signed and attested by its appropriate officer and its corporate seal hereunto affixed this 22nd day of August 2019.

UNITED STATES FIRE INSURANCE COMPANY



A.R.S.

Anthony R. Slimowicz, Executive Vice President

State of Pennsylvania }
County of Philadelphia }

On this 22nd day of August 2019, before me, a Notary public of the State of Pennsylvania, came the above named officer of United States Fire Insurance Company, to me personally known to be the individual and officer described herein, and acknowledged that he executed the foregoing instrument and affixed the seal of United States Fire Insurance Company thereto by the authority of his office.

Commonwealth of Pennsylvania – Notary Seal
Tamara Watkins, Notary Public
Philadelphia County
My commission expires August 22, 2023
Commission number 1348843

Tamara Watkins

Tamara Watkins

(Notary Public)

I, the undersigned officer of United States Fire Insurance Company, a Delaware corporation, do hereby certify that the original Power of Attorney of which the foregoing is a full, true and correct copy is still in force and effect and has not been revoked.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of United States Fire Insurance Company on the _____ day of _____ 20
October 7, 2020

UNITED STATES FIRE INSURANCE COMPANY



Al Wright

Al Wright, Senior Vice President

**ACTION BY UNANIMOUS WRITTEN CONSENT
OF THE BOARD OF DIRECTORS OF
LEKOS ELECTRIC, INC.,
A CALIFORNIA CORPORATION**

Effective Date: January 22, 2015

The undersigned, constituting all of the members of the Board of Directors of Lekos Electric, Inc., a California corporation (the "*Company*"), acting after due consideration and pursuant to the authority of § 307(b) and any other applicable provision of the California General Corporation Law or other applicable law, hereby adopt the following resolution, effective as of the date written above:

NOW, THEREFORE, IT IS RESOLVED, that the following person be and he hereby is elected to the office indicated after his name to serve during the ensuing year and until his successor has been duly elected or appointed and qualified, or until his earlier removal in accordance with the Company's Articles of Incorporation or Bylaws, his death, incapacity or resignation:

John Riley Lekos

Vice President

FURTHER RESOLVED, that pursuant to Article IV, Section 7 of the Bylaws of the Company, as amended, the position of Vice President occupied by John Riley Lekos as described above is delegated with the following duties and activities:

- (1) To negotiate and sign on behalf of the Company all construction contracts to which the Company is a party;
- (2) To negotiate and sign on behalf of the Company other miscellaneous documents pertaining to the operations of the Company, except for the documents pertaining to the excluded duties described in the next resolution; and
- (3) To do all things necessary to carry out the objectives of the Company as assigned and/or directed by the president or the Board of Directors, subject to the next resolution below.

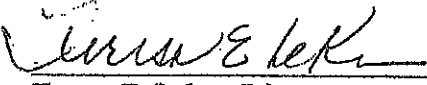
FURTHER RESOLVED, that the position of Vice President occupied by John Riley Lekos as described above is expressly not authorized to perform the following duties and activities:

- (1) To be a signer on any bank accounts associated with the Company;
- (2) To make any decisions pertaining to the financial affairs of the business;

- (3) To make any decisions over the Company's tax matters, including but not limited to the payment of taxes and tax liabilities;
- (4) To sign any forms, paperwork, correspondence, documents (e.g., tax returns) to any taxing authorities;
- (5) To make any decisions regarding the payment of accounts payable, including a prohibition from making any decisions as to the priority of payment of creditors; and
- (6) To make any decisions regarding payroll disbursements.

This Action by Unanimous Written Consent may be executed in counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute one and the same document.

2/20/15
Date


Teresa E. Lekos, Director

02-23-15
Date


John C. Lekos, Director

**ACTION BY WRITTEN CONSENT
OF THE SOLE MEMBER OF THE
BOARD OF DIRECTORS
OF
LEKOS ELECTRIC, INC.
IN LIEU OF ANNUAL MEETING**

Effective Date: October 11, 2016

The undersigned, being the sole member of the Board of Directors of Lekos Electric, Inc., a California corporation (the "*Company*"), acting pursuant to the authority of the Bylaws of the Company and §307(b) of the California General Corporation Law and any other applicable provision(s) of California law or other applicable law, hereby adopts by this written consent the following recitals and resolutions, effective as of the effective date written above:

WHEREAS, the undersigned Director intends that this action by written consent take the place of the regular annual meeting of Board of Directors of the Company.

NOW, THEREFORE, IT IS RESOLVED, the following person be and her hereby is elected to the offices indicated after her name below to serve during the ensuing year and until her successor has been duly elected or appointed and qualified, or until her earlier removal in accordance with the Company's Articles of Incorporation or Bylaws, her death, incapacity or resignation:

Teresa E. Lekos	- Chief Executive Officer, President, Chief Financial Officer and Secretary
-----------------	--

RESOLVED FURTHER, that the undersigned Director, having been is active in the operations of the Company on a day-to-day basis throughout the period beginning with the Company's formation and continuing through the effective date hereof, is familiar with the annual operations and financial condition of the Company, and she hereby waives the presentment in this Written Consent of a formal operational and financial report for any portion of that period, including calendar year 2016.

RESOLVED FURTHER, that all transactions directly and indirectly between the Company and one or more of its officers, including all wages, benefits and perquisites paid to them or for their benefit, all loans made by them to the Company, and all payments by the Company to them regarding said loans, are hereby ratified and approved.

RESOLVED FURTHER, that Gary Moyer be, and he hereby is, appointed agent for service of process for the Company to serve during the ensuring year and until such time as a successor has been duly appointed.

RESOLVED FURTHER, that all actions taken by the officers and/or Director of the Company, acting together or alone, performed in good faith, in a manner deemed by the Director to be in the best interest of the Company and its shareholder, whether or not such acts are reflected in minutes, resolutions or otherwise in writing and expressly including the entering into of all agreements and the execution of all documents since the last annual meeting of the Company's Board of Directors (or written consent in lieu thereof), are ratified and approved.

IN WITNESS WHEREOF, the undersigned has executed this Action by Written Consent on the date indicated beside the signature block below, effective as of the date first written above.

10/11/2016

Date

Teresa E. Lekos

Teresa E. Lekos,
Director of Lekos Electric, Inc.

RESOLUTION NO. 2020 -

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY,
1) AWARDING A CONTRACT TO LEKOS ELECTRIC, INC. IN THE AMOUNT OF
\$102,784 FOR THE EAST 4TH STREET PROTECTED LEFT-TURN ENHANCEMENTS
PROJECT, CIP NO. 19-14; 2) AUTHORIZING A 15% CONTINGENCY IN THE
AMOUNT OF \$15,418 FOR ANY UNFORESEEN CHANGES; AND 3) AUTHORIZING
THE MAYOR TO EXECUTE THE CONTRACT**

WHEREAS, on December 12, 2016, the California Department of Transportation (Caltrans) awarded the City of National City ("City") a \$177,440 Highway Safety Improvement Program (HSIP) grant for the E. 4th Street Protected Left-Turn Enhancements Project; and

WHEREAS, City Staff has identified the traffic signal operations as a top safety priority in the City; and

WHEREAS, City Staff conducted a safety evaluation for the project locations utilizing the most recent five years of collision data; and

WHEREAS, from January 1, 2009 to December 31, 2013 there have been 9 collisions within the influence area of the project signalized locations; and

WHEREAS, City Staff has determined that modifying the project intersection traffic signals from permissive left turn phasing to protected left-turn phasing will reduce crash incidence and improve intersection safety for motorists, pedestrians, and bicyclists.

WHEREAS, on January 27, 2020, Caltrans authorized the City to proceed with the construction phase in the amount of \$177,400; and

WHEREAS, the project proposes to replace existing permissive left-turn phases and signal heads with protected left-turn phases and signal heads on existing and/or new traffic signal poles and mast arms to enhance safety at the following intersections:

- Palm Avenue & E. 4th Street
- Euclid Avenue & E. 4th Street

WHEREAS, on August 25, 2020, the bid solicitation was posted on PlanetBids, a free public electronic bidding system for contractors and on September 1, 2020 and September 3, 2020, the bid solicitation was advertised in local newspapers; and

WHEREAS, On September 15, 2020, five (5) bids were received by the 2:00 p.m. deadline for the East 4th Street Protected Left-Turn Enhancements Project, CIP No. 19-14; and

WHEREAS, Lekos Electric, Inc, was the lowest responsive bidder qualified to perform the work as described in the project specifications with a total bid amount of \$102,784; and

WHEREAS, a 15% contingency amount up to \$15,418 for any unforeseen changes to the Project is requested.

///
///
///

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of National City hereby awards Citywide Safety Lighting Enhancements Project, CIP No. 19-15, to the lowest responsive, responsible bidder, to wit:

LEKOS ELECTRIC, INC.

BE IT FURTHER RESOLVED by the City Council of the City of National City that the Mayor is hereby authorized to execute on behalf of the City a contract in the amount of \$102,784 with Lekos Electric, Inc. for the East 4th Street Protected Left-Turn Enhancements Project, CIP No. 19-14. Said contract is on file in the office of the City Clerk.

BE IT FURTHER RESOLVED that the City Council authorizes a 15% contingency in the amount of up to \$15,418 for any unforeseen changes.

PASSED and ADOPTED this 20th day of October, 2020

Alejandra Sotelo-Solis, Mayor

ATTEST:

Michael R. Dalla, City Clerk

APPROVED AS TO FORM:

Angil P. Morris-Jones, City Attorney

The following page(s) contain the backup material for Agenda Item: [Resolution of the City Council of the City of National City: 1\) awarding a contract to Baker Electric in the amount of \\$70,757 for the Citywide Safety Lighting Enhancements Project, CIP No. 19-15; 2\) authorizing a 15% contingency in the amount of \\$10,614 for any unforeseen changes; and 3\) authorizing the Mayor to execute the contract. \(Engineering/Public Works\)](#)
Please scroll down to view the backup material.

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING

October 20, 2020

AGENDA ITEM

ITEM TITLE:

Resolution of the City Council of the City of National City, 1) awarding a contract to Baker Electric in the amount of \$70,757 for the Citywide Safety Lighting Enhancements Project, CIP No. 19-15; 2) authorizing a 15% contingency in the amount of \$10,614 for any unforeseen changes; and 3) authorizing the Mayor to execute the contract.

PREPARED BY: Carla Hutchinson, Assistant Engineer - Civil *C.H.*

DEPARTMENT: Engineering and Public Works

PHONE: 619-336-4388

APPROVED BY: 

EXPLANATION:

See attached explanation.

FINANCIAL STATEMENT:

APPROVED: 

FINANCE

ACCOUNT NO.

APPROVED: _____

MIS

Contract Award (funds are available through prior City Council CIP Appropriations)

Expenditure Account No. 296-409-500-598-6050 (Citywide Safety Lighting Enhancements) - \$70,757

15% Contingency – (Funds are available through prior City Council CIP Appropriations)

Expenditure Account No. 296-409-500-598-6050 (Citywide Safety Lighting Enhancements) - \$10,757

ENVIRONMENTAL

Caltrans Determination of Categorical Exclusion under 23 CFR 771.117(c): activity (c)(27), approved October 30, 2019.

ORDINANCE: INTRODUCTION FINAL ADOPTION

STAFF

Adopt Resolution awarding a contract to Baker Electric in the amount of \$70,757 for the Citywide Safety Lighting Enhancements Project, CIP No. 19-15.

BOARD / COMMISSION

N/A

ATTACHMENTS

1. Explanation w/ Exhibits
2. Bid Opening Summary
3. Three Lowest Bidders Summary
4. Owner-Contractor Agreement
5. Resolution

Explanation

On November 3, 2015, the California Department of Transportation (Caltrans) awarded a \$175,200 Highway Safety Improvement Program (HSIP) grant for the Citywide Safety Lighting Enhancements Project. Staff identified this project through a needs assessment of existing safety lighting throughout the City's roadway. The City conducted a safety evaluation of the project locations utilizing the most recent five years of crash data. From January 1, 2009 to December 31, 2013 there have been 65 collisions with the influence area of the project signalized locations.

On January 27, 2020, Caltrans authorized the City to proceed with the construction phase in the amount of \$175,200. There is a \$1,850 local match requirement, which is available through prior City Council local *TransNet* appropriations for FY 2020 Traffic Signal Upgrades CIP. However, due to the construction bids coming in well under budget, staff will coordinate with Caltrans to utilize the available grant funds to cover the City's match as the project is eligible for 100% reimbursement. The local match for this project was only intended to cover the costs in excess of the grant funds. If the City's request is not approved, Staff will satisfy the match requirement by paying for the construction management services.

The project proposes to install new LED safety light fixtures at 32 signalized intersections along the following corridors, and as shown in the attached exhibits:

- 8th St
- 18th St
- 30th St/Sweetwater Rd
- Bay Marina Dr/Mile of Cars Wy/24th St
- Division St
- Euclid Ave
- Plaza Blvd/Paradise Valley Rd
- Tidelands Ave & 19th St
- Palm Ave & 16th St

These 32 signalized intersections represent the remaining locations Citywide that have yet to be upgraded to LED safety light fixtures. Funding from previous HSIP grants and traffic signal upgrade projects allowed the City to install LED safety light fixtures at 45 of the City's 77 signalized intersections.

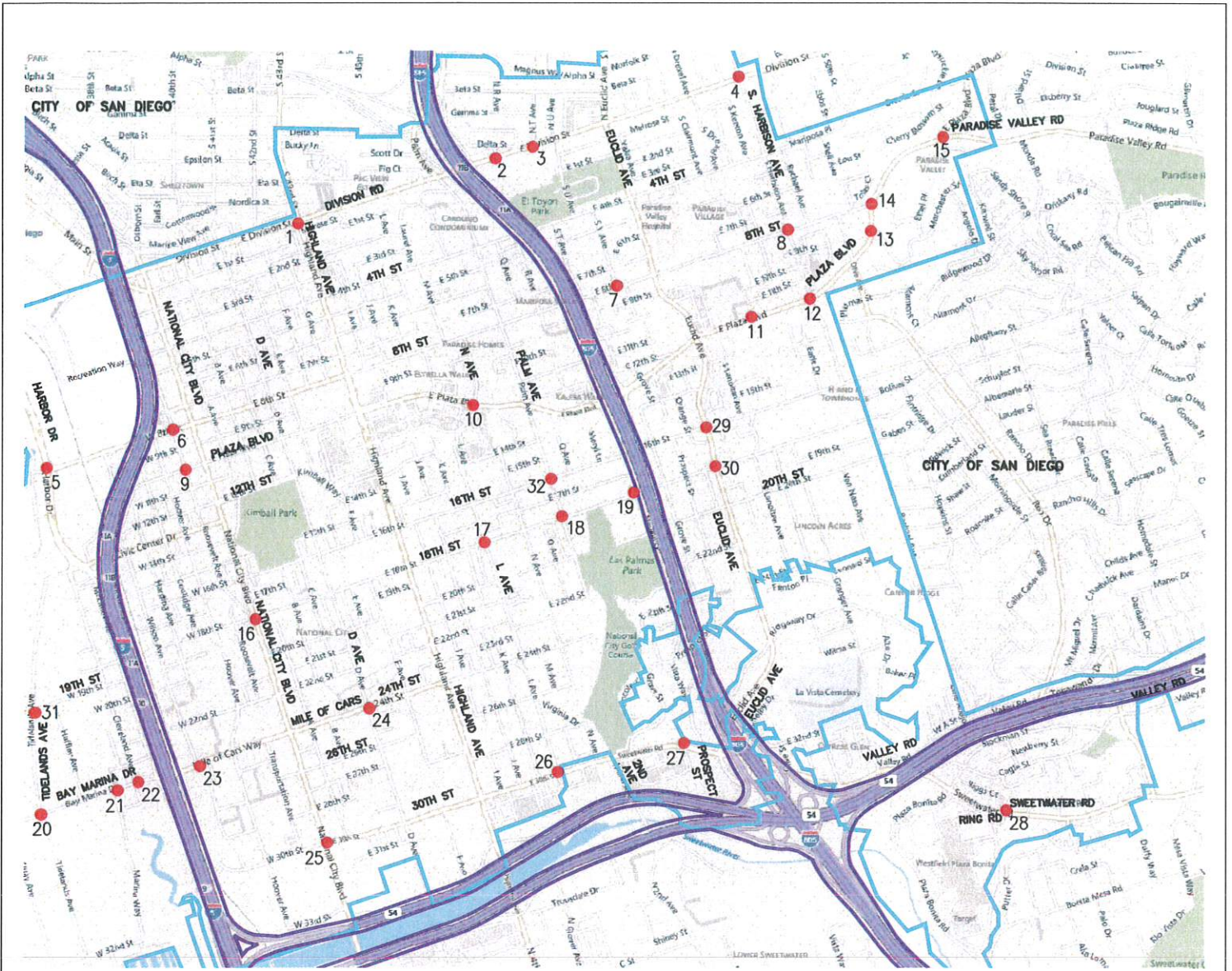
On August 25, 2020, the bid solicitation was posted on PlanetBids, a free public electronic bidding system for contractors. On September 1, 2020 and September 3, 2020, the bid solicitation was advertised in local newspapers.

On September 16, 2020, five (5) bids were received by the 2:00 p.m. deadline. Bid results were immediately available for viewing on PlanetBids. Baker Electric was the apparent lowest bidder with a total bid amount of \$70,757. Upon review of all documents submitted, Baker Electric bid was deemed responsive, and they are the

lowest responsible bidder qualified to perform the work as described in the project specifications.

Therefore, staff recommends awarding a contract to Baker Electric in the not-to-exceed amount of \$70,757. Staff also recommends authorizing a 15% contingency in the amount of \$10,614 to address any unforeseen conditions that may arise.

Attached are the bid opening summary sheet and a line item summary of the three lowest bidders for reference. Also attached is the Owner-Contractor Agreement. Construction is estimated to be completed by the first quarter of 2021.



LEGEND

- PROPOSED LED SAFETY LIGHTING LOCATION
- CITY BOUNDARY
- CALTRANS RIGHT OF WAY

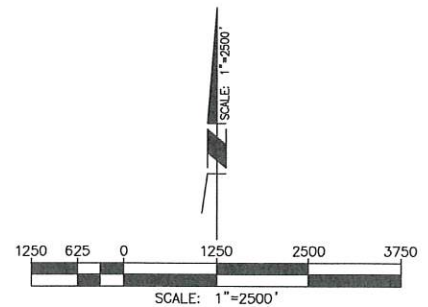
PROPOSED LED SAFETY LIGHTING:



TYPICAL AT SIGNALIZED LOCATIONS

Int. #	Signalized Intersection
1	Division St & Highland Ave
2	Division St & R Ave
3	Division St & T Ave
4	Division St & Harbison Ave
5	8th St & Harbor Dr
6	8th St & Roosevelt Ave
7	8th St & V Ave
8	8th St & Harbison Ave
9	Plaza Blvd & Roosevelt Ave
10	Plaza Blvd & N Ave
11	Plaza Blvd & Pedestrian Xing
12	Plaza Blvd & Harbison Ave
13	Plaza Blvd & Manchester St
14	Plaza Blvd/Paradise Valley Rd & 8th St
15	Paradise Valley Rd & Plaza Blvd/Plaza Entrada
16	18th St & National City Blvd

Int. #	Signalized Intersection
17	18th St & L Ave
18	18th St & Palm Ave
19	18th St & Newell St
20	Bay Marina Dr & Tidelands Ave
21	Bay Marina Dr & Marina Wy
22	Bay Marina Dr & Cleveland Ave
23	Mile of Cars Wy & Wilson Ave
24	24th St & D Ave
25	30th St & National City Blvd
26	30th St & L Ave
27	Sweetwater Rd & Prospect St
28	Sweetwater Rd & Ring Rd
29	Euclid Ave & 16th St
30	Euclid Ave & 18th St
31	Tidelands Ave & 19th St
32	Palm Ave & 16th St

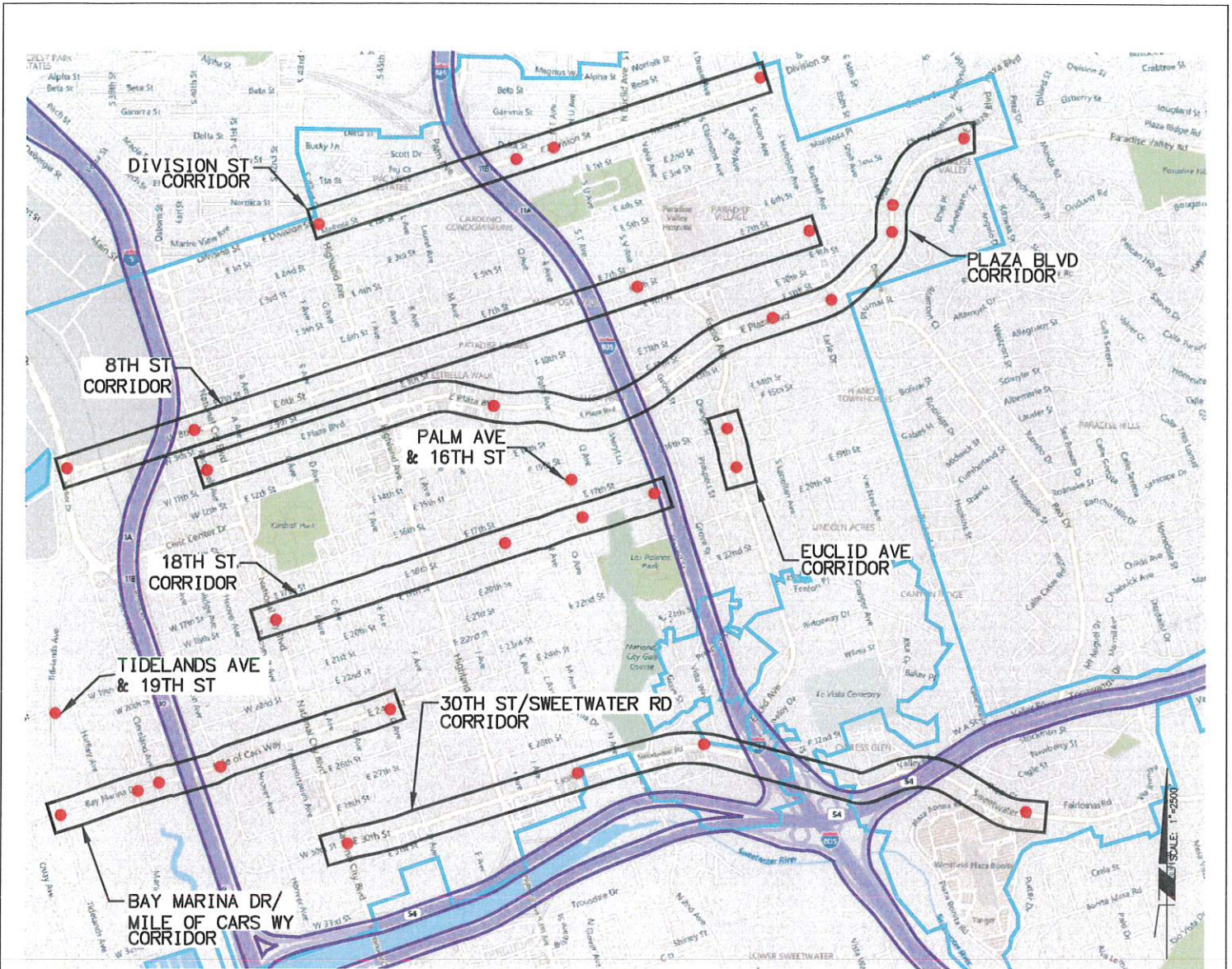


PROPOSED CONDITIONS

CITY OF NATIONAL CITY
 S2: IMPROVE SIGNAL HARDWARE:LENSES, BACK-PLATES, MOUNTING, SIZE, AND NUMBER
 2016 HIGHWAY SAFETY IMPROVEMENT PROGRAM (HSIP)

ATTACHMENT

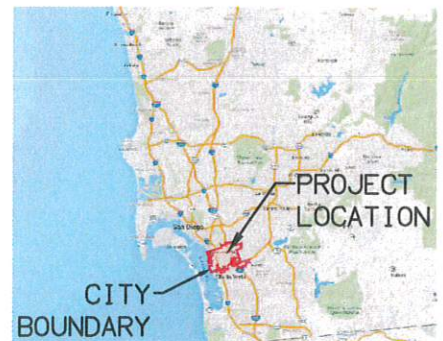
3-2



LEGEND

- SIGNALIZED PROJECT LOCATION
- CORRIDOR LIMITS
- CITY BOUNDARY
- CALTRANS RIGHT OF WAY

VICINITY MAP



VICINITY/LOCATION MAP

CITY OF NATIONAL CITY
 S2: IMPROVE SIGNAL HARDWARE:LENSES, BACK-PLATES, MOUNTING, SIZE, AND NUMBER
 2016 HIGHWAY SAFETY IMPROVEMENT PROGRAM (HSIP)

ATTACHMENT





BID OPENING RESULTS

NAME: Citywide Safety Lighting Enhancements Project
CIP NO: 19-15
DATE: Wednesday, September 16, 2020
TIME: 2:00 P.M.
ESTIMATE: \$146,000
PROJECT ENGINEER: Carla Hutchinson

NO.	BIDDER'S NAME	BID AMOUNT	BID SECURITY - BOND
1.	Baker Electric 1298 Pacific Oaks Place Escondido, CA 92029	\$70,757.00	Bond
2.	Perry Electric 10765 woodside ave santee, CA 92071	\$99,900.00	Bond
3.	Lecos Electric, Inc. 1370 Pioneer Way El Cajon, CA 92020	\$108,750.00	Bond
4.	Palm Engineering 7330 OPPORTUNITY ROAD SUITE A SAN DIEGO, CA 92111	\$110,781.00	Bond
5.	CTE, Inc. 9991 Possum Creek Lane El Cajon, CA 92021	\$113,830.00	Bond

Citywide Safety Lighting Enhancements (CIP No. 19-15)

Item No.	Description	Unit	Qty.	Baker Electric		Perry Electric		Lekos Electric, Inc.	
				Unit Price	Extension (Quantity x Unit Price)	Unit Price	Extension (Quantity x Unit Price)	Unit Price	Extension (Quantity x Unit Price)
1	Mobilization	LS	1	\$3,000.00	\$3,000.00	\$2,500.00	\$2,500.00	\$5,000.00	\$5,000.00
2	Traffic Control	LS	1	\$3,000.00	\$3,000.00	\$5,000.00	\$5,000.00	\$7,500.00	\$7,500.00
3	Remove and Salvage Existing Safety Light Fixture. Furnish and Install New LED Safety Lighting Fixture.	EA	77	\$841.00	\$64,757.00	\$1,200.00	\$92,400.00	\$1,250.00	\$96,250.00
Total					\$70,757.00		\$99,900.00		\$108,750.00

OWNER - CONTRACTOR AGREEMENT

CITYWIDE SAFETY LIGHTING ENHANCEMENTS PROJECT, CIP NO. 19-15

This Owner-Contractor Agreement ("Agreement") is made by and between the City of National City, 1243 National City Boulevard National City, California 91950 and **Baker Electric ("Contractor")**, 1298 Pacific Oaks Place, Escondido, CA 92029, on the 20th day of October, 2020, for the construction of the above referenced Project.

In consideration of the mutual covenants and agreements set forth herein, the Owner and Contractor have mutually agreed as follows:

1. CONSTRUCTION

The Contractor agrees to do all the work and furnish all the labor, services, materials and equipment necessary to construct and complete the Project in a turn-key manner in accordance with this Agreement and all documents and plans referenced in Exhibit "A", (hereinafter "Contract Documents"), in compliance with all relevant Federal, State of California, County of San Diego and City of National City codes and regulations, and to the satisfaction of the Owner.

2. CONTRACT PRICE

Owner hereby agrees to pay and the Contractor agrees to accept as full compensation for constructing the project in accordance with these Contract Documents in an amount not to exceed the contract price as set forth in Exhibit "B" attached hereto and incorporated herein by reference. Payments to the Contractor shall be made in the manner described in the Special Provisions.

3. TIME FOR PERFORMANCE

Time is of the essence for this Agreement and the Contractor shall construct the project in every detail to a complete and turn-key fashion to the satisfaction of the Owner within the specified duration set forth in the Special Provisions.

4. NON-DISCRIMINATION

In the performance of this Agreement, the Contractor shall not refuse or fail to hire or employ any qualified person, or bar or discharge from employment any person, or discriminate against any person, with respect to such person's compensation, terms, conditions or privileges of employment because of such person's race, religious status, sex or age.

5. AUTHORIZED OWNER REPRESENTATIVES

On behalf of the Owner, the Project Manager designated at the pre-construction meeting shall be the Owner's authorized representative in the interpretation and enforcement of all Work performed in connection with this Agreement.

6. WORKERS' COMPENSATION INSURANCE

a) By my signature hereunder, as Contractor, I certify that I am aware of the provisions of Section 3700 of the Labor Code, which requires every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of the Work of this Agreement.

b) The Contractor shall require each subcontractor to comply with the requirements of Section 3700 of the Labor Code. Before commencing any Work, the Contractor shall cause each subcontractor to execute the following certification:

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

7. ENTIRE AGREEMENT; CONFLICT

The Contract Documents comprise the entire agreement between the Owner and the Contractor with respect to the Work. In the event of conflict between the terms of this Agreement and the bid of the Contractor, then this Agreement shall control and nothing herein shall be considered as an acceptance of the terms of the bid conflicting herewith.

8. MAINTENANCE OF AGREEMENT DOCUMENTATION

Contractor shall maintain all books, documents, papers, employee time sheets, accounting records and other evidence pertaining to costs incurred and shall make such materials available at its office at all reasonable times during the term of this Agreement and for three (3) years from the date of final payment under this Agreement, for inspection by Owner and copies thereof shall be furnished to Owner if requested.

9. INDEPENDENT CONTRACTOR

At all times during the term of this Agreement, Contractor shall be an independent contractor and shall not be an employee, agent, partner or joint venturer of the Owner. Owner shall have the right to control Contractor insofar as the results of Contractor's

services rendered pursuant to this Agreement; however, Owner shall not have the right to control the means by which Contractor accomplishes such services.

10. LICENSES AND PERMITS

Contractor represents and declares to Owner that it has all licenses, permits, qualifications and approvals of whatever nature which are legally required to practice its profession. Contractor represents and warrants to Owner that Contractor shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement, any licenses, permits, qualifications or approvals which are legally required for Contractor to practice its profession.

11. GOVERNING LAW, VENUE

This Agreement and the Contract Documents shall be construed under and in accordance with the laws of the State of California, and the appropriate venue for any action or proceeding arising from this Agreement and/or the Contract Documents shall be had in the Superior Court of San Diego, Central Branch.


12. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original.

13. FALSE CLAIMS

Contractor acknowledges that if a false claim is submitted to the Owner, it may be considered fraud and Contractor may be subject to criminal prosecution. Contractor acknowledges that the False Claims Act, California Government Code sections 12650, et seq., provides for civil penalties where a person knowingly submits a false claim to a public entity. These provisions include within their scope false claims made with deliberate ignorance of the false information or in reckless disregard of the truth or falsity of the information. In the event the Owner seeks to recover penalties pursuant to the False Claims Act, it is entitled to recover its litigation costs, including attorneys' fees. Contractor hereby acknowledges that the filing of a false claim may the Contractor to an administrative debarment proceeding wherein Contractor may be prevented from further bidding on public contracts for a period of up to five (5) years.

I have read and understood all of the provisions of this Section 15, above:


(Initial)


(Initial)

14. AGREEMENT MODIFICATION

This Agreement and the Contract Documents may not be modified orally or in any manner other than by an amendment in writing and signed by the Owner and the Contractor.

IN WITNESS WHEREOF this Agreement is executed as of the date first written above.

Owner:

Contractor:
Baker Electric

Alejandra Sotelo-Solis
Mayor, City of National City



(Owner/Officer signature)


Ted N. Baker, President

Print name and title

APPROVED AS TO FORM:

(Second officer signature if a corporation)

By: _____
Angil P. Morris-Jones
City Attorney



Print name and title *Brian Philbeck,
CFO*

09001640

Contractor's City Business License No.

161756 C10/C46/B/C7/A

State Contractor's License No. and Class

1298 Pacific Oaks Place

Business street address

Escondido, CA 92029

City, State and Zip Code

CORPORATE CERTIFICATE

I, Ted N. Baker certify that I am the Secretary of the Corporation named as Contractor in the foregoing Contract; that Brian Miliate, who signed said contract on behalf of the Contractor, was then Chief Financial Officer of said Corporation; that said contract was duly signed for and in behalf of said Corporation by authority of its governing body and is within the scope of its corporate powers.

I, Ted N. Baker certify that I am the Secretary of the Corporation named as Contractor in the foregoing Contract; that Justen Decker, who signed said contract on behalf of the Contractor, was then Vice President of said Corporation; that said contract was duly signed for and in behalf of said Corporation by authority of its governing body and is within the scope of its corporate powers.

Corporate Seal: 

Issued in Triplicate

Bond #9331872
Premium: \$685.00
Subject to Adjustment Based
on Final Contract Price

PERFORMANCE BOND

WHEREAS, the City Council of the City of National City, by Resolution No. 2020-_____, on the 20th day of October, 2020, has awarded **Baker Electric**, hereinafter designated as the "Principal", the CITYWIDE SAFETY LIGHTING ENHANCEMENTS PROJECT, CIP NO. 19-15.

*, Inc.

WHEREAS, said Principal is required under the terms of said contract to furnish a bond for the faithful performance of said contract.

NOW, THEREFORE, we, the Principal and Fidelity and Deposit Company of Maryland as surety, are held and firmly bound unto the City of National City, hereinafter called the "City", in the penal sum of **Seventy Thousand, Seven Hundred Fifty Seven (\$70,757.00)** lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT if the above bounden Principal, his/her or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and agreements in the said contract any alteration thereof made as therein provides, on his or their part, to be kept and performed at the time and in the amount therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the City of National City, its officers, agents, employees, and volunteers as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and virtue.

And the said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract or to the work to be performed herein or the specifications accompanying the same shall in any wise affect its obligations on this bond, and it does hereby waive notice of any such

change, extension of time, alteration or additions to the terms of the contract or to the work or to the specifications.

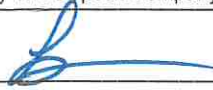
In the event suit is brought upon this bond by the City and judgment is recovered, the surety shall pay all costs incurred by the City in such suit, including a reasonable attorney's fee to be fixed by the Court.

IN WITNESS WHEREOF three identical counterparts of this instrument, each of which shall for all purposes be deemed an original thereof, have been duly executed by the

Principal and Surety above named, on the 7th day of October, 2020.

Fidelity and Deposit Company of Maryland (SEAL)

Baker Electric, Inc. (SEAL)

 (SEAL)

 (SEAL)

Lawrence F. McMahon, Attorney-in-Fact (SEAL)

Ted N. Baker, President (SEAL)

Surety

Principal

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT Civil Code § 1189

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 San Diego }

On OCT 07 2020 before me, Rachel A. Mullen, Notary Public,
Date Insert Name of Notary exactly as it appears on the official seal

personally appeared Lawrence F. McMahon
Name(s) of Signer(s)

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

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

Witness my hand and official seal.

Signature Rachel A. Mullen
Signature of Notary Public Rachel A. Mullen



Place Notary Seal Above

OPTIONAL

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

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

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

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer is Representing:
Surety Company

Signer's Name: _____

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

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer is Representing:

EXTRACT FROM BY-LAWS OF THE COMPANIES

"Article V, Section 8, Attorneys-in-Fact. The Chief Executive Officer, the President, or any Executive Vice President or Vice President may, by written instrument under the attested corporate seal, appoint attorneys-in-fact with authority to execute bonds, policies, recognizances, stipulations, undertakings, or other like instruments on behalf of the Company, and may authorize any officer or any such attorney-in-fact to affix the corporate seal thereto; and may with or without cause modify or revoke any such appointment or authority at any time."

CERTIFICATE

I, the undersigned, Vice President of the ZURICH AMERICAN INSURANCE COMPANY, the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, and the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, do hereby certify that the foregoing Power of Attorney is still in full force and effect on the date of this certificate; and I do further certify that Article V, Section 8, of the By-Laws of the Companies is still in force.

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the ZURICH AMERICAN INSURANCE COMPANY at a meeting duly called and held on the 15th day of December 1998.

RESOLVED: "That the signature of the President or a Vice President and the attesting signature of a Secretary or an Assistant Secretary and the Seal of the Company may be affixed by facsimile on any Power of Attorney...Any such Power or any certificate thereof bearing such facsimile signature and seal shall be valid and binding on the Company."

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY at a meeting duly called and held on the 5th day of May, 1994, and the following resolution of the Board of Directors of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at a meeting duly called and held on the 10th day of May, 1990.

RESOLVED: "That the facsimile or mechanically reproduced seal of the company and facsimile or mechanically reproduced signature of any Vice-President, Secretary, or Assistant Secretary of the Company, whether made heretofore or hereafter, wherever appearing upon a certified copy of any power of attorney issued by the Company, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seals of the said Companies, this _____ day of _____, _____.

OCT 07 2020



Brian M. Hodges

Brian M. Hodges, Vice President

TO REPORT A CLAIM WITH REGARD TO A SURETY BOND, PLEASE SUBMIT A COMPLETE DESCRIPTION OF THE CLAIM INCLUDING THE PRINCIPAL ON THE BOND, THE BOND NUMBER, AND YOUR CONTACT INFORMATION TO:

Zurich Surety Claims
1299 Zurich Way Schaumburg, IL
60196-1056
www.reportsfclaims@zurichna.com
800-626-4577

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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 San Diego)
On 10-8-2020 before me, Dana Rasmussen, Notary Public,
Date Here Insert Name and Title of the Officer
personally appeared Ted N. Baker
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.



Signature Dana
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Document Date:

Number of Pages: Signer(s) Other Than Named Above:

Capacity(ies) Claimed by Signer(s)

Signer's Name:

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

Signer Is Representing:

Signer's Name:

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

Signer Is Representing:

PAYMENT BOND

WHEREAS, the City Council of the City of National City, by Resolution No. 2020-_____, on the **20th day of October, 2020**, has awarded **Baker Electric**, hereinafter designated as the "Principal", the CITYWIDE SAFETY LIGHTING ENHANCEMENTS PROJECT, CIP NO. 19-15.

*, Inc.

WHEREAS, said Principal is required by Chapter 5 (commencing at Section 3225) and Chapter 7 (commencing at Section 3247), Title 15, Part 4, Division 3 of the California Civil Code to furnish a bond in connection with said contract;

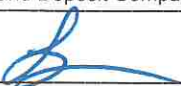
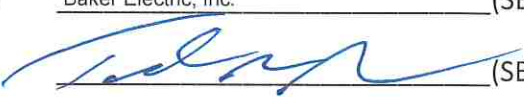
NOW, THEREFORE, we, the Principal and Fidelity and Deposit Company of Maryland as surety, are held and firmly bound unto the City of National City, hereinafter called the "City", in the penal sum of **Seventy Thousand, Seven Hundred Fifty Seven (\$70,757.00)** lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if said Principal, his/her or its subcontractors, heirs, executors, administrators, successors, or assigns, shall fail to pay any of the persons named in Section 3181 of the California Civil Code, or amounts due under the Unemployment Insurance Code with respect to work or labor performed by any such claimant, or for any amounts required to be deducted, withheld, and paid over to the Franchise Tax Board from the wages of employees of the Contractor and his subcontractors pursuant to Section 18806 of the Revenue and Taxation Code, with respect to such work and labor the Surety will pay for the same in an amount not exceeding the sum hereinafter specified, and also, in case suit is brought upon this bond, a reasonable attorney's fee, to be fixed by the Court.

This Bond shall inure to the benefit of any of the persons named in Section 3181 of the California Civil Code, so as to give a right of action to such persons or their assigns in any suit brought upon this bond.

It is further stipulated and agreed that the Surety on this bond shall not be exonerated or released from the obligation of this bond by any change, extension of time for performance, addition, alteration or modification in, to, or of any contract, plans, specifications, or agreement pertaining or relating to any scheme or work of improvement hereinabove described or pertaining or relating to the furnishing of labor, materials, or equipment therefore, not by any change or modification of any terms of payment or extension of the time for any payment pertaining or relating to any scheme or work of improvement hereinabove described, nor by any rescission or attempted rescission of the contract, agreement or bond, nor by any conditions precedent or subsequent in the bond attempting to limit the right of recovery of claimants otherwise entitled to recover under any such contract or agreement or under the bond, nor by any fraud practiced by any person other than the claimant seeking to recover on the bond and that this bond be construed most strongly against the Surety and in favor of all persons for whose benefit such bond is given, and under no circumstances shall Surety be released from liability to those for whose benefit such bond has been given, by reason of any breach of contract between the owner of Public Entity and original contractor or on the part of any obliges named in such bond, but the sole conditions of recovery shall be that claimant is a person described in Section 3110 or 3112 of the California Civil Code, and has not been paid the full amount of his claim and that Surety does hereby waive notice of any such change, extension of time, addition, alteration or modification herein mentioned.

IN WITNESS WHEREOF three identical counterparts of this instrument, each of which shall for all purposes be deemed an original thereof, have been duly executed by the Principal and Surety above named, on the 7th day of October, 2020.

<u>Fidelity and Deposit Company of Maryland</u> (SEAL)	<u>Baker Electric, Inc.</u> (SEAL)
 (SEAL)	 (SEAL)
<u>Lawrence F. McMahon, Attorney-in-Fact</u> (SEAL)	<u>Ted N. Baker, President</u> (SEAL)

Surety

Principal

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT Civil Code § 1189

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 San Diego }

On OCT 07 2020 before me, Rachel A. Mullen, Notary Public,
Date Insert Name of Notary exactly as it appears on the official seal

personally appeared Lawrence F. McMahon
Name(s) of Signer(s)

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

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

Witness my hand and official seal.

Signature Rachel A. Mullen
Signature of Notary Public Rachel A. Mullen



Place Notary Seal Above

OPTIONAL

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

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

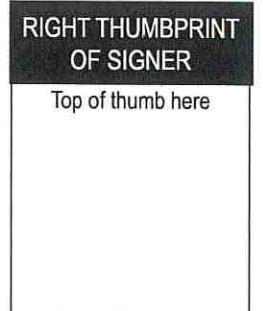
- Individual
- Corporate Officer — Title(s): _____
- Partner Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer is Representing:
Surety Company

Signer's Name: _____

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



Signer is Representing:

EXTRACT FROM BY-LAWS OF THE COMPANIES

"Article V, Section 8, Attorneys-in-Fact. The Chief Executive Officer, the President, or any Executive Vice President or Vice President may, by written instrument under the attested corporate seal, appoint attorneys-in-fact with authority to execute bonds, policies, recognizances, stipulations, undertakings, or other like instruments on behalf of the Company, and may authorize any officer or any such attorney-in-fact to affix the corporate seal thereto; and may with or without cause modify or revoke any such appointment or authority at any time."

CERTIFICATE

I, the undersigned, Vice President of the ZURICH AMERICAN INSURANCE COMPANY, the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, and the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, do hereby certify that the foregoing Power of Attorney is still in full force and effect on the date of this certificate; and I do further certify that Article V, Section 8, of the By-Laws of the Companies is still in force.

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the ZURICH AMERICAN INSURANCE COMPANY at a meeting duly called and held on the 15th day of December 1998.

RESOLVED: "That the signature of the President or a Vice President and the attesting signature of a Secretary or an Assistant Secretary and the Seal of the Company may be affixed by facsimile on any Power of Attorney...Any such Power or any certificate thereof bearing such facsimile signature and seal shall be valid and binding on the Company."

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY at a meeting duly called and held on the 5th day of May, 1994, and the following resolution of the Board of Directors of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at a meeting duly called and held on the 10th day of May, 1990.

RESOLVED: "That the facsimile or mechanically reproduced seal of the company and facsimile or mechanically reproduced signature of any Vice-President, Secretary, or Assistant Secretary of the Company, whether made heretofore or hereafter, wherever appearing upon a certified copy of any power of attorney issued by the Company, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seals of the said Companies, this _____ day of _____, _____.

OCT 07 2020



Brian M. Hodges, Vice President

TO REPORT A CLAIM WITH REGARD TO A SURETY BOND, PLEASE SUBMIT A COMPLETE DESCRIPTION OF THE CLAIM INCLUDING THE PRINCIPAL ON THE BOND, THE BOND NUMBER, AND YOUR CONTACT INFORMATION TO:

Zurich Surety Claims
1299 Zurich Way Schaumburg, IL
60196-1056
www.reportsfclaims@zurichna.com
800-626-4577

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

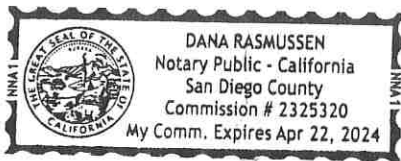
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of San Diego)
On 10-8-2020 before me, Dana Rasmussen, Notary Public,
Date Here Insert Name and Title of the Officer
personally appeared Ted N. Baker
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.



Signature [Handwritten Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Document Date:

Number of Pages: Signer(s) Other Than Named Above:

Capacity(ies) Claimed by Signer(s)

Signer's Name:

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

Signer Is Representing:

Signer's Name:

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

Signer Is Representing:

RESOLUTION NO. 2020 -

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY, 1) AWARDED A CONTRACT TO BAKER ELECTRIC IN THE AMOUNT OF \$70,757 FOR THE CITYWIDE SAFETY LIGHTING ENHANCEMENTS PROJECT, CIP NO. 19-15; 2) AUTHORIZING A 15% CONTINGENCY IN THE AMOUNT OF \$10,614 FOR ANY UNFORESEEN CHANGES; AND 3) AUTHORIZING THE MAYOR TO EXECUTE THE CONTRACT

WHEREAS, on November 3, 2015, the California Department of Transportation (“Caltrans”) awarded the City of National City (“City”) a \$175,200 Highway Safety Improvement Program (“HSIP”) grant for the Citywide Pedestrian Safety Improvements Project; and

WHEREAS, City Staff identified this project through a needs assessment of the existing safety lighting throughout the City’s roadway; and

WHEREAS, City Staff conducted a safety evaluation of the project locations utilizing the most recent five years of crash data; and

WHEREAS, from January 1, 2009 to December 31, 2013 there have been 65 collisions within the influence area of the project signalized locations; and

WHEREAS, on January 27, 2020, Caltrans authorized the City to proceed with the construction phase in the amount of \$175,200 with a \$1,850 local match requirement, which is available through prior City Council local *TransNet* appropriations for Fiscal Year 2020 Traffic Signal Upgrades CIP; and

WHEREAS, with construction bids coming in well under budget, City Staff will coordinate with Caltrans to utilize the available grant funds to cover the City’s match as the project is eligible for 100% reimbursement; and

WHEREAS, the local match for this project was only intended to cover the costs in excess of the grant funds, however, if the City’s request is not approved, City Staff will satisfy the match requirement by paying for the construction management services; and

WHEREAS, project proposes to install new LED safety light fixtures at 32 signalized intersections along the following corridors, and as shown in the attached exhibits:

- 8th Street
- 18th Street
- 30th Street/Sweetwater Road
- Bay Marina Drive/Mile of Cars Way/24th Street
- Division Street
- Euclid Avenue
- Plaza Boulevard/Paradise Valley Road
- Tidelands Avenue & 19th St
- Palm Avenue & 16th Street

WHEREAS, on August 25, 2020, the bid solicitation was posted on PlanetBids, a free public electronic bidding system for contractors and on September 1, 2020 and September 3, 2020, the bid solicitation was advertised in local newspapers; and

**Resolution No. 2020 –
Page Two**

WHEREAS, On September 16, 2020, five (5) bids were received by the 2:00 p.m. deadline for the Citywide Safety Lighting Enhancements Project, CIP No. 19-15; and

WHEREAS, Baker Electric, was the lowest responsive bidder qualified to perform the work as described in the project specifications with a total bid amount of \$70,757; and

WHEREAS, a 15% contingency amount up to \$10,614 for any unforeseen changes to the Project is requested.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of National City hereby awards Citywide Safety Lighting Enhancements Project, CIP No. 19-15, to the lowest responsive, responsible bidder, to wit:

BAKER ELECTRIC

BE IT FURTHER RESOLVED by the City Council of the City of National City that the Mayor is hereby authorized to execute on behalf of the City a contract in the amount of \$70,757 with Baker Electric for the Citywide Safety Lighting Enhancements Project, CIP No. 19-15. Said contract is on file in the office of the City Clerk.

BE IT FURTHER RESOLVED that the City Council authorizes a 15% contingency in the amount of up to \$10,614 for any unforeseen changes.

PASSED and ADOPTED this 20th day of October, 2020

Alejandra Sotelo-Solis, Mayor

ATTEST:

Michael R. Dalla, City Clerk

APPROVED AS TO FORM:

Angil P. Morris-Jones, City Attorney

The following page(s) contain the backup material for Agenda Item: [Resolution of the City Council of the City of National City authorizing an amendment to the 2019 Regional Transportation Improvement Program \(RTIP\) for National City to increase programming of local TransNet \(Prop A\) funding for the Street Resurfacing Project \(NC03\) in the amount of \\$501,333 and the Citywide Safe Routes to School \(NC15\) project in the amount of \\$467,701 for FY 2019. \(Engineering/Public Works\)](#)

Please scroll down to view the backup material.

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: October 20, 2020

AGENDA ITEM NO.:

ITEM TITLE:

Resolution of the City Council of the City of National City authorizing an amendment to the 2019 Regional Transportation Improvement Program (RTIP) for National City to increase programming of local *TransNet* (Prop A) funding for the Street Resurfacing Project (NC03) in the amount of \$501,333 and the Citywide Safe Routes to School (NC15) project in the amount of \$467,701 for FY 2019.

PREPARED BY: Tirza Gonzales, Management Analyst II
Arnold Ocana, Acting Finance Manager

PHONE: 619-336-4318 / 619-336-4342

DEPARTMENT: Engineering/Public Works
Finance

APPROVED BY: 

EXPLANATION:

See staff report.

FINANCIAL STATEMENT:

ACCOUNT NO.

Funds programmed in the following account:
307-409-500-598-6035 (Prop A –Resurface Streets)
307-409-500-598-6166 (Prop A – Safe Routes to School)

APPROVED: 

FINANCE

APPROVED: _____

MIS

ENVIRONMENTAL REVIEW:

This is not a project, and therefore, not subject to environmental review.

ORDINANCE:

INTRODUCTION

FINAL ADOPTION

STAFF RECOMMENDATION:

Adopt the resolution authorizing an amendment to the 2019 RTIP.

BOARD / COMMISSION RECOMMENDATION:

ATTACHMENTS:

1. Explanation
2. Resolution

Explanation

On November 4, 2004, the voters of San Diego County approved the San Diego Transportation Improvement Program Ordinance and Expenditure Plan (04-01) extension. The *TransNet* Extension Ordinance provides that SANDAG, acting as the Regional Transportation Commission, shall approve a multi-year program of projects submitted by local jurisdictions identifying those transportation projects eligible to use transportation sales tax (*TransNet*) funds.

On April 3, 2018, per Resolution No. 2018-49, City Council adopted the 2019 Regional Transportation Improvement Program (RTIP) for National City projects for fiscal years 2019 through 2023.

As a result of a *TransNet* audit completed for Fiscal Year 2019, the City Finance Department was required to perform two inter-project fund transfers to zero-out negative balances. The first transfer is \$501,333 to the Street Resurfacing Project (NC03) from the Plaza Blvd. Widening (NC01) project. The second transfer is \$467,701 to Citywide Safe Routes to School (NC15) from Traffic Signal Install/Upgrade (NC04) in the amount of \$438,449 and \$29,252 from Plaza Blvd. Widening (NC01) project. Construction of Phase I of Plaza Blvd. Widening was completed in June 2017. The necessity for Phase II Improvements for Plaza Blvd. Widening is still under evaluation. Traffic Signal Upgrades are ongoing and have been augmented through available grants.

MPO ID	Project Name	Project Status July 1, 2018	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2019	City Adjustments	Adjusted Status June 30, 2019
Congestion Relief:								
NC01	Plaza Blvd. Widening	536,392	-	-	(5,807)	530,585	(530,585)	-
NC03	Street Resurfacing Project	(497,230)	400,000	-	(100,000)	(197,230)	501,333	304,103
NC04	Traffic Signal Install/Upgrade	333,756	800,000	6,004	(701,311)	438,449	(438,449)	-
NC15	Citywide Safe Routes to School	(364,508)	96,000	-	(199,193)	(467,701)	467,701	-
	2010 Series A Bonds Debt Service	-	378,993	-	(378,993)	-	-	-
Total Congestion Relief		8,410	1,674,993	6,004	(1,385,304)	304,103	-	304,103

Since project programming was increased for projects NC03 and NC15, SANDAG Board Policy No. 003 and the *TransNet* Extension Ordinance require City Council authorization of an amendment to the 2019 RTIP.

RESOLUTION NO. 2020 -

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY
AUTHORIZING AN AMENDMENT TO THE 2019 REGIONAL TRANSPORTATION
IMPROVEMENT PROGRAM (RTIP) FOR NATIONAL CITY TO INCREASE
PROGRAMMING OF LOCAL *TRANSNET* (PROP A) FUNDING FOR THE STREET
RESURFACING PROJECT (NC03) IN THE AMOUNT OF \$501,333 AND THE
CITYWIDE SAFE ROUTES TO SCHOOL (NC15) PROJECT IN THE AMOUNT
OF \$467,701 FOR FISCAL YEAR 2019**

WHEREAS, on November 4, 2004, the voters of San Diego County approved the San Diego Transportation Improvement Program Ordinance and Expenditure Plan (*TransNet* Extension Ordinance); and

WHEREAS, the *TransNet* Extension Ordinance provides that SANDAG, acting as the Regional Transportation Commission, shall approve, on a biennial basis, a multi-year program of projects submitted by local jurisdictions identifying those transportation projects eligible to use transportation sales tax (*TransNet*) funds; and

WHEREAS, on April 3, 2018, per Resolution No. 2018-49, City Council adopted the 2019 Regional Transportation Improvement Program (“RTIP”) for National City projects for Fiscal Years 2019 through 2023; and

WHEREAS, as a result of a *TransNet* audit completed for Fiscal Year 2019, the City Finance Department was required to perform two inter-project fund transfers to zero-out negative balances.

WHEREAS, the first transfer is \$501,333 to the Street Resurfacing Project (NC03) from the Plaza Blvd. Widening (NC01) project and the second transfer is \$467,701 to Citywide Safe Routes to School (NC15) from Traffic Signal Install/Upgrade (NC04) in the amount of \$438,449 and \$29,252 from Plaza Blvd. Widening (NC01) project; and

WHEREAS, construction of Phase I of Plaza Boulevard Widening was completed in June 2017; and

WHEREAS, the necessity for Phase II Improvements for Plaza Boulevard Widening is still under evaluation and the Traffic Signal Upgrades are ongoing and have been augmented through available grants; and

WHEREAS, since project programming was increased for projects NC03 and NC15, SANDAG Board Policy No. 003 and the *TransNet* Extension Ordinance require City Council authorization of an amendment to the 2019 RTIP.

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**Resolution No. 2020 –
Page Two**

NOW, THEREFORE, BE IT RESOLVED that City Council of the City of National City hereby authorizes an amendment to the 2019 Regional Transportation Improvement Program (RTIP) for National City to increase programming of local *TransNet* (Prop A) funding for the Street Resurfacing Project (NC03) in the amount of \$501,333 and the Citywide Safe Routes to School (NC15) project in the amount of \$467,701 for Fiscal Year 2019.

PASSED and ADOPTED this 20th day of October, 2020

Alejandra Sotelo-Solis, Mayor

ATTEST:

Michael R. Dalla, City Clerk

APPROVED AS TO FORM:

Angil P. Morris-Jones, City Attorney

The following page(s) contain the backup material for Agenda Item: [Resolution of the City Council of the City of National City: 1\) approving the submittal of a project application for West 19th Street Greenway project through the Recreational Trail and Greenways Grant Program; and 2\) authorizing the City Manager or designee to execute the grant agreement if selected for funding. \(Engineering/Public Works\)](#)

Please scroll down to view the backup material.

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: October 20, 2020

AGENDA ITEM NO.: _____

ITEM TITLE:

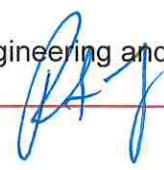
Resolution of the City Council of the City of National City, 1) approving the submittal of a project application for W. 19th Street Greenway project through the Recreational Trail and Greenways Grant Program; and 2) authorizing the City Manager or designee to execute the grant agreement if selected for funding.

PREPARED BY: Luca Zappiello, Assistant Engineer Civil
PHONE: 619-336-4360

DEPARTMENT: Engineering and Public Works

J.F.

APPROVED BY: _____



EXPLANATION:

See attached explanation.

FINANCIAL STATEMENT:

APPROVED: _____ **FINANCE**

ACCOUNT NO.

APPROVED: _____ **MIS**

If grant funds are awarded, staff will return to City Council to accept the grant and appropriate funds.

ENVIRONMENTAL REVIEW:

CEQA Notice of Categorical Exemption will be filed with County Recorder's Office prior to stating construction.

ORDINANCE: INTRODUCTION FINAL ADOPTION

STAFF RECOMMENDATION:

Adopt the Resolution to authorize the filing of the grant application and authorize the City Manager or designee to execute the grant agreement if selected for funding.

BOARD / COMMISSION RECOMMENDATION:

ATTACHMENTS:

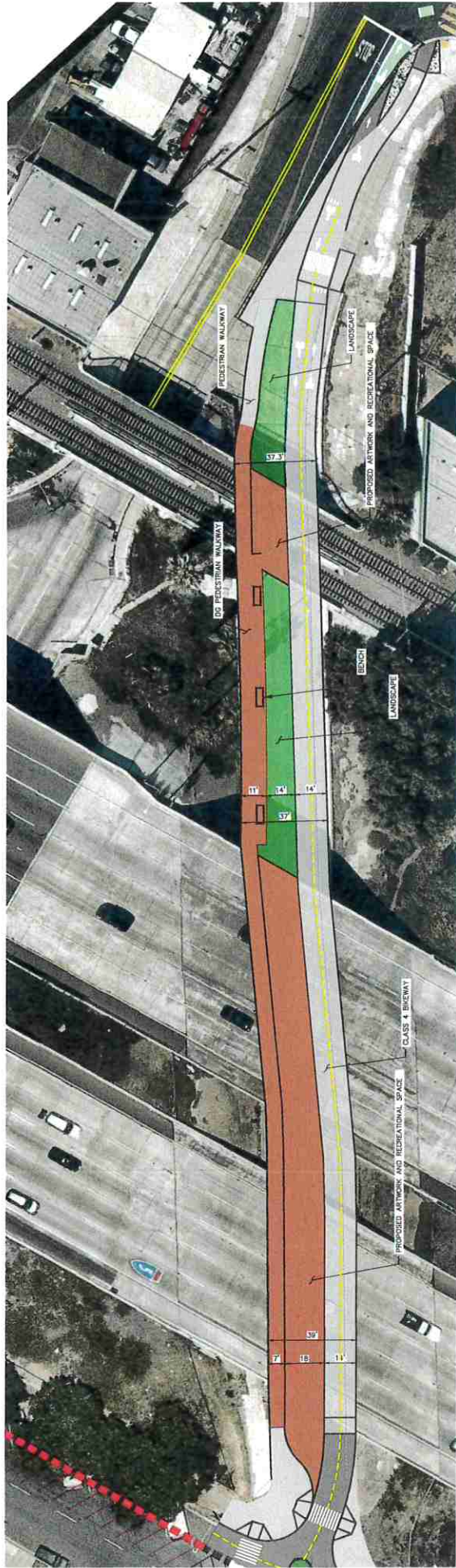
1. Explanation w/ attachments
2. Resolution

Explanation

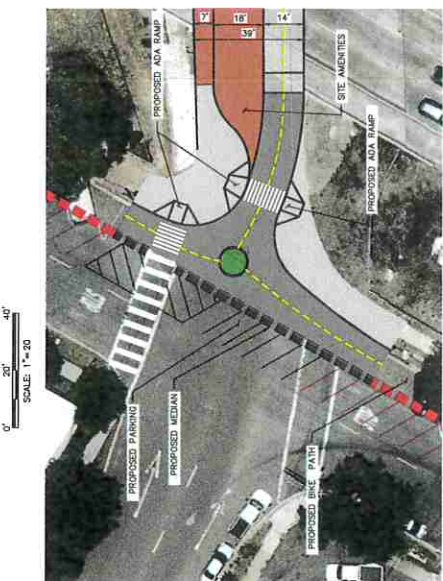
On September 15, 2020, the City Council adopted Resolution No. 2020-182 authorizing staff to submit a project application in the amount of \$1,669,680 for the W. 19th Street Greenway Project through the Recreational Trail and Greenways Program, which includes a General Fund local match of \$100,000 for a total project cost of \$1,769,680; and authorizing the City Manager or designee to execute the grant agreement if selected for funding.

The grant agency requested to City staff to adopt the grant agency's resolution format. After speaking with the City's legal counsel, City staff was directed to present an item to the City Council in order to adopt the grant agency's resolution. City staff reviewed the grant agency's resolution and recommend the adoption.

If grant funds are awarded, staff will return to City Council to accept the grant and establish appropriation of revenues and expenditures. The scheduled completion date for construction would be the end of calendar year 2023.



W 19TH ST CONCEPT - EAST ENTRANCE

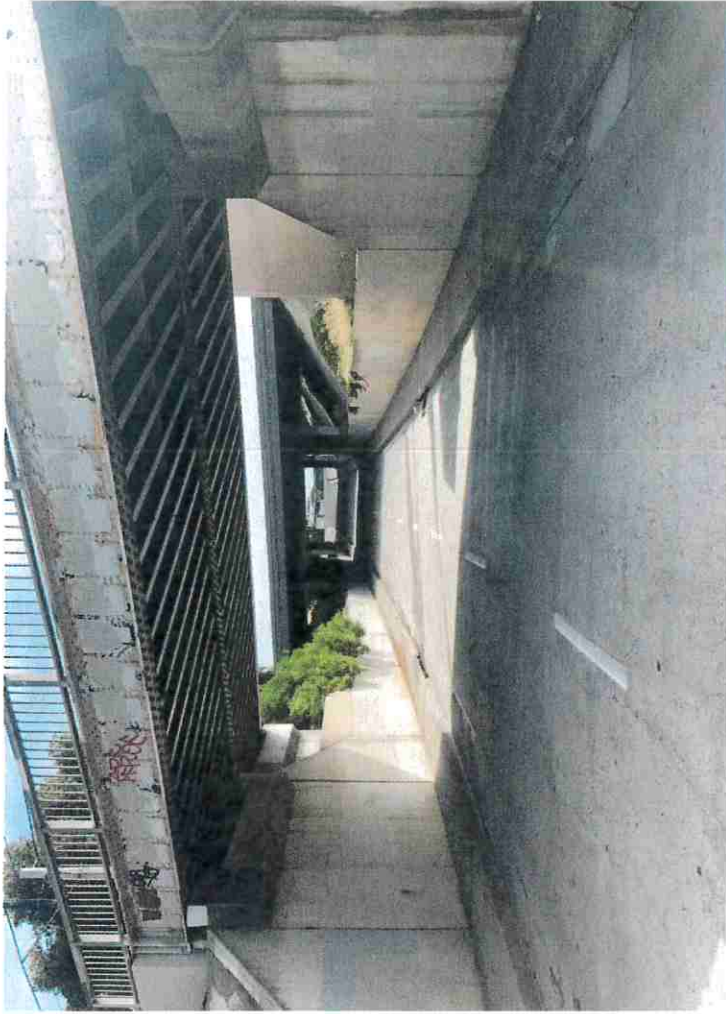


W 19TH ST DETAIL - WEST ENTRANCE



CITY OF NATIONAL CITY - W 19TH STREET MULTI-USE PATH CONCEPT

9/26/2019
Sheet 1 of 2



What it looks like today.



What it could look like tomorrow.

RESOLUTION NO. 2020 -

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY
APPROVING THE APPLICATION FOR GRANT FUNDS FOR THE
RECREATIONAL TRAILS AND GREENWAYS GRANT PROGRAM**

WHEREAS, the Legislature and Governor of the State of California have provided funds for the program shown above; and

WHEREAS, the California Natural Resources Agency has been delegated the responsibility for the administration of this grant program, establishing necessary procedures; and

WHEREAS, said procedures established by the California Natural Resources Agency require a resolution certifying the approval of application(s) by the Applicant's governing board before submission of said application(s) to the State; and

WHEREAS, the Applicant, if selected, will enter into an agreement with the State of California to carry out the project.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of National City hereby;

1. Approves the filing of an application for the West 19th Street Greenway Project; and
2. Certifies that Applicant understands the assurances and certification in the application; and
3. Certifies that Applicant or title holder will have sufficient funds to operate and maintain the project(s) consistent with the land tenure requirements; or will secure the resources to do so; and
4. Certifies that it will comply with all provisions of Section 1771.5 of the California Labor Code; and
5. If applicable, certifies that the project will comply with any laws and regulations including, but not limited to, the *California Environmental Quality Act (CEQA)*, legal requirements for building codes, health and safety codes, and disabled access laws, and that prior to commencement of construction all applicable permits will have been obtained; and
6. Certifies the Applicant will work towards the State Planning Priorities intended to promote equity, strengthen the economy, protect the environment, and promote public health and safety as included in Government Code Section 65041.1; and
7. Appoints the City Manager, or designee, as agent to conduct all negotiations, execute and submit all documents including, but not limited to, applications, agreements, payment requests and so on, which may be necessary for the completion of the aforementioned project(s).

PASSED and ADOPTED this 20th day of October, 2020

Alejandra Sotelo-Solis, Mayor

ATTEST:

Michael R. Dalla, City Clerk

APPROVED AS TO FORM:

Angil P. Morris-Jones, City Attorney

The following page(s) contain the backup material for Agenda Item: [Resolution of the City Council of the City of National City authorizing the installation of a blue curb disabled persons parking space with sign in front of the residence located at 1933 “D” Avenue \(TSC No. 2020-14\). \(Engineering/Public Woks\)](#)

Please scroll down to view the backup material.

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: October 20, 2020

AGENDA ITEM NO.

ITEM TITLE:

Resolution of the City Council of the City of National City authorizing the installation of a blue curb disabled persons parking space with sign in front of the residence located at 1933 "D" Avenue (TSC No. 2020-14).

PREPARED BY: Carla Hutchinson, Assistant Engineer - Civil *C.H.* **DEPARTMENT:** Engineering/Public Works

PHONE: 619-336-4388

APPROVED BY: 

EXPLANATION:

See attached.

FINANCIAL STATEMENT:

ACCOUNT NO.

N/A

APPROVED: _____ **Finance**

APPROVED: _____ **MIS**

ENVIRONMENTAL REVIEW:

N/A

ORDINANCE: INTRODUCTION: FINAL ADOPTION:

STAFF RECOMMENDATION:

Adopt Resolution authorizing installation of a blue curb disabled persons parking space with sign in front of the residence located at 1933 "D" Avenue.

BOARD / COMMISSION RECOMMENDATION:

At their meeting on September 9, 2020, the Traffic Safety Committee approved staff's recommendation to install a blue curb disabled persons parking space with sign in front of the residence located at 1933 "D" Avenue.

ATTACHMENTS:

1. Explanation w/ Exhibit
2. Staff Report to the Traffic Safety Committee on September 9, 2020 (TSC No. 2020-14)
3. Resolution

EXPLANATION

Mrs. Teresa Villavicencio, resident of 1933 D Avenue, has requested a blue curb disabled persons parking space in front of her residence. The resident possesses a valid disabled persons placard from the California Department of Motor Vehicles. Mrs. Villavicencio stated that it is difficult for her to find parking in front of her property due to the high demand of parking in the area and that a disabled persons parking space in front of her house would provide easier access to the house.

Staff visited the site and observed that Mrs. Villavicencio's residence has a driveway and garage. With her permission and supervision, staff measured the driveway and the garage. The driveway is 18 feet long by 9 feet wide with a slope of approximately 16%. In order to accommodate a vehicle with a disabled driver or passenger, the slope must be 2% or less. The garage is 15 feet long by 15 feet wide with a negligible slope. The minimum dimension for a garage or driveway to accommodate a vehicle with a disabled driver or passenger is 20 feet long by 12 feet wide. These two conditions are not met since the dimensions of the garage and driveway, and slope of driveway do not meet the minimum parking requirements for disabled persons.

The City Council has adopted a policy which is used to evaluate requests for disabled persons parking spaces. The City Council Disabled Persons Parking Policy requirements for "Special Hardship" cases are as follows:

1. Applicant (or guardian) must be in possession of valid license plates or placard for "disabled persons" or "disabled veterans". *This condition is met.*
2. The proposed disabled parking space must be in front (or side if on a corner lot) of the applicant's (or guardian's) place of residence. *This condition is met.*
3. The residence must not have useable off-street parking available or an off-street space available that may be converted into disabled parking. *This condition is met.*

This item was presented to the Traffic Safety Committee on September 9, 2020. Staff presented the results of the site evaluation and after discussion, the Traffic Safety Committee voted to approve staff's recommendation to install a blue curb disabled persons parking space with sign, since all three conditions of the City Council Disabled Persons Parking Policy for "Special Hardship" cases are met.

The applicant was informed that handicap parking spaces do not constitute "personal reserved parking" and that any person with valid "disabled persons" license plates or placards may park in handicap spaces.

If approved by City Council, all work will be performed by City Public Works

Location Map with Recommended Enhancements (TSC Item: 2020-14)



**NATIONAL CITY TRAFFIC SAFETY COMMITTEE
AGENDA REPORT FOR SEPTEMBER 9, 2020**

ITEM NO. 2020-14

ITEM TITLE: REQUEST FOR INSTALLATION OF A BLUE CURB DISABLED PERSONS PARKING SPACE WITH SIGNAGE IN FRONT OF THE RESIDENCE AT 1933 "D" AVENUE

PREPARED BY: Carla Hutchinson, Assistant Engineer – Civil Engineering & Public Works Department

DISCUSSION:

Mrs. Teresa Villavicencio, resident of 1933 D Avenue, has requested a blue curb disabled persons parking space in front of her residence. The resident possesses a valid disabled persons placard from the California Department of Motor Vehicles. Mrs. Villavicencio stated that it is difficult for her to find parking in front of her property due to the high demand of parking in the area and that a disabled persons parking space in front of her house would provide easier access to the house.

Staff visited the site and observed that Mrs. Villavicencio's residence has a driveway and garage. With her permission and supervision, staff measured the driveway and the garage. The driveway is 18 feet long by 9 feet wide with a slope of approximately 16%. In order to accommodate a vehicle with a disabled driver or passenger, the slope must be 2% or less. The garage is 15 feet long by 15 feet wide with a negligible slope. The minimum dimension for a garage or driveway to accommodate a vehicle with a disabled driver or passenger is 20 feet long by 12 feet wide. These two conditions are not met since the dimensions of the garage and driveway, and slope of driveway do not meet the minimum parking requirements for disabled persons.

The City Council has adopted a policy which is used to evaluate requests for disabled persons parking spaces. The City Council Disabled Persons Parking Policy requirements for "Special Hardship" cases are as follows:

1. Applicant (or guardian) must be in possession of valid license plates or placard for "disabled persons" or "disabled veterans". *This condition is met.*
2. The proposed disabled parking space must be in front (or side if on a corner lot) of the applicant's (or guardian's) place of residence. *This condition is met.*
3. The residence must not have useable off-street parking available or an off-street space available that may be converted into disabled parking. *This condition is met.*

It shall be noted that disabled persons parking spaces do not constitute "personal reserved parking" and that any person with valid "disabled persons" license plates or placards may park in handicap spaces.

STAFF RECOMMENDATION:

Since all three conditions of the City Council Disabled Persons Parking Policy for “Special Hardship” cases are met, staff recommends the installation of a blue curb disabled persons parking space with signage in front of the residence at 1933 D Avenue.

EXHIBITS:

1. Public Request Form
2. Public Notice
3. Location Map
4. Photos
5. City Council Disabled Persons Parking Policy

2020-14

REQUEST FOR BLUE CURB DISABLED PERSONS PARKING SPACE

NAME OF DISABLED PERSON: Teresa Villavicencio De Luna

NAME OF REPRESENTATIVE FOR DISABLED PERSON (if different from above): _____

ADDRESS: 1933 "D" Ave. N.C. 91950

EMAIL: _____

PHONE NUMBER: _____

Please answer the following questions, which will assist Engineering staff, the Traffic Safety Committee, and your City Council in determining if you are qualified to have a blue curb disabled persons parking space placed in front of your residence. Please be informed that all blue curb parking spaces are considered public parking. Therefore, any registered vehicle in possession of a disabled persons placard or license plate is legally allowed to park in the blue curb space for up to 72 continuous hours.

1) Do you possess a valid disabled person's placard issued by the California Department of Motor Vehicles (DMV)? YES NO
If YES, please include a copy of the placard, which contains your name, address, placard number, and expiration date.

2) Does your residence have a garage? YES NO
If YES, is the garage large enough to park a vehicle (minimum of 20' x 12')? YES NO

3) Does your residence have a driveway? YES NO
If YES, a) is the driveway large enough to park a vehicle? YES NO C.H.
(minimum of 20' x 12')
b) Is the driveway level? YES NO
c) Is the driveway sloped/inclined? YES NO

4) Please write any additional comments here (optional).

CUSTOMER RECEIPT COPY

EXPIRES: 06/30/2021

*** D I S A B L E D P E R S O N P L A C A R D ***

PLACARD NUMBER: .

PIC:

TV: .

DATE ISSUED:

MO/YR:

VILLAVICENCIOOSUNA TERESA
1933 D AVE

DT FEES RECVD:

NATIONAL CITY
CA 91950

AMT DUE : NONE
AMT RECVD - CASH :
- CHCK :
- CRDT :

CO:

DEPARTMENT OF MOTOR VEHICLES PLACARD IDENTIFICATION CARD

THIS IDENTIFICATION CARD OR FACSIMILE COPY IS TO BE CARRIED BY THE PLACARD OWNER. PRESENT IT TO ANY PEACE OFFICER UPON DEMAND. IMMEDIATELY NOTIFY DMV BY PHONE OR MAIL OF ANY CHANGE OF ADDRESS. WHEN PARKING, HANG THE PLACARD FROM THE REAR VIEW MIRROR. REMOVE IT WHEN DRIVING.

PLACARD#:

EXPIRES: 06/30/2021

DOB:

ISSUED:

TYPE:

PLACARD HOLDER:

VILLAVICENCIOOSUNA TERESA
1933 D AVE

NATIONAL CITY

CA

91950

PURCHASE OF FUEL (BUSINESS & PROFESSIONS CODE 13660):

STATE LAW REQUIRES SERVICE STATIONS TO REFUEL A DISABLED PERSON'S VEHICLE AT SELF-SERVICE RATES, EXCEPT SELF-SERVICE FACILITIES WITH ONLY ONE CASHIER.

WHEN YOUR PLACARD IS PROPERLY DISPLAYED, YOU MAY PARK IN/ON:

*DISABLED PERSON PARKING SPACES (BLUE ZONES) *STREET METERED ZONES WITHOUT PAYING *GREEN ZONES WITHOUT RESTRICTIONS TO TIME LIMITS *STREET WHERE PREFERENTIAL PARKING PRIVILEGES ARE GIVEN TO RESIDENTS AND MERCHANTS.

YOU MAY NOT PARK IN/ON: *RED ZONES *TOW AWAY ZONES *WHITE OR YELLOW ZONES *SPACES MARKED BY CROSSHATCH LINES NEXT TO DISABLED PERSON PARKING SPACES.

IT IS CONSIDERED MISUSE: *TO DISPLAY A PLACARD UNLESS THE DISABLED OWNER IS BEING TRANSPORTED *TO DISPLAY A PLACARD WHICH HAS BEEN CANCELLED OR REVOKED *TO LOAN YOUR PLACARD TO ANYONE, INCLUDING FAMILY MEMBERS. MISUSE IS A MISDEMEANOR (SECTION 4461VC) AND CAN RESULT IN CANCELLATION OR REVOCATION OF THE PLACARD, LOSS OF PARKING PRIVILEGES, AND/OR FINES.



September 2, 2020

Resident/Property Owner

Subject: TRAFFIC SAFETY COMMITTEE (TSC) ITEM NO. 2020-14

**REQUEST FOR INSTALLATION OF A BLUE CURB DISABLED PERSONS
PARKING SPACE WITH SIGNAGE IN FRONT OF THE RESIDENCE LOCATED
AT 1933 "D" AVENUE**

Dear Sir/Madame:

The City of National City would like to invite you to our next public Traffic Safety Committee Conference Call scheduled for **Wednesday, September 9, 2020, at 1:00 P.M.** via Zoom. Please use the following information to call-in to the meeting during the scheduled time:

Join Zoom Meeting from computer

<https://zoom.us/j/96504122630?pwd=YnMwZFZjNkRvaTdpR09TWWZfZzRIQT09>

Join Zoom Meeting by phone

+1 669-900-9128

Meeting ID: 965 0412 2630

Password: 588410

If you have any questions, comments, and/or concerns, please contact the Engineering Department at 619-336-4380 and reference Traffic Safety Committee Item Number 2020-14.

Sincerely,

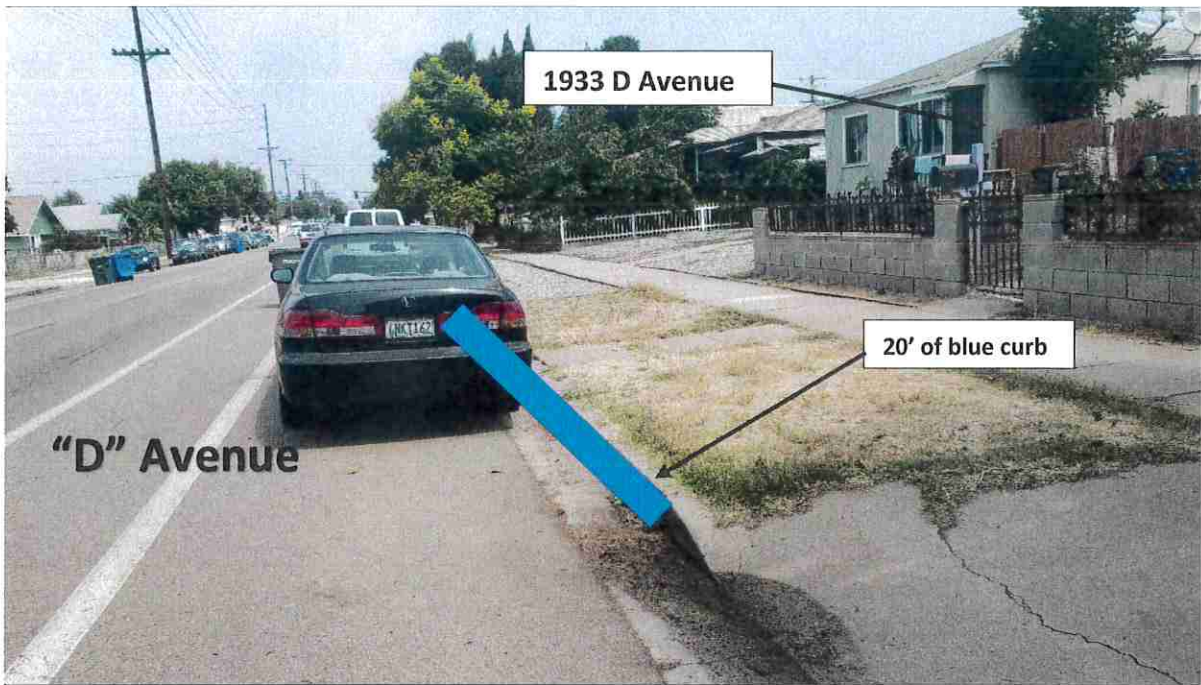
Roberto Yano, P.E.
City Engineer/Director of Public Works

RY:ch

Enclosure: Location Map
2020-14

Location Map with Recommended Enhancements (TSC Item: 2020-14)





Location of proposed blue curb disabled persons parking space in front of 1933 D Avenue (looking north)



Location of proposed blue curb disabled persons parking space in front of 1933 D Avenue (looking east)

DISABLED PERSONS PARKING POLICY

The purpose of a disabled persons parking zone is to provide designated parking spaces at major points of assembly for the exclusive use of physically disabled persons whose vehicle displays a distinguishing license plate as authorized by the California Department of Motor Vehicles.

The City Council may upon recommendation of the City Engineer, designate specially marked and posted on-street parking spaces for disabled persons pursuant to California Vehicle Code 21101, et seq. at the following facilities:

1. Government buildings serving the public such as administration buildings, public employment offices, public libraries, police stations, etc.
2. Hospitals and convalescent homes with more than 75-bed capacity.
3. Medical facilities and doctors' offices staffed by a maximum of five practitioners. Zones shall be located to serve a maximum number of facilities on one block.
4. Community service facilities such as senior citizens service centers, etc.
5. Accredited vocational training and educational facilities where no off-street parking is provided for disabled persons.
6. Employment offices for major enterprises employing more than 200 persons.
7. Public recreational facilities including municipal swimming pools, recreation halls, museums, etc.
8. Public theaters, auditoriums, meeting halls, arenas, stadiums with more than 300 seating capacity.
9. Other places of assembly such as schools and churches.
10. Commercial and/or office building(s) with an aggregate of more than 50,000 square feet of usable floor space. Zone shall be located to serve a maximum number of facilities on one block.
11. Hotels catering to daily guests, maintaining a ground floor lobby and a switchboard that is operated 24 hours per day.

12. A hotel or apartment house catering to weekly or monthly guests and containing more than 30 separate living units.

In addition, disabled persons parking spaces may be provided within all publicly owned, leased or controlled off-street parking facilities as specified in the General Requirements.

General Requirements

Each disabled persons parking space shall be indicated by blue paint and a sign (white on blue) showing the international symbol of accessibility (a profile view of a wheelchair with occupant).

Where installed under the above criteria the total number of disabled persons curb parking spaces will be limited to 3% of the total number of on-street parking spaces available in the area and shall be distributed uniformly within the area.

Disabled persons parking will not be installed at locations with a full-time parking prohibition. When a disabled persons parking zone is installed where a part-time parking prohibition is in effect, the disabled persons parking zone will have the same time restrictions as the part-time parking prohibition.

The cost of installing disabled persons parking will be assumed by the City on public streets and public off-street parking facilities.

In establishing on-street parking facilities for the disabled there shall be a reasonable determination made that the need is of an on-going nature. The intent is to prevent the proliferation of special parking stalls that may be installed for a short-term purpose but later are seldom used. Unjustified installation of such parking stalls unnecessarily increases the City's maintenance and operations costs, reduce available on-street parking for the general public, and detract from the overall effectiveness of the disabled persons parking program.

Special Hardship Cases

It is not the intention of the City to provide personal reserved parking on the public right-of-way, especially in residential areas. However, exceptions may be made, in special hardship cases, provided all of the following conditions exists:

- (1) Applicant (or guardian) must be in possession of valid license plates for "disabled persons" or "disabled veterans."
- (2) The proposed disabled parking space must be in front of the applicant's (or guardian's) place of residence.

- (3) Subject residence must not have useable off-street parking available or off-street space available that may be converted into disabled parking.

NOTE:It must be emphasized that such parking spaces do not constitute "personal reserved parking" and that any person with valid "disabled persons" license plates may park in the above stalls.

Jha:p

RESOLUTION NO. 2020 -

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY
AUTHORIZING THE INSTALLATION OF A BLUE CURB DISABLED PERSONS
PARKING SPACE WITH SIGN IN FRONT OF THE RESIDENCE LOCATED AT 1933
“D” AVENUE (TSC NO. 2020-14)**

WHEREAS, a resident of 1933 “D” Avenue possesses a valid Disabled Person Placard from the State of California Department of Motor Vehicles and has requested the installation of a blue curb disabled persons parking space in front of the residence to provide easier and safer access to the home because the demand for parking is high making it difficult to find on-street parking; and

WHEREAS, after conducting an inspection and review, City Staff has determined that all conditions have been met for the property to qualify for a blue curb disabled persons parking space in front of the home; and

WHEREAS, on September 9, 2020, the Traffic Safety Committee voted unanimously to approve the installation of a blue curb disabled persons parking space with signage in front of the residence located at 1933 “D” Avenue.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of National City hereby authorizes the installation of a blue curb disabled persons parking space with signage in front of the residence located at 1933 “D” Avenue (TSC No. 2020 – 14)

PASSED and ADOPTED this 20th day of October, 2020.

Alejandra Sotelo-Solis, Mayor

ATTEST:

Michael R. Dalla, City Clerk

APPROVED AS TO FORM:

Angil P. Morris-Jones, City Attorney

The following page(s) contain the backup material for Agenda Item: [Resolution of the City Council of the City of National City authorizing the installation of a blue curb disabled persons parking space with sign in front of the residence located at 825 “R” Avenue \(TSC No. 2020-15\). \(Engineering/Public Works\)](#)

Please scroll down to view the backup material.

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: October 20, 2020

AGENDA ITEM NO.

ITEM TITLE:

Resolution of the City Council of the City of National City authorizing the installation of a blue curb disabled persons parking space with sign in front of the residence located at 825 "R" Avenue (TSC No. 2020-15).

PREPARED BY: Carla Hutchinson, Assistant Engineer - Civil *C.H.* **DEPARTMENT:** Engineering/Public Works

PHONE: 619-336-4388

APPROVED BY: 

EXPLANATION:

See attached.

FINANCIAL STATEMENT:

ACCOUNT NO.

N/A

APPROVED: _____ **Finance**

APPROVED: _____ **MIS**

ENVIRONMENTAL REVIEW:

N/A

ORDINANCE: INTRODUCTION: **FINAL ADOPTION:**

STAFF RECOMMENDATION:

Adopt Resolution authorizing installation of a blue curb disabled persons parking space with sign in front of the residence located at 825 "R" Avenue.

BOARD / COMMISSION RECOMMENDATION:

At their meeting on September 9, 2020, the Traffic Safety Committee approved staff's recommendation to install a blue curb disabled persons parking space with sign in front of the residence located at 825 "R" Avenue.

ATTACHMENTS:

1. Explanation w/ Exhibit
2. Staff Report to the Traffic Safety Committee on September 9, 2020 (TSC No. 2020-15)
3. Resolution

EXPLANATION

Mr. Sergio Gomez, resident of 825 R Avenue, has requested a blue curb disabled persons parking space in front of his residence. The resident possesses a valid disabled persons placard from the California Department of Motor Vehicles. Mr. Gomez stated that it is difficult for him to find parking in front of his property due to the high demand of parking in the area and that a disabled persons parking space in front of his house would provide easier access to the house.

Staff visited the site and observed that Mr. Gomez' residence has a driveway and garage. With his permission and supervision, staff measured the driveway and the garage. The driveway is 18 feet long by 10 feet wide with negligible slope. The garage is 16 feet long by 12 feet wide with a negligible slope. The minimum dimension for a garage or driveway to accommodate a vehicle with a disabled driver or passenger is 20 feet long by 12 feet wide. This condition is not met since the dimensions of the garage and driveway do not meet the minimum parking requirements for disabled persons.

The City Council has adopted a policy which is used to evaluate requests for disabled persons parking spaces. The City Council Disabled Persons Parking Policy requirements for "Special Hardship" cases are as follows:

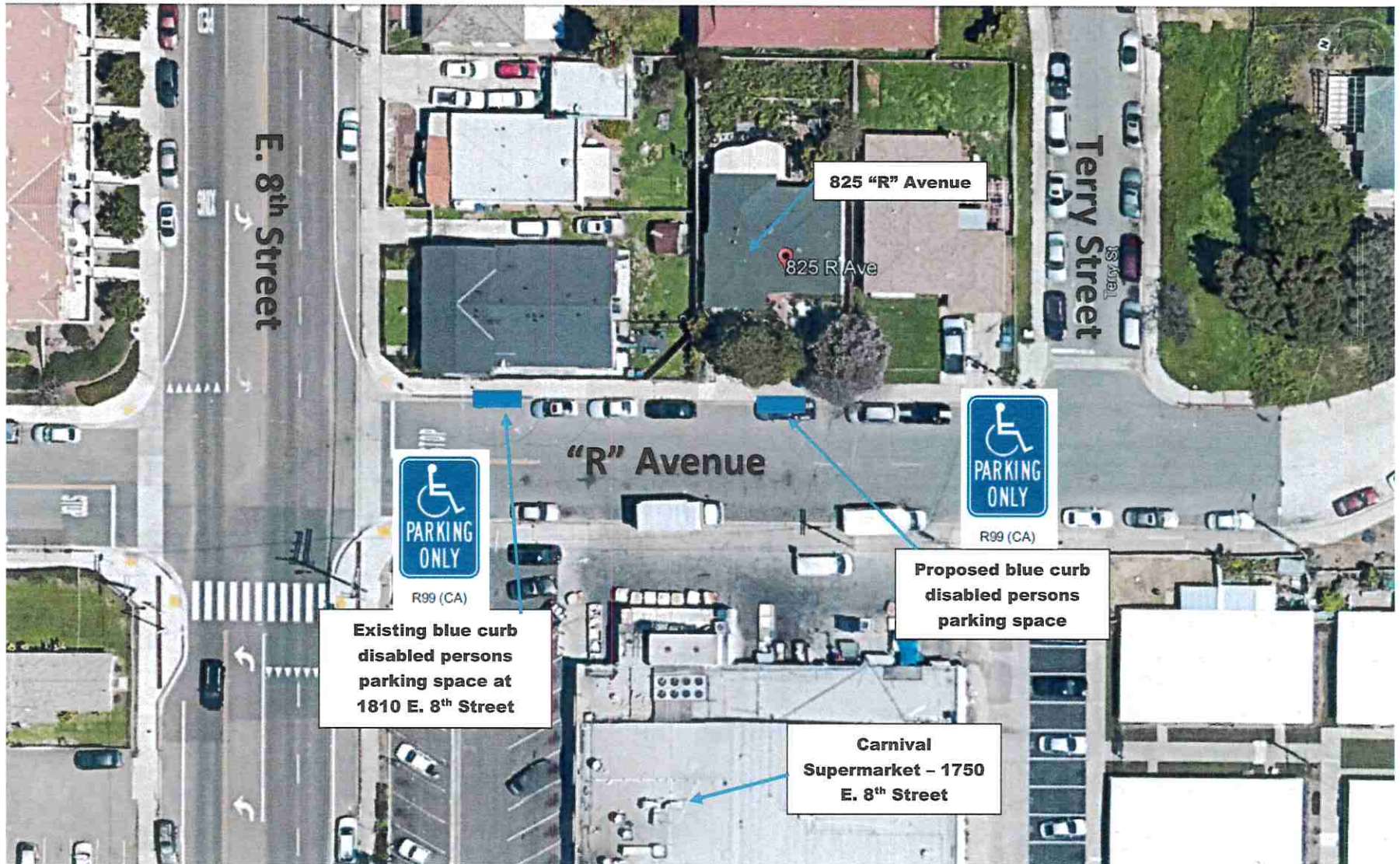
1. Applicant (or guardian) must be in possession of valid license plates or placard for "disabled persons" or "disabled veterans". *This condition is met.*
2. The proposed disabled parking space must be in front (or side if on a corner lot) of the applicant's (or guardian's) place of residence. *This condition is met.*
3. The residence must not have useable off-street parking available or an off-street space available that may be converted into disabled parking. *This condition is met.*

This item was presented to the Traffic Safety Committee on September 9, 2020. Staff presented the results of the site evaluation and after discussion, the Traffic Safety Committee voted to approve staff's recommendation to install a blue curb disabled persons parking space with sign, since all three conditions of the City Council Disabled Persons Parking Policy for "Special Hardship" cases are met.

The applicant was informed that handicap parking spaces do not constitute "personal reserved parking" and that any person with valid "disabled persons" license plates or placards may park in handicap spaces.

If approved by City Council, all work will be performed by City Public Works

Location Map with Recommended Enhancements (TSC Item: 2020-15)



**NATIONAL CITY TRAFFIC SAFETY COMMITTEE
AGENDA REPORT FOR SEPTEMBER 9, 2020**

ITEM NO. 2020-15

ITEM TITLE: REQUEST FOR INSTALLATION OF A BLUE CURB DISABLED PERSONS PARKING SPACE WITH SIGNAGE IN FRONT OF THE RESIDENCE AT 825 "R" AVENUE

PREPARED BY: Carla Hutchinson, Assistant Engineer – Civil
Engineering & Public Works Department

DISCUSSION:

Mr. Sergio Gomez, resident of 825 R Avenue, has requested a blue curb disabled persons parking space in front of his residence. The resident possesses a valid disabled persons placard from the California Department of Motor Vehicles. Mr. Gomez stated that it is difficult for him to find parking in front of his property due to the high demand of parking in the area and that a disabled persons parking space in front of his house would provide easier access to the house.

Staff visited the site and observed that Mr. Gomez' residence has a driveway and garage. With his permission and supervision, staff measured the driveway and the garage. The driveway is 18 feet long by 10 feet wide with negligible slope. The garage is 16 feet long by 12 feet wide with a negligible slope. The minimum dimension for a garage or driveway to accommodate a vehicle with a disabled driver or passenger is 20 feet long by 12 feet wide. This condition is not met since the dimensions of the garage and driveway do not meet the minimum parking requirements for disabled persons.

The City Council has adopted a policy which is used to evaluate requests for disabled persons parking spaces. The City Council Disabled Persons Parking Policy requirements for "Special Hardship" cases are as follows:

1. Applicant (or guardian) must be in possession of valid license plates or placard for "disabled persons" or "disabled veterans". *This condition is met.*
2. The proposed disabled parking space must be in front (or side if on a corner lot) of the applicant's (or guardian's) place of residence. *This condition is met.*
3. The residence must not have useable off-street parking available or an off-street space available that may be converted into disabled parking. *This condition is met.*

It shall be noted that disabled persons parking spaces do not constitute "personal reserved parking" and that any person with valid "disabled persons" license plates or placards may park in handicap spaces.

STAFF RECOMMENDATION:

Since all three conditions of the City Council Disabled Persons Parking Policy for "Special Hardship" cases are met, staff recommends the installation of a blue curb disabled persons parking space with signage in front of the residence at 825 R Avenue.

EXHIBITS:

1. Public Request Form
2. Public Notice
3. Location Map
4. Photos
5. City Council Disabled Persons Parking Policy

2020-15

REQUEST FOR BLUE CURB DISABLED PERSONS PARKING SPACE

NAME OF DISABLED PERSON: Sergio Gómez Gonzalez

NAME OF REPRESENTATIVE FOR DISABLED PERSON (if different from above):
N/A

*physical
mail
PO Box 722
National City CA
91951*

ADDRESS: 825 R Ave National City CA 91950

EMAIL: _____

PHONE NUMBER: _____

Please answer the following questions, which will assist Engineering staff, the Traffic Safety Committee, and your City Council in determining if you are qualified to have a blue curb disabled persons parking space placed in front of your residence. Please be informed that all blue curb parking spaces are considered public parking. Therefore, any registered vehicle in possession of a disabled persons placard or license plate is legally allowed to park in the blue curb space for up to 72 continuous hours.

- 1) Do you possess a valid disabled person's placard issued by the California Department of Motor Vehicles (DMV)? YES NO
If YES, please include a copy of the placard, which contains your name, address, placard number, and expiration date.
- 2) Does your residence have a garage? YES NO
If YES, is the garage large enough to park a vehicle (minimum of 20' x 12')? YES NO
- 3) Does your residence have a driveway? YES NO
If YES, a) Is the driveway large enough to park a vehicle? (minimum of 20' x 12') YES NO
b) Is the driveway level? YES NO
c) Is the driveway sloped/inclined? YES NO
- 4) Please write any additional comments here (optional).

Problem is house behind supermarket
Plot of large trailers leaving
things for the supermarket making
parking in driveway + garage very
dangerous.

Building Inspector Herrera suggested
parking curb blue for safety

DEPARTMENT OF MOTOR VEHICLES

PLACARD NUMBER:

DISABLED PERSON
PLACARD IDENTIFICATION
CARD/RECEIPT



A Public Service Agency

EXPIRES: 06/30/2021

DATE ISSUED: (

This identification card or facsimile copy is to be carried by the placard owner. Present it to any peace officer upon demand. Immediately notify DMV by mail of any change of address. When parking, hang the placard from the rear view mirror, remove it from the mirror when driving.

When your placard is properly displayed, you may park in or on:

- * Disabled person parking spaces (blue zones)
- * Street metered zones without paying.
- * Green zones without restrictions to time limits.
- * Streets where preferential parking privileges are given to residents and merchants.

You may not park in or on:

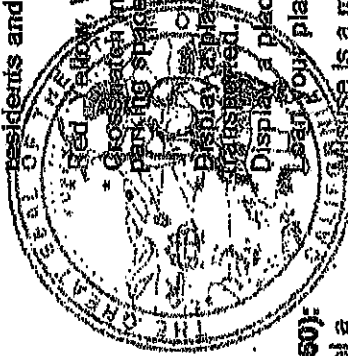
- * Cross-hatched marked spaces next to disabled person parking spaces.

It is considered misuse to:

- * Display a placard unless the disabled owner is being transported.
- * Display a placard which has been cancelled or revoked.
- * Loan your placard to anyone, including family members.
- * Misuse is a misdemeanor (section 4461VC) and can result in cancellation or revocation of the placard, loss of parking privileges, and/or fines.

ISSUED TO
GONZALEZ SERGIO GOMEZ
PO BOX 722

NATIONAL CITY CA 91951



Purchase of fuel
(Business & Professions Code 13650):

- * State law requires service stations to refund a disabled person's vehicle at self-service rates except self-service facilities with only one cashier.

DMV Form (REV) 002



September 2, 2020

Resident/Property Owner

Subject: TRAFFIC SAFETY COMMITTEE (TSC) ITEM NO. 2020-15

**REQUEST FOR INSTALLATION OF A BLUE CURB DISABLED PERSONS
PARKING SPACE WITH SIGNAGE IN FRONT OF THE RESIDENCE LOCATED
AT 825 "R" AVENUE**

Dear Sir/Madame:

The City of National City would like to invite you to our next public Traffic Safety Committee Conference Call scheduled for **Wednesday, September 9, 2020, at 1:00 P.M.** via Zoom. Please use the following information to call-in to the meeting during the scheduled time:

Join Zoom Meeting from computer

<https://zoom.us/j/96504122630?pwd=YnMwZFZjNkRvaTdpR09TWWZlZzRIQT09>

Join Zoom Meeting by phone

+1 669-900-9128

Meeting ID: 965 0412 2630

Password: 588410

If you have any questions, comments, and/or concerns, please contact the Engineering Department at 619-336-4380 and reference Traffic Safety Committee Item Number 2020-15.

Sincerely,

Roberto Yano, P.E.
City Engineer/Director of Public Works

RY:ch

Enclosure: Location Map
2020-15

Location Map with Recommended Enhancements (TSC Item: 2020-15)





Location of proposed blue curb disabled persons parking space in front of 825 R Avenue (looking south)



Location of proposed blue curb disabled persons parking space in front of 825 R Avenue (looking east)

DISABLED PERSONS PARKING POLICY

The purpose of a disabled persons parking zone is to provide designated parking spaces at major points of assembly for the exclusive use of physically disabled persons whose vehicle displays a distinguishing license plate as authorized by the California Department of Motor Vehicles.

The City Council may upon recommendation of the City Engineer, designate specially marked and posted on-street parking spaces for disabled persons pursuant to California Vehicle Code 21101, et seq. at the following facilities:

1. Government buildings serving the public such as administration buildings, public employment offices, public libraries, police stations, etc.
2. Hospitals and convalescent homes with more than 75-bed capacity.
3. Medical facilities and doctors' offices staffed by a maximum of five practitioners. Zones shall be located to serve a maximum number of facilities on one block.
4. Community service facilities such as senior citizens service centers, etc.
5. Accredited vocational training and educational facilities where no off-street parking is provided for disabled persons.
6. Employment offices for major enterprises employing more than 200 persons.
7. Public recreational facilities including municipal swimming pools, recreation halls, museums, etc.
8. Public theaters, auditoriums, meeting halls, arenas, stadiums with more than 300 seating capacity.
9. Other places of assembly such as schools and churches.
10. Commercial and/or office building(s) with an aggregate of more than 50,000 square feet of usable floor space. Zone shall be located to serve a maximum number of facilities on one block.
11. Hotels catering to daily guests, maintaining a ground floor lobby and a switchboard that is operated 24 hours per day.

12. A hotel or apartment house catering to weekly or monthly guests and containing more than 30 separate living units.

In addition, disabled persons parking spaces may be provided within all publicly owned, leased or controlled off-street parking facilities as specified in the General Requirements.

General Requirements

Each disabled persons parking space shall be indicated by blue paint and a sign (white on blue) showing the international symbol of accessibility (a profile view of a wheelchair with occupant).

Where installed under the above criteria the total number of disabled persons curb parking spaces will be limited to 3% of the total number of on-street parking spaces available in the area and shall be distributed uniformly within the area.

Disabled persons parking will not be installed at locations with a full-time parking prohibition. When a disabled persons parking zone is installed where a part-time parking prohibition is in effect, the disabled persons parking zone will have the same time restrictions as the part-time parking prohibition.

The cost of installing disabled persons parking will be assumed by the City on public streets and public off-street parking facilities.

In establishing on-street parking facilities for the disabled there shall be a reasonable determination made that the need is of an on-going nature. The intent is to prevent the proliferation of special parking stalls that may be installed for a short-term purpose but later are seldom used. Unjustified installation of such parking stalls unnecessarily increases the City's maintenance and operations costs, reduce available on-street parking for the general public, and detract from the overall effectiveness of the disabled persons parking program.

Special Hardship Cases

It is not the intention of the City to provide personal reserved parking on the public right-of-way, especially in residential areas. However, exceptions may be made, in special hardship cases, provided all of the following conditions exists:

- (1) Applicant (or guardian) must be in possession of valid license plates for "disabled persons" or "disabled veterans."
- (2) The proposed disabled parking space must be in front of the applicant's (or guardian's) place of residence.

- (3) Subject residence must not have useable off-street parking available or off-street space available that may be converted into disabled parking.

NOTE: It must be emphasized that such parking spaces do not constitute "personal reserved parking" and that any person with valid "disabled persons" license plates may park in the above stalls.

Jha:p

RESOLUTION NO. 2020 -

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY
AUTHORIZING THE INSTALLATION OF A BLUE CURB DISABLED PERSONS
PARKING SPACE WITH SIGN IN FRONT OF THE RESIDENCE LOCATED AT 825
“R” AVENUE (TSC NO. 2020-15)**

WHEREAS, a resident of 825 “R” Avenue possesses a valid Disabled Person Placard from the State of California Department of Motor Vehicles and has requested the installation of a blue curb disabled persons parking space in front of the residence to provide easier and safer access to the home because the demand for parking is high making it difficult to find on-street parking; and

WHEREAS, after conducting an inspection and review, City Staff has determined that all conditions have been met for the property to qualify for a blue curb disabled persons parking space in front of the home; and

WHEREAS, on September 9, 2020, the Traffic Safety Committee voted unanimously to approve the installation of a blue curb disabled persons parking space with signage in front of the residence located at 825 “R” Avenue.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of National City hereby authorizes the installation of a blue curb disabled persons parking space with signage in front of the residence located at 825 “R” Avenue (TSC No. 2020 – 15)

PASSED and ADOPTED this 20th day of October, 2020.

Alejandra Sotelo-Solis, Mayor

ATTEST:

Michael R. Dalla, City Clerk

APPROVED AS TO FORM:

Angil P. Morris-Jones, City Attorney

The following page(s) contain the backup material for Agenda Item: [Warrant Register #9 for the period of 8/26/20 through 9/1/20 in the amount of \\$1,820,996.03. \(Finance\)](#)

Please scroll down to view the backup material.

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: October 20, 2020

AGENDA ITEM NO.:

ITEM TITLE:

Warrant Register #9 for the period of 8/26/20 through 9/1/20 in the amount of \$1,820,996.03. (Finance)

PREPARED BY: Karla Apalategui, Senior Accounting Assistant

DEPARTMENT: Finance

PHONE: 619-336-4572

APPROVED BY: 

EXPLANATION:

Per Government Section Code 37208, attached are the warrants issued for the period 8/26/20 - 9/1/20. Consistent with Department of Finance's practice, listed below are all payments above \$50,000.

<u>Vendor</u>	<u>Check/Wire</u>	<u>Amount</u>	<u>Explanation</u>
Miramar Bobcat Inc	349056	108,684.70	Bobcat Compack Track Loader / PW
Southwest Signal Service	349067	55,807.53	Lighting Services / PW
Paradise Creek II Housing	977178	558,824.23	Remediation Cost #3

FINANCIAL STATEMENT:

APPROVED: 

FINANCE

ACCOUNT NO.

APPROVED: _____

MIS

Warrant total \$1,820,996.03.

ENVIRONMENTAL REVIEW:

This is not a project and, therefore, not subject to environmental review.

ORDINANCE: INTRODUCTION FINAL ADOPTION

STAFF RECOMMENDATION:

Ratify warrants totaling \$1,820,996.03.

BOARD / COMMISSION RECOMMENDATION:

ATTACHMENTS:

Warrant Register # 9



**WARRANT REGISTER # 9
9/1/2020**

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
ACEDO, I	RETIREE HEALTH BENEFITS - SEP 2020	349082	9/1/20	160.00
ANDERSON, E	RETIREE HEALTH BENEFITS - SEP 2020	349083	9/1/20	110.00
BEARD, P	RETIREE HEALTH BENEFITS - SEP 2020	349084	9/1/20	70.00
BECK, L	RETIREE HEALTH BENEFITS - SEP 2020	349085	9/1/20	140.00
BISHOP, R	RETIREE HEALTH BENEFITS - SEP 2020	349086	9/1/20	110.00
BOEGLER, C	RETIREE HEALTH BENEFITS - SEP 2020	349087	9/1/20	260.00
BULL, P	RETIREE HEALTH BENEFITS - SEP 2020	349088	9/1/20	580.00
CAMEON, C	RETIREE HEALTH BENEFITS - SEP 2020	349089	9/1/20	400.00
CARRILLO, R	RETIREE HEALTH BENEFITS - SEP 2020	349090	9/1/20	290.00
COLE, L	RETIREE HEALTH BENEFITS - SEP 2020	349091	9/1/20	165.00
COLLINSON, C	RETIREE HEALTH BENEFITS - SEP 2020	349092	9/1/20	420.00
CONDON, D	RETIREE HEALTH BENEFITS - SEP 2020	349093	9/1/20	280.00
CORDERO, E	RETIREE HEALTH BENEFITS - SEP 2020	349094	9/1/20	520.00
DANESHFAR, Z	RETIREE HEALTH BENEFITS - SEP 2020	349095	9/1/20	250.00
DEESE, L	RETIREE HEALTH BENEFITS - SEP 2020	349096	9/1/20	660.00
DESROCHERS, P	RETIREE HEALTH BENEFITS - SEP 2020	349097	9/1/20	110.00
DIAZ, M	RETIREE HEALTH BENEFITS - SEP 2020	349098	9/1/20	680.00
DILLARD, S	RETIREE HEALTH BENEFITS - SEP 2020	349099	9/1/20	480.00
DREDGE, J	RETIREE HEALTH BENEFITS - SEP 2020	349100	9/1/20	250.00
EISER III, G	RETIREE HEALTH BENEFITS - SEP 2020	349101	9/1/20	250.00
ESPIRITU, D	RETIREE HEALTH BENEFITS - SEP 2020	349102	9/1/20	620.00
ETZLER, J	RETIREE HEALTH BENEFITS - SEP 2020	349103	9/1/20	460.00
FABINSKI, D	RETIREE HEALTH BENEFITS - SEP 2020	349104	9/1/20	220.00
FERNANDEZ, R	RETIREE HEALTH BENEFITS - SEP 2020	349105	9/1/20	270.00
FIFIELD, K	RETIREE HEALTH BENEFITS - SEP 2020	349106	9/1/20	540.00
GAUT, A	RETIREE HEALTH BENEFITS - SEP 2020	349107	9/1/20	700.00
GELSKEY, K	RETIREE HEALTH BENEFITS - SEP 2020	349108	9/1/20	115.00
GIBBS JR, R	RETIREE HEALTH BENEFITS - SEP 2020	349109	9/1/20	120.00
GONZALES, M	RETIREE HEALTH BENEFITS - SEP 2020	349110	9/1/20	480.00
HANSON, E	RETIREE HEALTH BENEFITS - SEP 2020	349111	9/1/20	135.00
HARLAN, M	RETIREE HEALTH BENEFITS - SEP 2020	349112	9/1/20	500.00
HAUG, S	RETIREE HEALTH BENEFITS - SEP 2020	349113	9/1/20	120.00
HERNANDEZ, G	RETIREE HEALTH BENEFITS - SEP 2020	349114	9/1/20	500.00
HERNANDEZ, M	RETIREE HEALTH BENEFITS - SEP 2020	349115	9/1/20	600.00
HERNANDEZ, R	RETIREE HEALTH BENEFITS - SEP 2020	349116	9/1/20	400.00
HODGES, B	RETIREE HEALTH BENEFITS - SEP 2020	349117	9/1/20	200.00
IBARRA, J	RETIREE HEALTH BENEFITS - SEP 2020	349118	9/1/20	780.00
JONES, D	RETIREE HEALTH BENEFITS - SEP 2020	349119	9/1/20	480.00
JUNIEL, R	RETIREE HEALTH BENEFITS - SEP 2020	349120	9/1/20	50.00
KIMBLE, R	RETIREE HEALTH BENEFITS - SEP 2020	349121	9/1/20	300.00
KLOS, F	RETIREE HEALTH BENEFITS - SEP 2020	349122	9/1/20	480.00
LEACH, D	RETIREE HEALTH BENEFITS - SEP 2020	349123	9/1/20	600.00
LIMFUECO, M	RETIREE HEALTH BENEFITS - SEP 2020	349124	9/1/20	160.00
MATIENZO, M	RETIREE HEALTH BENEFITS - SEP 2020	349125	9/1/20	100.00
MCCABE, T	RETIREE HEALTH BENEFITS - SEP 2020	349126	9/1/20	280.00
MCDANIEL, P	RETIREE HEALTH BENEFITS - SEP 2020	349127	9/1/20	290.00
MEDINA, D	RETIREE HEALTH BENEFITS - SEP 2020	349128	9/1/20	105.00
MEEKS, J	RETIREE HEALTH BENEFITS - SEP 2020	349129	9/1/20	460.00



**WARRANT REGISTER # 9
9/1/2020**

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
MENDOZA, G	RETIREE HEALTH BENEFITS - SEP 2020	349130	9/1/20	290.00
MINER, D	RETIREE HEALTH BENEFITS - SEP 2020	349131	9/1/20	580.00
MORRISON, R	RETIREE HEALTH BENEFITS - SEP 2020	349132	9/1/20	520.00
NAGLE, D	RETIREE HEALTH BENEFITS - SEP 2020	349133	9/1/20	460.00
NOTEWARE, D	RETIREE HEALTH BENEFITS - SEP 2020	349134	9/1/20	120.00
OLIVARES, G	RETIREE HEALTH BENEFITS - SEP 2020	349135	9/1/20	280.00
OLIVERIA, H	RETIREE HEALTH BENEFITS - SEP 2020	349136	9/1/20	360.00
PAUU JR, P	RETIREE HEALTH BENEFITS - SEP 2020	349137	9/1/20	340.00
PEASE JR, D	RETIREE HEALTH BENEFITS - SEP 2020	349138	9/1/20	140.00
PETERS, S	RETIREE HEALTH BENEFITS - SEP 2020	349139	9/1/20	290.00
POST, R	RETIREE HEALTH BENEFITS - SEP 2020	349140	9/1/20	280.00
RAY, S	RETIREE HEALTH BENEFITS - SEP 2020	349141	9/1/20	190.00
ROARK, L	RETIREE HEALTH BENEFITS - SEP 2020	349142	9/1/20	135.00
RODRIGUEZ, M	RETIREE HEALTH BENEFITS - SEP 2020	349143	9/1/20	260.00
RUIZ, J	RETIREE HEALTH BENEFITS - SEP 2020	349144	9/1/20	310.00
SANCHEZ, L	RETIREE HEALTH BENEFITS - SEP 2020	349145	9/1/20	330.00
SERVATIUS, J	RETIREE HEALTH BENEFITS - SEP 2020	349146	9/1/20	340.00
SHOEMAKER, M	RETIREE HEALTH BENEFITS - SEP 2020	349147	9/1/20	480.00
SHORT, C	RETIREE HEALTH BENEFITS - SEP 2020	349148	9/1/20	300.00
SILVA, L	RETIREE HEALTH BENEFITS - SEP 2020	349149	9/1/20	580.00
SMITH, J	RETIREE HEALTH BENEFITS - SEP 2020	349150	9/1/20	320.00
SMITH, M	RETIREE HEALTH BENEFITS - SEP 2020	349151	9/1/20	560.00
STEWART, W	RETIREE HEALTH BENEFITS - SEP 2020	349152	9/1/20	200.00
STRASEN, W	RETIREE HEALTH BENEFITS - SEP 2020	349153	9/1/20	135.00
TIPTON, B	RETIREE HEALTH BENEFITS - SEP 2020	349154	9/1/20	250.00
VERRY, L	RETIREE HEALTH BENEFITS - SEP 2020	349155	9/1/20	280.00
VILLAGOMEZ, J	RETIREE HEALTH BENEFITS - SEP 2020	349156	9/1/20	480.00
WHITE, J	RETIREE HEALTH BENEFITS - SEP 2020	349157	9/1/20	230.00
YBARRA, Y	RETIREE HEALTH BENEFITS - SEP 2020	349158	9/1/20	220.00
RETIREE HEALTH BENEFIT TOTAL:				25,510.00
2-1-1 SAN DIEGO	USS NC AIR POLLUTION RESPONSE	349038	8/31/20	5,000.00
ADDICTION MEDICINE	DOT TESTING / HR	349039	8/31/20	1,438.50
BUREAU VERITAS N AMERICA INC	PERMIT & PLAN CHECK SERVICES	349040	8/31/20	4,923.43
CELLEBRITE INC	UFED 4 PC ULTIMATE SW RENEWAL / PD	349041	8/31/20	3,700.00
CITY CLERKS ASSOCIATION OF CA	MEMBERSHIP RENEWAL - CITY CLERK	349042	8/31/20	85.00
COUNTY OF SAN DIEGO	MAILING SERVICES APRIL 2020	349043	8/31/20	1,017.57
DELGADO, E	REIMB - CSD SUPPLIES	349044	8/31/20	142.36
DISCOUNT SIGNS & BANNERS	WHITE REFELCTIVE HELMET NAMES	349045	8/31/20	6.47
EXIT CERTIFIED CORP	VMWARE VSPHERE TRAINING / PD	349046	8/31/20	3,950.00
FIRE ETC	WILDLAND CHAINSAW CHAPS	349047	8/31/20	2,098.87
FITNESS DIRECT	TRUE PS 100 TREADMILL	349048	8/31/20	2,456.70
GONZALEZ, DEBBIE	REFUND - CANCELLED KARATE CLASS	349049	8/31/20	123.10
IRON MOUNTAIN	SHREDDING AND STORAGE	349050	8/31/20	511.70
KEYSER MARSTON ASSOCIATES INC	KMA TO PROVIDE CONSULTING SERVICES	349051	8/31/20	6,567.04
L N CURTIS & SONS	CROSS TECH EMERGENCY MEDICAL JACKETS	349052	8/31/20	1,658.44
LASER SAVER INC	PRINTER INK - LASER SAVER	349053	8/31/20	526.13
LIEBERT CASSIDY WHITMORE	PERSONNEL MATTER / HR	349054	8/31/20	4,192.00
MAN K9 INC	CANINE MAINTENANCE	349055	8/31/20	1,120.00



**WARRANT REGISTER # 9
9/1/2020**

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
MIRAMAR BOBCAT INC	T76 T4 BOBCAT COMPACT TRACK LOADER / PW	349056	8/31/20	108,684.70
MTS	MTS FLAGGING SERVICE / NSD	349057	8/31/20	714.08
MUNICIPAL CODE CORPORATION	SUPLIMENTS 55 UPDATE 2 / CITY CLERK	349058	8/31/20	190.00
MYERS AND SONS	CUSTOM SIGN, ALUMINUM, 60 X 48 / PW	349059	8/31/20	304.29
NGUOI VIET TODAY NEWS	NOTICE OF ELECTION	349060	8/31/20	30.00
OFFICE SOLUTIONS BUSINESS	MOP83778/OFFICE SUPPLIES ENG	349061	8/31/20	6.59
PRO BUILD COMPANY	MOP#45707 PURCHASE VISQUEEN 10MIL	349062	8/31/20	204.56
PTS	PACIFIC TELEMAGEMENT SERVICES - PAYPHONE	349063	8/31/20	85.80
SAN DIEGO COUNTY	POSSESSORY TAX / HOUSING	349064	8/31/20	184.90
SASI	DEBIT CARD CHARGES / FINANCE	349065	8/31/20	49.00
SMART SOURCE OF CALIFORNIA LLC	MOP63845/BUSINESS CARD/ROMAN SECT8	349066	8/31/20	36.98
SOUTHWEST SIGNAL SERVICE	LIGHTING SERVICES / PW	349067	8/31/20	55,807.53
STAPLES BUSINESS ADVANTAGE	MOP 45704. OFFICE SUPPLIES / CSD	349069	8/31/20	8,082.99
STARTECH COMPUTERS	STARTECH MOP FY20	349071	8/31/20	1,045.44
STATEWIDE TRAFFIC SAFETY	TRA COLOR SAFE RESIN YLW 4GAL	349072	8/31/20	1,827.00
THE EPOCH TIMES	ADVERTISING / CITY CLERK	349073	8/31/20	120.00
THE LINE PRINTING COMPANY INC	1500 WE LOVE NATIONAL CITY BUTTONS	349074	8/31/20	873.25
THE STAR NEWS	PUBLIC NOTICING - STAR NEWS	349075	8/31/20	189.63
TRI TECH FORENSICS INC	PPE GEAR / PD	349076	8/31/20	63.31
U S BANK	CREDIT CARD EXPENSES / ENG	349077	8/31/20	215.96
UNITED PARCEL SERVICE	FREIGHT TO SYMBOL ARTS	349078	8/31/20	22.64
VERIZON WIRELESS	VERIZON CELLULAR SERVICES FOR FY20	349079	8/31/20	6,683.31
VISION SERVICE PLAN	MAY-2020 VISION SERVICE PLAN	349080	8/31/20	842.11
VISTA PAINT	FACE MASKS FOR CITY EMPLOYEES/STAFF/PARKS	349081	8/31/20	97.55
			A/P Total	251,388.93
WIRED PAYMENTS				
PARADISE CREEK II HOUSING PART	REMEDATION COST #3	977178	8/28/20	558,824.23
SECTION 8 HAPS	Start Date	End Date		
	8/26/2020	9/1/2020		1,010,782.87
		GRAND TOTAL		<u>\$ 1,820,996.03</u>

CERTIFICATION

IN ACCORDANCE WITH SECTIONS 37202, 37208, AND 372059 OF THE GOVERNMENT CODE, WE HEREBY CERTIFY TO THE ACCURACY OF THE DEMANDS LISTED ABOVE AND TO THE AVAILABILITY OF FUNDS FOR THE PAYMENT THEREOF AND FURTHER THAT THE ABOVE CLAIMS AND DEMANDS HAVE BEEN AUDITED AS REQUIRED BY LAW.

Mark Roberts

MARK ROBERTS, DIRECTOR OF FINANCE

BRAD RAULSTON, CITY MANAGER

FINANCE COMMITTEE

ALEJANDRA SOTELO-SOLIS, MAYOR/CHAIRWOMAN

MONA RIOS, VICE MAYOR

JERRY CANO, COUNCILMEMBER

GONZALO QUINTERO, COUNCILMEMBER

RONALD J. MORRISON, COUNCILMEMBER

I HEREBY CERTIFY THAT THE FOREGOING CLAIMS AND DEMANDS WERE APPROVED AND THE CITY TREASURER IS AUTHORIZED TO ISSUE SAID WARRANTS IN PAYMENT THEREOF BY THE CITY COUNCIL ON THE 20TH OF OCTOBER 2020.

AYES _____

NAYS _____

ABSENT _____

The following page(s) contain the backup material for Agenda Item: [Warrant Register #10 for the period of 9/2/20 through 9/8/20 in the amount of \\$1,861,722.75. \(Finance\)](#)
Please scroll down to view the backup material.

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: October 20, 2020

AGENDA ITEM NO.:

ITEM TITLE:

Warrant Register #10 for the period of 9/2/20 through 9/8/20 in the amount of \$1,861,722.75. (Finance)

PREPARED BY: Karla Apalategui, Senior Accounting Assistant

DEPARTMENT: Finance

PHONE: 619-336-4572

APPROVED BY: 

EXPLANATION:

Per Government Section Code 37208, attached are the warrants issued for the period 9/2/20 - 9/8/20. Consistent with Department of Finance's practice, listed below are all payments above \$50,000.

<u>Vendor</u>	<u>Check/Wire</u>	<u>Amount</u>	<u>Explanation</u>
SDG&E	349213	123,386.26	Gas and Electric Utilities
Sweetwater Authority	349223	51,414.04	Water Bill for Facilities FY 2021
Public Emp Ret System	90320	259,377.37	SVC Period 8/11/20 – 8/24/20
Public Emp Ret System	200990	95,008.00	Annual Accrued Liability 6/30/2020

FINANCIAL STATEMENT:

APPROVED:  **FINANCE**

ACCOUNT NO.

APPROVED: _____ **MIS**

Warrant total \$1,861,722.75.

ENVIRONMENTAL REVIEW:

This is not a project and, therefore, not subject to environmental review.

ORDINANCE: INTRODUCTION FINAL ADOPTION

STAFF RECOMMENDATION:

Ratify warrants totaling \$1,861,722.75.

BOARD / COMMISSION RECOMMENDATION:

ATTACHMENTS:

Warrant Register # 10



**WARRANT REGISTER # 10
9/8/2020**

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
ACE UNIFORMS & ACCESSORIES INC	UNIFORMS AND ACCESSORIES FOR FY 21	349159	9/8/20	144.36
ACME SAFETY & SUPPLY CORP	LG NATIONAL CITY STKER, DECAL	349160	9/8/20	490.46
AMERICAN BACKFLOW SPECIALTIES	PURCHASE OF BACKFLOW, GUAGES, VALVES,	349161	9/8/20	132.00
AT&T	AT&T SBC ANNUAL PHONE SERVICE FOR FY21	349162	9/8/20	11,749.37
AT&T	AT&T SBC ANNUAL PHONE SERVICE FOR FY21	349163	9/8/20	596.26
BEST WESTERN ISLAND PALMS	HOTEL ACCOMMODATION SD/NC RESIDENTS	349164	9/8/20	16,341.15
CALIFA GROUP	CALIFA BROADBAND FOR FY21	349165	9/8/20	4,910.70
CALIFORNIA PARK & REC SOCIETY	MEMBERSHIP RENEWAL COMMUNITY SERVICES	349166	9/8/20	550.00
CALIFORNIA PARK & REC SOCIETY	MEMBERSHIP RENEWAL COMMUNITY SERVICES	349167	9/8/20	165.00
CALIFORNIA POLICE CHIEFS ASSOC	DUES FOR CAL CHIEFS' MEMBERSHIP / PD	349168	9/8/20	1,852.00
CARDOZA, M	TRAINING ADV POST SUB PPTT CARDOZA	349169	9/8/20	468.00
PALUMBO, C	TRAINING AVD POST SUB PPTT PALUMBO	349170	9/8/20	468.00
COX COMMUNICATIONS	COX DATA VIDEO SERVICES FOR FY21	349171	9/8/20	4,337.47
CUMMINS, A	TRAINING POST ADV SUB PPTT CUMMINS	349172	9/8/20	468.00
CWEA MEMBERSHIP	CWEA ASSOCIATION ANNUAL MEMBERSHIP	349173	9/8/20	192.00
DE LAGE LANDEN	LEASE 20 SHARP COPIERS FOR FY21.	349174	9/8/20	2,939.63
DEPARTMENT OF TOXIC SUBSTANCES	EPA ID NUMBERS	349175	9/8/20	915.00
DPREP INC	TRAINING TUITION CPTED SEGAL	349176	9/8/20	578.00
EBIX, INC.	PROPERTY INSURANCE	349177	9/8/20	3,537.39
ESGIL CORPORATION	PERMIT SERVICES - ESGIL	349178	9/8/20	2,415.84
EXPRESS PIPE AND SUPPLY	CITYWIDE PLUMBING PARTS, MATERIALS TOOL	349179	9/8/20	310.00
FEDEX	CASAD DE SALUD FEDEX POSTAGE	349180	9/8/20	55.02
FLORES, R	LICENSE REIMBURSEMENT	349181	9/8/20	75.00
GRAINGER	BUILDING SUPPLIES AND EQUIPMENT FY 21~	349182	9/8/20	4,835.03
HAAKER EQUIPMENT COMPANY	ADDITIONAL INVOICE#C64171	349183	9/8/20	5,043.86
HILTON SAN DIEGO AIRPORT	HOTEL ACCOMMODATION SD/NC RESIDENTS	349184	9/8/20	2,168.22
HMS CONSTRUCTION INC	CIP #19-09 PEDESTRIAN ADA ENHANCEMENTS	349185	9/8/20	577.12
HOLIDAY INN SAN DIEGO BAYSIDE	HOTEL ACCOMMODATION SD/NC RESIDENTS	349186	9/8/20	6,349.70
HOME DEPOT CREDIT SERVICES	GENERAL SUPPLIES FOR FY 2021	349187	9/8/20	198.57
HUMPHREYS HALF MOON INN	HOTEL ACCOMMODATION SD/NC RESIDENTS	349188	9/8/20	15,990.84
JJJ ENTERPRISES	FIRE AND SECURITY ALARM MONITORING	349189	9/8/20	2,725.00
JOSSE, D	TRAINING ADV SUB CPTED JOSSE	349190	9/8/20	746.59
K SURPLUS SALES INC	STEEL / PW	349191	9/8/20	96.41
KEYSER MARSTON ASSOCIATES INC	KMA TO PROVIDE THE NATIONAL CITY	349192	9/8/20	4,348.75
KRONOS INC	KRONOS ANNUAL MAINTENANCE AND LICENSING	349193	9/8/20	79.04
LASER SAVER INC	MOP 04840 / INK CARTRIDGES / PD	349194	9/8/20	1,475.15
LOZANO, M	TRAINING ADV SUB PRE & BASIC MOTOR LOZANO	349195	9/8/20	1,657.50
MAZICH, S	EDUCATION REIMBURSEMENT	349196	9/8/20	300.00
METEAU JR, R	CALPELRA ANNUAL MEMBERSHIP 2020-2021	349197	9/8/20	469.00
NATIONAL CITY TROPHY	MOP #66556/PLAQUES/HR	349198	9/8/20	412.60
NATIONAL RECREATION AND PARK ASSOC	PREMIER PACKAGE~ COMMUNITY SERVICES NRPA	349199	9/8/20	675.00
OFFICE SOLUTIONS BUSINESS	MOP 25003 / OFFICE SUPPLIES / PD	349200	9/8/20	4.06
PACIFIC STATES PETROLEUM INC	HYDRAULIC OIL & ENGINE OIL / PW	349201	9/8/20	1,110.56
PENSKE FORD	R&M CITY VEHICLES FY 2021	349202	9/8/20	637.30
PRO BUILD COMPANY	MOP 45707 GENERAL SUPPLIES - PW	349203	9/8/20	2,192.56
PROFESSIONAL SEARCH GROUP LLC	TEMP STAFF- AZUCENA RODRIGUEZ / SEC 8	349204	9/8/20	3,456.00
PRUDENTIAL OVERALL SUPPLY	MOP45742 LAUNDRY SERVICES - PW	349205	9/8/20	221.47



**WARRANT REGISTER # 10
9/8/2020**

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
PTS	PACIFIC TELEMANAGEMENT SERVICES / MIS	349206	9/8/20	78.00
QUIROGA, R	TRAINING REIM CRIA QUIROGA	349207	9/8/20	138.96
SAN DIEGO PLASTICS INC	COROPLAST SHEET WHITE 4MM	349208	9/8/20	97.88
SAN DIEGO POLICE EQUIPMENT	ARMOR VESTS-FIRE	349209	9/8/20	19,933.88
SDG&E	GAS AND ELECTRIC UTILITIES	349213	9/8/20	123,386.26
SEGAL, M	TRAINING ADV LDG CPTED SEGAL	349214	9/8/20	746.59
SELECT ELECTRIC INC	CIP #19-08 FIBER OPTIC TRAFFIC SIGNAL	349215	9/8/20	4,363.35
SHARP ELECTRONICS CORPORATION	MAINTENANCE 20 SHARP COPIERS FOR FY21	349216	9/8/20	2,673.51
SITEONE LANDSCAPE SUPPLY LLC	MOP 69277 PARK SUPPLIES- PW	349217	9/8/20	393.26
SMART & FINAL	MOP 45756/HR/OFFICE SUPPLIES	349218	9/8/20	149.21
SOUTHWEST SIGNAL SERVICE	ADDITIONAL INVOICES 80528 / 80529	349219	9/8/20	24,373.81
SPARTAN INVESTMENTS SERVICES	BALLISTIC HELMET-FIRE	349220	9/8/20	4,500.00
STAPLES BUSINESS ADVANTAGE	MOP #45704/OFFICE SUPPLIES/RISK	349221	9/8/20	220.71
SWAGIT PRODUCTION LLC	SWAGIT WEBCASTING FOR FY21	349222	9/8/20	1,920.83
SWEETWATER AUTHORITY	WATER BILL FOR FACILITIES FY 2021	349223	9/8/20	51,414.04
TECHNOLOGY INTEGRATION GROUP	MISC SUPPLIES FOR PD MIS DEPT NOT	349224	9/8/20	452.41
TURF STAR INC	SUPPLIES FOR PARK DEPT / PW	349225	9/8/20	834.40
U S BANK	PD TRAINING CREDIT CARD	349226	9/8/20	3,276.14
UNDERGROUND SERVICE ALERT	UNDERGROUND SERVICE ALERT FY 2021	349227	9/8/20	468.64
VALLEY INDUSTRIAL SPECIALTIES	MOP 46453 GENERAL SUPPLIES - PW	349228	9/8/20	176.83
VERIZON WIRELESS	VERIZON CELLULAR SERVICES FOR FY21	349229	9/8/20	9,723.47
WETMORES	8 HEAD LED AMBER TRAFFIC LIGHT / PW	349230	9/8/20	851.85
WILLY'S ELECTRONIC SUPPLY	ELECTRONICS ACCESSORIES	349231	9/8/20	272.07
WSP USA INC	PLANNING SERVICES - SB2 GRANT - WSP	349232	9/8/20	24,223.40
			A/P Total	384,130.48
WIRED PAYMENTS				
PUBLIC EMP RETIREMENT SYSTEM	SVC PERIOD 8/11/2020 - 08/24/2020	90320	9/3/20	259,377.37
PUBLIC EMP RETIREMENT SYSTEM	ANNUAL ACCRUED LIABILITY AS OF JUNE 30, 2020	200990	9/4/20	95,008.00
PAYROLL				
Pay period	Start Date	End Date	Check Date	
17	8/25/2020	9/7/2020	9/15/2020	1,123,206.90
GRAND TOTAL				\$ 1,861,722.75

CERTIFICATION

IN ACCORDANCE WITH SECTIONS 37202, 37208, AND 372059 OF THE GOVERNMENT CODE, WE HEREBY CERTIFY TO THE ACCURACY OF THE DEMANDS LISTED ABOVE AND TO THE AVAILABILITY OF FUNDS FOR THE PAYMENT THEREOF AND FURTHER THAT THE ABOVE CLAIMS AND DEMANDS HAVE BEEN AUDITED AS REQUIRED BY LAW.

Mark Roberts

MARK ROBERTS, DIRECTOR OF FINANCE

BRAD RAULSTON, CITY MANAGER

FINANCE COMMITTEE

ALEJANDRA SOTELO-SOLIS, MAYOR/CHAIRWOMAN

MONA RIOS, VICE MAYOR

JERRY CANO, COUNCILMEMBER

GONZALO QUINTERO, COUNCILMEMBER

RONALD J. MORRISON, COUNCILMEMBER

I HEREBY CERTIFY THAT THE FOREGOING CLAIMS AND DEMANDS WERE APPROVED AND THE CITY TREASURER IS AUTHORIZED TO ISSUE SAID WARRANTS IN PAYMENT THEREOF BY THE CITY COUNCIL ON THE 20TH OF OCTOBER 2020.

AYES _____

NAYS _____

ABSENT _____

The following page(s) contain the backup material for Agenda Item: [Warrant Register #11 for the period of 9/9/20 through 9/15/20 in the amount of \\$1,830,727.42. \(Finance\)](#)
Please scroll down to view the backup material.

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: October 20, 2020

AGENDA ITEM NO.:

ITEM TITLE:

Warrant Register #11 for the period of 9/9/20 through 9/15/20 in the amount of \$1,830,727.42. (Finance)

PREPARED BY: Karla Apalategui, Senior Accounting Assistant

DEPARTMENT: Finance

PHONE: 619-336-4572

APPROVED BY: 

EXPLANATION:

Per Government Section Code 37208, attached are the warrants issued for the period 9/9/20 - 9/15/20. Consistent with Department of Finance's practice, listed below are all payments above \$50,000.

<u>Vendor</u>	<u>Check/Wire</u>	<u>Amount</u>	<u>Explanation</u>
Basile Constriction Inc	349259	250,714.36	CIP 19-43 Sewer Upsize Project
Blue Pacific Engineering	349260	223,624.97	CIP 18-14 Sweetwater Bikeway
City of San Diego	349271	101,967.70	Fire Dispatch Services
Kaiser Foundation HP	349281	183,876.42	Group No 104220-0002 – Aug 2020
Kaiser Foundation HP	349282	183,876.42	Group No. 104220-0002 – Jul 2020
Portillo Concrete Inc	349295	476,545.73	CIP 19-17 Division-Euclid to Harbison Improvement

FINANCIAL STATEMENT:

APPROVED:  **FINANCE**

ACCOUNT NO.

APPROVED: _____ **MIS**

Warrant total \$1,830,727.42.

ENVIRONMENTAL REVIEW:

This is not a project and, therefore, not subject to environmental review.

ORDINANCE: INTRODUCTION FINAL ADOPTION

STAFF RECOMMENDATION:

Ratify warrants totaling \$1,830,727.42.

BOARD / COMMISSION RECOMMENDATION:

ATTACHMENTS:

Warrant Register # 11



**WARRANT REGISTER # 11
9/15/2020**

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
AMAZON	MOUNT UP TRIPLE MONITOR STAND / CMO	349233	9/14/20	86.45
BAKER & TAYLOR	BOOKS FOR FY21	349234	9/14/20	1,986.32
BRODART CO	BOOKS FOR FY21	349235	9/14/20	179.58
CSA SAN DIEGO COUNTY	CDBG AGREEMENT WITH CSA SAN DIEGO	349236	9/14/20	2,394.80
DALEY & HEFT LLP	LIABILITY CLAIM COST	349237	9/14/20	24,408.30
DALEY & HEFT LLP	LIABILITY CLAIM COST	349238	9/14/20	5,652.46
DALEY & HEFT LLP	LIABILITY CLAIM COST	349239	9/14/20	3,907.71
DALEY & HEFT LLP	LIABILITY CLAIM COST	349240	9/14/20	2,340.00
DALEY & HEFT LLP	LIABILITY CLAIM COST	349241	9/14/20	1,248.92
DALEY & HEFT LLP	LIABILITY CLAIM COST	349242	9/14/20	380.00
D-MAX ENGINEERING INC	STORMWATER SERVICES 2019-2020	349243	9/14/20	46,636.92
JANI-KING OF CALIFORNIA INC	COVID-19 JANITORIAL CLEANING SERVICES	349244	9/14/20	5,821.31
NAN MCKAY AND ASSOCIATES INC	HOUSING QUALITY COURSE / NSD	349245	9/14/20	2,238.00
OFFICE SOLUTIONS BUSINESS	MOP 83778. OFFICE SUPPLIES / LIBRARY	349246	9/14/20	48.30
PRO BUILD COMPANY	MOP 45707 BUILDING SUPPLIES - PW	349247	9/14/20	1,884.88
PRUDENTIAL OVERALL SUPPLY	MOP 45742 LAUNDRY SERVICES - PW	349248	9/14/20	521.32
STAPLES BUSINESS ADVANTAGE	MOP 45704. OFFICE SUPPLIES / LIBRARY	349249	9/14/20	16.28
THE COUNSELING TEAM	EMPLOYEE SUPPORT SERVICES COUNSELING	349250	9/14/20	675.00
US BANK	COMMUNITY SERV US BANK AUGUST STATEMENT	349251	9/14/20	596.59
US BANK	FIRE OVERHEAD ASSIGNMENT EXPENSES	349252	9/14/20	219.37
VISTA PAINT	MOP 68834 TRAFFIC SUPPLIES - PW	349253	9/14/20	493.75
WSP USA INC	FOCUSED GENERAL PLAN UPDATE	349254	9/14/20	47,288.63
YANO, R	SAFETY APPAREL REIMBURSEMENT - YANO / ENG	349255	9/14/20	125.00
ACTIVE NETWORK LLC	ACTIVENET APG S4000 CASH DRAWER	349256	9/15/20	767.01
ALDEMCO	FOOD / NUTRITION	349257	9/15/20	5,055.91
ALL FRESH PRODUCTS	FOOD / NUTRITION	349258	9/15/20	4,027.49
BASILE CONSTRUCTION INC	CIP 19-43 P1 SEWER UPSIZE PROJECT	349259	9/15/20	250,714.36
BLUE PACIFIC ENGINEERING	CIP 18-14 SWEETWATER BIKEWAY CONN.	349260	9/15/20	223,624.97
BOOT WORLD	MOP 64096 SAFETY WEARING APPAREL - PW	349261	9/15/20	987.53
BRINK'S INCORPORATED	ARMORED CAR SVCS 9/1/20-9/30/20	349262	9/15/20	290.70
C A P F	AUGUST 2020 - FIRE LTD	349263	9/15/20	1,032.50
C A P F	SEPTEMBER 2020 - FIRE LTD	349264	9/15/20	1,032.50
CALIFORNIA LAW ENFORCEMENT	AUGUST 2020 - PD LTD	349265	9/15/20	2,058.00
CALIFORNIA LAW ENFORCEMENT	SEPTEMBER 2020 - PD LTD	349266	9/15/20	2,058.00
CAPPO INC	ANNUAL CAPPO CONFERENCE/MONTEREY CA	349267	9/15/20	475.00
CDWG	UMBRELLA-MR-SUB	349268	9/15/20	12,052.50
CITRIX SYSTEMS INC	CITRIX VPX 200 RENEWAL 12/05/19-12/04/20	349269	9/15/20	1,103.01
CITY OF NATIONAL CITY	PETTY CASH REPLENISHMENT	349270	9/15/20	94.63
CITY OF SAN DIEGO	FIRE DISPATCH SERVICES	349271	9/15/20	101,967.70
CLF WAREHOUSE INC	MOP 80331 AUTO SUPPLIES - PW	349272	9/15/20	517.54
DELTA DENTAL	SEPT 2020 DENTAL 05-0908600000	349273	9/15/20	14,100.08
DELTA DENTAL	SEPT 2020 - GRP 05-0908601002	349274	9/15/20	416.11
DELTA DENTAL INSURANCE CO	SEPTEMBER 2020/GRP #05-7029600000	349275	9/15/20	2,426.16
ENTERPRISE FLEET MANAGEMENT	ENTERPRISE FLEET LEASE - ENG / PW	349276	9/15/20	14,301.30
GRAINGER	MOP 65179 OFFICE SUPPLIE / NSD	349277	9/15/20	116.91
HDR ENGINEERING, INC.	SEWER UPSIZING	349278	9/15/20	9,730.50
HEALTH NET INC	GRP 57135A - AUG 2020	349279	9/15/20	2,504.29
HUNTER'S NURSERY INC	MOP 45719 LANDSCAPE SUPPLIES - PW	349280	9/15/20	217.44
KAISER FOUNDATION HEALTH PLANS	GROUP NO 104220-0002 - AUGUST 2020	349281	9/15/20	183,876.42



**WARRANT REGISTER # 11
9/15/2020**

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
KAISER FOUNDATION HEALTH PLANS	GROUP NO 104220-0002 - JULY 2020	349282	9/15/20	183,876.42
KAISER FOUNDATION HEALTH PLANS	GRP 104220-01, 06, 07 - AUGUST 2020	349283	9/15/20	20,445.28
KAISER FOUNDATION HEALTH PLANS	GRP 104220-01, 06, 07 - JULY 2020	349284	9/15/20	20,445.28
KAISER FOUNDATION HEALTH PLANS	GRP 104220-03, 09 - JULY 2020	349285	9/15/20	6,797.28
KAISER FOUNDATION HEALTH PLANS	GRP 104220-03, 09 - AUGUST 2020	349286	9/15/20	6,797.28
KAISER FOUNDATION HEALTH PLANS	GROUP NO 104220-05 - JULY 2020	349287	9/15/20	6,060.73
KAISER FOUNDATION HEALTH PLANS	GRP NO 104220 - 7002 - AUGUST 2020	349288	9/15/20	591.62
KAISER FOUNDATION HEALTH PLANS	GRP NO 104220-7002 - JULY 2020	349289	9/15/20	591.62
LOPEZ, J	ENG. LICENSE RENEWAL - JOSE LOPEZ	349290	9/15/20	116.00
NFPA FULFILLMENT CENTER	MEMBERSHIP TO NFPA SUBSCRIPTION	349291	9/15/20	1,575.00
OPTUM	HAS MONTHLY BANKING FEES-GRP HB1966 APR	349292	9/15/20	39.00
O'REILLY AUTO PARTS	MOP 75877 AUTO SUPPLIES - PW	349293	9/15/20	219.54
PARTS AUTHORITY METRO LLC	MOP 75943 AUTO SUPPLIES - PW	349294	9/15/20	983.14
PORTILLO CONCRETE INC	CIP 19-17 DIVISION-EUCLID TO HARBISON IMPROVEMENT	349295	9/15/20	476,545.73
POWERSTRIDE BATTERY CO INC	MOP 67839 GENERAL SUPPLIES - PW	349296	9/15/20	438.86
PRO BUILD COMPANY	MOP 45707 GENERAL SUPPLIES -PW	349297	9/15/20	418.63
PROFESSIONAL SEARCH GROUP LLC	TEMP SERVICES	349298	9/15/20	2,240.00
PRUDENTIAL OVERALL SUPPLY	MOP 80331 AUTO SUPPLIES - PW	349299	9/15/20	1,101.98
SAN DIEGO MIRAMAR COLLEGE	TRAINING ACADEMY 122	349300	9/15/20	16.00
SAN DIEGO MIRAMAR COLLEGE	TRAINING ACADEMY 123	349301	9/15/20	16.00
SAN DIEGO UNION TRIBUNE	CIP 19-09 PEDESTRIAN ADA IMP.	349302	9/15/20	1,338.48
SASI	MONTHLY TRUST ACCTING SEPT/DEBIT CHGS AUG	349303	9/15/20	59.00
SDG&E	GAS AND ELECTRIC UTILITIES	349304	9/15/20	45,526.70
SITEONE LANDSCAPE SUPPLY LLC	MOP 69277 LANDSCAPING SUPPLIES - PW	349305	9/15/20	913.03
SMART & FINAL	COMMUNITY SERVICES EVENT AND RECREATION	349306	9/15/20	90.86
SMART SOURCE OF CALIFORNIA LLC	415 NOISE COMPLAINT BOOKS	349307	9/15/20	3,342.93
SOUTHERN CALIF TRUCK STOP	MOP 45758 GENERAL AUTO SUPPLIES - PW	349308	9/15/20	88.30
SYSCO SAN DIEGO INC	FOOD / NUTRITION	349309	9/15/20	6,713.19
THE LINCOLN NATIONAL LIFE INS	GRP 415491 - AUG 2020	349310	9/15/20	9,566.68
THE LINCOLN NATIONAL LIFE INS	GRP 415491 - SEPT 2020	349311	9/15/20	9,476.37
U S BANK	US BANK CREDIT CARD STATEMENT	349312	9/15/20	3,350.23
UNITED STATES TREASURY	REPLACE PAYROLL CHK 41614/NOT CASHED	349313	9/15/20	100.00
VALLEY INDUSTRIAL SPECIALTIES	MP 46453 BUILDING SUPPLIES - PW	349314	9/15/20	269.53
VISION SERVICE PLAN	SEPT 2020 - VISION SVC PLAN	349315	9/15/20	812.94
VISION SERVICE PLAN	AUG 2020 - VISION SVC PLAN	349316	9/15/20	803.27
VISTA PAINT	MOP 68834 GENERAL SUPPLIES - PW	349317	9/15/20	775.67
WILLY'S ELECTRONIC SUPPLY	MOP 45763 ELECTRIC SUPPLIES - PW	349318	9/15/20	239.14
			A/P Total	1,797,480.16
WIRED PAYMENTS				
PAYCHEX BENEFIT TECH INC	BENETRAC ESR SVCS BASE FEE - SEPTEMBER	181348	9/11/20	542.80
ARCO BUSINESS SOLUTIONS	FUEL CHGS 8/1/20 - 8/31/20	915760	9/10/20	32,704.46
GRAND TOTAL				\$ 1,830,727.42

CERTIFICATION

IN ACCORDANCE WITH SECTIONS 37202, 37208, AND 372059 OF THE GOVERNMENT CODE, WE HEREBY CERTIFY TO THE ACCURACY OF THE DEMANDS LISTED ABOVE AND TO THE AVAILABILITY OF FUNDS FOR THE PAYMENT THEREOF AND FURTHER THAT THE ABOVE CLAIMS AND DEMANDS HAVE BEEN AUDITED AS REQUIRED BY LAW.

Mark Roberts

MARK ROBERTS, DIRECTOR OF FINANCE

BRAD RAULSTON, CITY MANAGER

FINANCE COMMITTEE

ALEJANDRA SOTELO-SOLIS, MAYOR/CHAIRWOMAN

MONA RIOS, VICE MAYOR

JERRY CANO, COUNCILMEMBER

GONZALO QUINTERO, COUNCILMEMBER

RONALD J. MORRISON, COUNCILMEMBER

I HEREBY CERTIFY THAT THE FOREGOING CLAIMS AND DEMANDS WERE APPROVED AND THE CITY TREASURER IS AUTHORIZED TO ISSUE SAID WARRANTS IN PAYMENT THEREOF BY THE CITY COUNCIL ON THE 20TH OF OCTOBER 2020.

AYES _____

NAYS _____

ABSENT _____

The following page(s) contain the backup material for Agenda Item: [Public Hearing and Adoption of an Ordinance of the City Council of the City of National City Repealing Chapter 10.32 of Title 10 of the National City Municipal Code regarding Impersonating a Member of the Opposite Sex. \(City Attorney\)](#)

Please scroll down to view the backup material.

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: October 20, 2020

AGENDA ITEM NO. |

ITEM TITLE:

Public Hearing and Adoption of an Ordinance of the City Council of the City of National City Repealing Chapter 10.32 of Title 10 of the National City Municipal Code regarding Impersonating a Member of the Opposite Sex.

PREPARED BY: Angil P. Morris-Jones

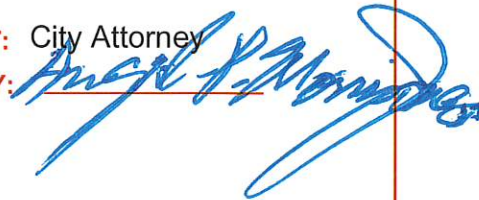
PHONE: 619 336-4220

EXPLANATION:

Please see attached Staff Report

DEPARTMENT: City Attorney

APPROVED BY:



FINANCIAL STATEMENT:

ACCOUNT NO.

N/A

APPROVED: _____ **Finance**

APPROVED: _____ **MIS**

ENVIRONMENTAL REVIEW:

N/A

ORDINANCE: INTRODUCTION: FINAL ADOPTION:

STAFF RECOMMENDATION:

Adopt the Ordinance.

BOARD / COMMISSION RECOMMENDATION:


N/A

ATTACHMENTS:

1. Staff Report
2. Ordinance



**CITY ATTORNEY OF NATIONAL CITY
STAFF REPORT**

DATE: October 20, 2020
TO: Mayor and City Councilmembers
FROM: Angil P. Morris-Jones, City Attorney 
SUBJECT: An Ordinance Repealing Chapter 10.32 of the National City Municipal Code

Section 10.32.010 is entitled, Impersonating Members of the Opposite Sex and was adopted in 1966 as Ordinance No.1137. The section in question is unconstitutional and invalid under state law and same has not been used by law enforcement for years. National City is a general law City and therefore when the state's law changed such resulted in the section becoming unenforceable and invalid.

On September 19, 2020, the Mayor and Vice Mayor referred a matter to the City Attorney that had been brought to their attention by a National City resident. The local resident was upset that Municipal Code Section 10.32.010 had not been removed from the City's Municipal Code. It should be noted, that it is not unusual for a City that is over a hundred and thirty years old to find out that they have sections in their Municipal Code that have become invalid. Moreover, in California the state legislature enacts hundreds of new laws every year and the courts render decisions on state law that change or effect the validity of an ordinance that was valid when adopted but becomes invalid as a result of changes in state or case law. However, when such outdated or invalid law is brought to staff's attention same is presented to you for updating or in this case for repeal.

On October 6, 2020 during the City Council Meeting, a proposed ordinance entitled Ordinance of the City Council of National City Repealing Chapter 10.32 of Title 10 of the National City Municipal Code regarding Impersonating Members of the Opposite Sex was introduced after a Public Hearing. It is City staff's recommendation that at your meeting on October 20 2020, after first conducting a Public Hearing that the City Council Adopt the Ordinance.

ORDINANCE NO. 2020 –

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY
REPEALING CHAPTER 10.32 OF TITLE 10 OF THE NATIONAL CITY MUNICIPAL CODE
REGARDING IMPERSONATING A MEMBER OF THE OPPOSITE SEX**

WHEREAS, on September 19, 2020, City Staff received a referral regarding Chapter 10.32 of Title 10 the Municipal Code entitled, Impersonating Member of the Opposite Sex which was adopted by Ordinance 1137 in 1966 and has since become unconstitutional and invalid under state law; and

WHEREAS, the City of National City is a general law City and any City code that becomes invalid under state law is thereafter void and unenforceable as a City code.

NOW THEREFORE, the City Council of the City of National City does hereby ordain that Chapter 10.32 of Title 10 of the City of National City Municipal Code entitled Impersonating Member of the Opposite Sex is repealed in its entirety.

If any portion of this Ordinance, or its application to any person or circumstance, is for any reason held to be invalid, unenforceable or unconstitutional, by a court of competent jurisdiction, that portion shall be deemed severable, and such invalidity, unenforceability or unconstitutionality shall not affect the validity or enforceability of the remaining portions of the Ordinance, or its application to any other person or circumstance. The City Council of the City of National City hereby declares that it would have adopted each section, sentence, clause or phrase of this Ordinance, irrespective of the fact that any one or more other sections, sentences, clauses or phrases of the Ordinance be declared invalid, unenforceable or unconstitutional.

This ordinance shall take effect Thirty (30) days after its passage, and before the expiration of Fifteen (15) days after its passage a summary or the ordinance in its entirety shall be published, with the names of the members voting for and against the same, once in a local newspaper of general circulation in the City of National City, State of California.

PASSED and ADOPTED this 20th day of October, 2020.

Alejandra Sotelo-Solis, Mayor

ATTEST:

Michael R. Dalla, City Clerk

APPROVED AS TO FORM:

Angil P. Morris-Jones, City Attorney

The following page(s) contain the backup material for Agenda Item: [Resolution of the City Council of the City of National City authorizing judicial validation proceedings relating to the issuance of bonds to refund certain pension obligations of the City, approving the form and authorizing the execution of a trust agreement and bond purchase agreement, and approving additional actions related thereto. \(Finance\)](#)

Please scroll down to view the backup material.

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: October 20, 2020

AGENDA ITEM NO.:

ITEM TITLE:

Resolution of the City Council of the City of National City authorizing judicial validation proceedings relating to the issuance of bonds to refund certain pension obligations of the City, approving the form and authorizing the execution of a trust agreement and bond purchase agreement, and approving additional actions related thereto.

PREPARED BY: Mark Roberts, Finance Director

DEPARTMENT: Finance

PHONE: 619-336-4330

APPROVED BY: Mark Roberts

EXPLANATION:

During the City of National City Pension Funding Workshop on October 6, 2020, the City's municipal advisor reviewed the unfunded pension liability and projected future pension contributions and presented strategies to address the rising costs, including issuing pension obligation bonds (POBs). Following the municipal advisor's presentation, City Council authorized staff to proceed with initiation of the court validation process, including acquiring outside legal (bond) counsel to prepare and file the necessary legal documents, to lay the groundwork for the City to issue POBs, should it decide to do so. With this item, staff requests approval of bond counsel and of the documents necessary to initiate the judicial validation process.

FINANCIAL STATEMENT:

APPROVED: Mark Roberts **FINANCE**

ACCOUNT NO.

APPROVED: _____ **MIS**

See attached staff report.

ENVIRONMENTAL REVIEW:

This is not a project and, therefore, not subject to environmental review.

ORDINANCE: INTRODUCTION FINAL ADOPTION

STAFF RECOMMENDATION:

Adopt the resolution, authorizing judicial validation proceedings relating to the issuance of bonds to refund certain pension obligations of the City, approving the form and authorizing the execution of a trust agreement and bond purchase agreement, and approving additional actions related thereto.

BOARD / COMMISSION RECOMMENDATION:

NA

ATTACHMENTS:

1. Staff report
2. Good faith estimate
3. Bond purchase agreement
4. Trust agreement
5. Bond & disclosure counsel agreement
6. Resolution



City Council Staff Report

October 20, 2020

ITEM

Staff Report: Resolution of the City Council of the City of National City authorizing judicial validation proceedings relating to the issuance of bonds to refund certain pension obligations of the City, approving the form and authorizing the execution of a trust agreement and bond purchase agreement, and approving additional actions related thereto.

BACKGROUND

City staff, in conjunction with discussions with City Council, has been exploring the use of pension obligation bonds (“POBs” or “bonds”) to meet several objectives, including (1) generating cash flow savings to the City and taxpayers through historically low interest rates (currently ~3.75%) relative to the California Public Employees Retirement System (CalPERS) discount rate assumption (currently 7%); (2) to create a repayment shape for the City’s unfunded pension liabilities that is more manageable and creates budgetary savings; (3) enhance budget predictability and long-term fiscal sustainability by creating a smoother repayment shape at a lower level; and (4) to set aside a portion of the future savings into the City’s irrevocable trust, to mitigate future pension cost increases. The refinancing could be achieved through the issuance of POBs by the City of National City. As the first step in the issuance process, the City would initiate validation proceedings in San Diego County Superior Court (“Court”). After the process is successfully completed (~4 months), the City will then have the opportunity to issue the bonds if desired at that time. A thorough evaluation process during the validation process is recommended so all options, including benefits and risks, can be properly weighed by the City Council and other stakeholders.

DISCUSSION

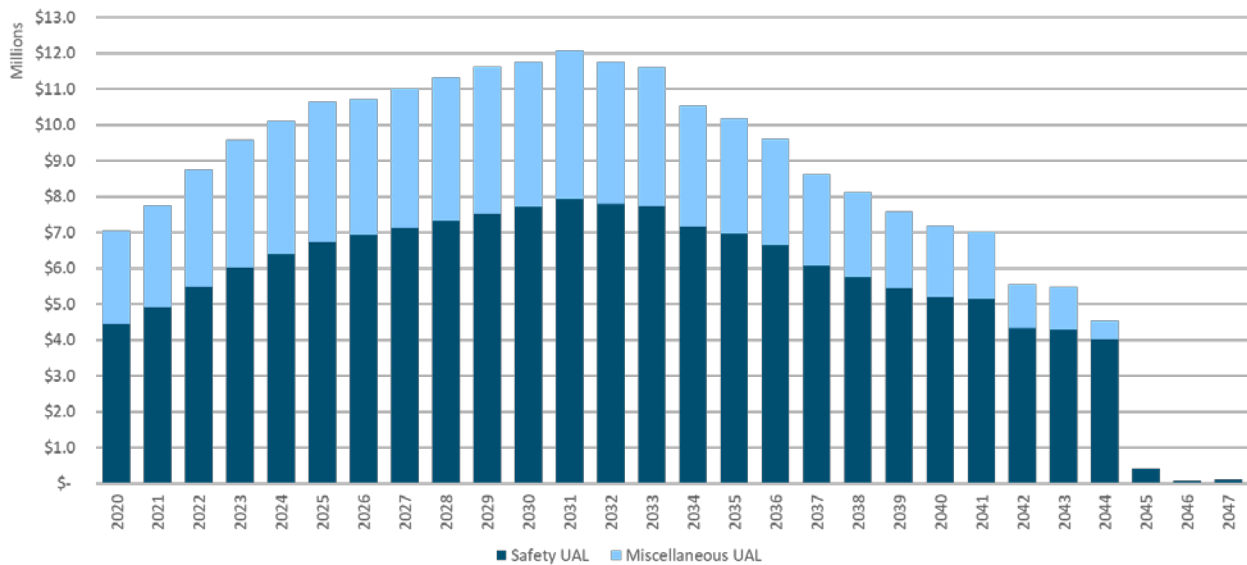
Over the past 7 years, the City’s combined unfunded accrued liability (UAL) for its CalPERS Miscellaneous and Safety Plans has grown 64% from \$70.8 million to about \$116.0 million (6/30/21 projected valuation). The UAL represents the shortfall/gap between what is needed to pay retiree benefits versus how much in current assets the City actually has in its accounts with CalPERS. Annual payments made to CalPERS to amortize the UAL have grown rapidly: from \$3.9 million in fiscal year 2016 to \$7.8 million in fiscal year 2021 and are projected to grow to \$10.6 million by fiscal year 2025 and \$12.1 million by fiscal year 2031. The \$116.0 million UAL is not required to be repaid all

Staff Report: Resolution of the City Council of the City of National City authorizing judicial validation proceedings relating to the issuance of bonds to refund certain pension obligations of the City, approving the form and authorizing the execution of a trust agreement and bond purchase agreement, and approving additional actions related thereto.

at once but is amortized over a longer period (with different components amortized over different time periods, most between 4 and 29 years) at an interest rate of 7%.

Pension cost increases are the largest financial challenge facing most cities throughout the state and are primarily due to factors outside the cities' control, namely actuarial assumption changes made by CalPERS and below average investment returns.

UAL REPAYMENT SCHEDULE



The City is considering issuing POBs to pay off all or a portion of its UAL to achieve several objectives:

- **Fiscal sustainability tool** – Ability to “re-shape” the City’s overall pension repayment in a way that creates enhanced long-term fiscal sustainability, budgetary predictability, and enhanced resiliency to future economic shocks.
- **Near-term budgetary savings** – By modifying the current near term “peak” in scheduled payments into a more predictable (i.e., level or nearly level) structure, near term cash flow savings are created.
- **Interest rate savings “arbitrage”** – City can borrow at rates much lower (currently 3.50% – 4.00% depending on term and credit) than those CalPERS is charging on the UAL debt (7%).
- **Increase funding ratio** – Current ratios range from 71.7% (Miscellaneous) to 65.1% (Safety); these could be increased to above 90% through the restructuring
- **Modify maturity** – Shorten or lengthen repayment period as deemed most fiscally appropriate.

Staff Report: Resolution of the City Council of the City of National City authorizing judicial validation proceedings relating to the issuance of bonds to refund certain pension obligations of the City, approving the form and authorizing the execution of a trust agreement and bond purchase agreement, and approving additional actions related thereto.

- **Leverage savings through improved policies** – The City could consider developing a policy that includes leveraging the savings created through the restructuring to continue funding its separate irrevocable trusts to higher levels which will be solely dedicated to pension and OPEB expenses.

Numerous cities (Azusa, Larkspur, Marysville, Grass Valley, Riverside, Pomona, West Covina, El Monte, Ontario, Carson, Inglewood, Montebello, Pasadena, Glendora, Monrovia, Hawthorne, La Verne and several others) throughout California have recently refinanced their UAL to restructure the payment pattern and increase the funding of their pension plans. Many others are scheduled to issue UAL restructuring bonds in the next few months. Other San Diego cities, like El Cajon (recently finished validation process) and Chula Vista (recently started validation process) are also preparing to issue UAL restructuring bonds. Interest rates set on these recent financings ranged from about 3.00% to 4.25%, with rates dictated by market conditions at the time of pricing, credit rating of the issuer, and length of term of the bonds.

Approval of the attached resolution, draft trust agreement, draft bond purchase agreement, and to proceed with the judicial validation process will give staff and the financing team the authority and direction to explore this concept in more depth this fall.

The judicial validation process is the first step in the issuance process. It entails the court's validating the City's legal ability to issue POBs and confirming the sale meets the State of California's constitutional requirements. The validation process takes about 4 months to complete but could be delayed slightly depending on the impact of COVID-19 on the Court's schedule. The City expects, at the conclusion of the validation process, the Court will enter a judgment in favor of the City that the obligation of the City (i.e., the City's UAL) legally represents an "obligation imposed by law." Numerous prior court cases have determined that pension liabilities are obligations imposed by law, and, therefore, are exempt from the debt limitation requirements set forth in Article XVI, Section 18, of the California Constitution.

Approval of the resolution will authorize staff and the City's bond counsel to submit the necessary documents to the San Diego County Superior Court, to start the judicial validation process and approve (1) the issuance of the bonds in an amount not-to-exceed \$135 million, (2) a draft form of the trust agreement for the bonds, (3) a draft form of the bond purchase agreement, and (4) good faith estimates (Exhibit D). The trust agreement identifies the duties and responsibilities of the trustee, establishes the terms and conditions under which the bonds are to be issued, and to secure the payment of the principal and interest. The not-to-exceed amount is meant to create enough flexibility for the City to pay off (1) up to 100% of its UAL (\$116 million), (2) a portion of the current year's normal cost or UAL remaining requirements, and/or (3) costs of issuance. The City

Staff Report: Resolution of the City Council of the City of National City authorizing judicial validation proceedings relating to the issuance of bonds to refund certain pension obligations of the City, approving the form and authorizing the execution of a trust agreement and bond purchase agreement, and approving additional actions related thereto.

is not committed to any specific amount as staff and the financing team will be evaluating a full range of options to ensure the optimal size and structure is executed to meet the City's goals. The preliminary analysis provided below and required good faith cost estimates are based on a total bond size of \$85.9 million (75% of UAL), with overall (new POB combined with unrefunded UAL) payments to be level over the next 25 years.

SCHEDULE

Assuming the City Council approves the resolution, the validation process will be initiated. Key milestones of the validation process are listed below:

- City Council passes a resolution authorizing the sale of POBs;
- File validation action with San Diego County Superior Court;
- Receive Order for Publication of Summons from the Court (This can take >3 weeks to receive.);
- Publication of notice in local newspaper;
- Waiting period for any responding party to file a petition;
- Clerk enters hearing for a default judgement if there is no responding party, schedules a hearing;
- Hearing for default judgement, if no responding party;
- 30-day appeal period.

During the validation period (3½ to 4½ months), staff and the financing team will refine the various options for the POBs. These options may include evaluating different sizes of POBs, amortization shapes, maturities (length of term) and targeted funded ratios. Also, during this time, a preliminary official statement (POS) will be drafted (used to solicit investor interest) and a credit rating presentation will be prepared in order to obtain a credit rating for the possible financing. It is anticipated the team will return to Council for formal approval of the POS in February or March 2021, but this exact date will be dictated by the actual duration of the validation period and the municipal market interest rate environment.

FINANCING COST ESTIMATES AND PROJECTED SAVINGS

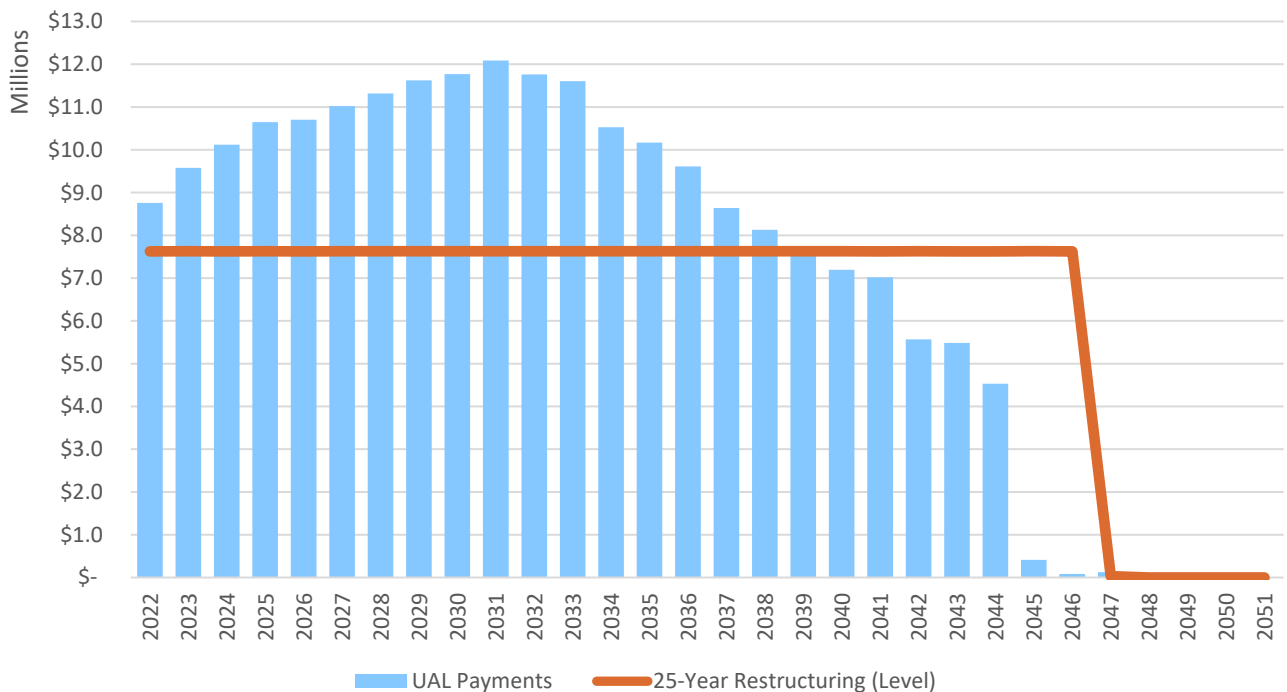
Generally, fees for the financing team will be paid through (or reimbursed from) the financing process and only upon successful completion of the potential POB financing. However, given the unique nature of a POB issuance, there are certain legal costs that will not be contingent upon a successful closing of the transaction. These costs are estimated to not exceed \$30,000, if the pension financing is not successfully closed and are for legal validation costs (to bond counsel).

Staff Report: Resolution of the City Council of the City of National City authorizing judicial validation proceedings relating to the issuance of bonds to refund certain pension obligations of the City, approving the form and authorizing the execution of a trust agreement and bond purchase agreement, and approving additional actions related thereto.

As noted earlier, several options will be presented, and City staff, with guidance from its municipal advisor, will ultimately decide which option is most prudent, if any, to execute. It should be noted that a POB that is executed in the spring of 2021 will begin generating savings in fiscal year 2022, although it may be possible to realize savings for fiscal year 2021, if needed/desired. **It is important to note, adopting the resolution and commencing the validation process simply provides the City with a basis to issue POBs in the future. It does not in any way obligate the City to issue the POBs.**

The chart below has been included to better illustrate the potential benefit of the POB, but, as previously noted, this analysis should be considered preliminary. The analysis and chart below assume that (1) 75% of the UAL amount is paid off and (2) the new debt service is structured to create a level payment structure for the City (when taking into account the remaining UAL left outstanding with CalPERS) and (5) a 3.75% interest rate is used for the POB (inclusive of all costs).

Estimated Savings: Prior UAL Payments vs New UAL/POB Payments



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Metrics	25-Year Restructuring (Level)
UAL Funded (\$)	\$86,890,319
UAL Funded (%)	75%
Funded Ratio	92%
Maturity	25 Years
Average Life	16.9 Years
All-In Interest Rate	3.79%
Present Value Savings (%)	29.68%
Present Value Savings (\$)	\$25,792,621
Prior UAL Payments	\$223,816,850
New Restructuring Payments	(\$198,474,731)
Cumulative Savings	\$25,342,119
Savings (2022-2037)	\$47,882,989
Average Savings (2022-2037)	\$2,816,646

The blue bars in the graph above represent the City’s current repayment schedule for its UAL. The preliminary POB option depicted would help to “smooth-out” overall new payments (as shown using the orange line) at a much lower level. **Estimated present value (PV) savings are \$25.8 million, or 29.7% of refunded UAL. Cumulative savings is estimated at \$25.3 million. Average annual estimated savings through 2037 is \$2.8 million.** Other options that may be considered and evaluated over the next several months include:

- Maturity Length – 20 vs 25 vs 30 years?
- Size – 50% vs 75% vs 100% UAL payoff?
- What If Scenarios? Evaluate the savings projected if interest rates are higher than they are now (4.0% or 4.50%) and/or if CalPERS earns below its projected rate of 7.0%.
- Amortization Payments – Level, 2% growth, or something else?
- “Wrapping” Other General Fund Debt – Options for the City’s potential POB will also include wrapping around the other lease revenue debt.

Reinvestment Risk: Ultimately, actual savings from the restructuring will be dependent on two factors: (1) actual interest rates at the time of pricing (estimated to be spring 2021) and (2) future CalPERS returns, which is an unknown at the time of bond issuance. Assessing and mitigating reinvestment risk will be a key objective as the City and its team evaluate and optimize the final bond structure. The City will be working with its municipal advisor, underwriter, and actuary to properly quantify the reinvestment risk of the various options that will be explored during this process and present those results to City Council.

New Pension Funding Policy: Staff will develop a new post-employment benefit funding policy that will leverage the savings created through the POBs to augment the City’s

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pension and OPEB irrevocable trusts. Creating prudent financial policies to ensure that future pension and OPEB liabilities continue to be addressed is critical to ensure long term financial sustainability and will also assist during the credit rating process, as it demonstrates strong financial planning and policy.

CONCLUSION

Staff recommends the City Council approve this resolution, so that staff and the financing team can continue exploring the feasibility of UAL restructuring using POBs in greater detail and put the City in position to take advantage of this opportunity if certain objectives are met. As stated previously, adopting the resolution and commencing the validation process only provides the City with a basis to issue POBs in the future. It does not obligate the City to issue POBs. The financing team expects to return to Council for approval of a POS in February or March 2021, assuming the proposed POB issuance is advantageous for the City.

CURRENT YEAR FISCAL IMPACT

All financing costs are contingent upon a successful closing of the POBs. However, the cost of the validation process is non-contingent (not to exceed \$30,000) and must be paid, regardless of whether the POBs move forward.

ONGOING FISCAL IMPACT

There is no ongoing fiscal impact related to this action for the General Fund. If the City moves forward with the issuance of POBs after the validation process is complete, there is expected to be significant savings to the General Fund, as described earlier in the staff report.

RECOMMENDATION

Adopt the resolution, authorizing judicial validation proceedings relating to the issuance of bonds to refund certain pension obligations of the City, approving the form and authorizing the execution of a trust agreement and bond purchase agreement, and approving additional actions related thereto.

EXHIBIT D

SB 450 GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the City by NHA Advisors, LLC, the City's Municipal Advisor (the "Municipal Advisor").

Principal Amount. The Municipal Advisor has informed the City that, based on the City's financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the Bonds to be sold is \$85,880,000.00 (the "Estimated Principal Amounts").

True Interest Cost of the Bonds. The Municipal Advisor has informed the City that, assuming that the respective Estimated Principal Amounts of the Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Bonds, is 3.7463104%.

Finance Charge of the Bonds. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amounts of the Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Bonds), is \$915,280.00.

Amount of Proceeds to be Received. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amounts of the Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the City for sale of the Bonds, less the finance charge of the Bonds, as estimated above, and any capitalized interest on the Bonds paid or funded with proceeds of the Bonds, is \$84,964,720.00.

Total Payment Amount. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amounts of the Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments the City will make to pay debt service on the Bonds, plus the finance charge for the Bonds, as described above, not paid with the respective proceeds of the Bonds, calculated to the final maturity of the Bonds, is \$136,699,059.62.

The foregoing estimates constitute good faith estimates only and are based on market conditions prevailing at the time of preparation of such estimates on October 7, 2020. The actual principal amount of the Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Bonds sold being different from the respective Estimated Principal Amounts, (c) the actual amortization of the Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the City's financing plan, or a

combination of such factors. The actual date of sale of the Bonds and the actual principal amount of Bonds sold will be determined by the City based on various factors. The actual interest rates borne by the Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the City.

§ _____
CITY OF NATIONAL CITY
2021 TAXABLE PENSION OBLIGATION BONDS

BOND PURCHASE AGREEMENT

_____, 2021

City of National City
1243 National City Blvd.
National City, California 91950

Ladies and Gentlemen:

The undersigned _____ (the “**Underwriter**”) offers to enter into this Bond Purchase Agreement (this “**Purchase Agreement**”) with the City of National City, California (the “**City**”), which, upon the acceptance by the City, will be binding upon the City and the Underwriter. This offer is made subject to acceptance by the City by the execution of this Purchase Agreement and delivery of the same to the Underwriter prior to 11:59 P.M., California time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the City at any time prior to the acceptance hereof by the City. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Trust Agreement (defined herein).

Section 1. Purchase and Sale. Upon the terms and conditions and on the basis of the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the City, and the City hereby agrees to issue, sell and deliver to the Underwriter all (but not less than all) of the City of National City 2021 Taxable Pension Obligation Bonds (the “**Bonds**”) in the aggregate principal amount of \$_____. The Bonds shall be dated as of their date of delivery. Interest on the Bonds shall be payable semiannually on June 1 and December 1 in each year, commencing June 1, 2021 (each an “**Interest Payment Date**”) and will bear interest at the rates and on the dates as set forth in Exhibit A hereto. The purchase price for the Bonds shall be \$_____ (which represents the principal amount of the Bonds less an Underwriter’s discount of \$_____).

The Underwriter agrees to make a bona fide public offering of the Bonds at the initial offering yields set forth in the Official Statement (defined herein); however, the Underwriter reserves the right to make concessions to dealers and to change such initial offering yields as the Underwriter shall deem necessary in connection with the marketing of the Bonds. The Underwriter agrees that, in connection with the public offering and initial delivery of the Bonds to the purchasers thereof from the Underwriter, the Underwriter will deliver or cause to be delivered to each purchaser a copy of the final Official Statement prepared in connection with the Bonds, for the time period required under Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (“**Rule 15c2-12**”). Terms defined in the Preliminary Official Statement, and to be set forth in the final Official Statement are used herein as so defined.

The City acknowledges and agrees that: (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm's-length commercial transaction between the City and the Underwriter; (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as a municipal advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended), financial advisor or fiduciary; (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the City with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the City on other matters); (iv) the only obligations the Underwriter has to the City with respect to the transaction contemplated hereby expressly are set forth in this Purchase Agreement; and (v) the City has consulted its own financial and/or municipal, legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

Section 2. The Bonds. The Bonds are being issued pursuant to Articles 10 and 11 (commencing with Section 53570) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "**Refunding Law**") and the Trust Agreement, dated as of _____, as trustee (together with any successor as trustee under the Trust Agreement, the "**Trustee**"). The Bonds shall be obligations of the City payable from any lawfully available funds, shall not be limited as to payment to any special source of funds of the City and the payment thereof shall be subject to appropriation. The Bonds do not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. The Bonds otherwise shall be as described in the Preliminary Official Statement and the Official Statement, the Refunding Law and the Legal Documents. The Underwriter's agreement to purchase the Bonds from the City is made in reliance upon the City's representations, covenants and warranties and on the terms and conditions set forth in this Purchase Agreement.

The City is obligated by the Public Employees' Retirement Law, constituting Part 3 of Division 5 of Title 2 of the California Government Code (the "**Retirement Law**"), and the contract between the Board of Administration of the California Public Employees' Retirement System ("**PERS**"), established under Government Code sections 20000 through 21500 of (the "**Retirement Law**"), and the City Council of the City, effective _____ (as amended, the "**PERS Contract**"), to make contributions to PERS to (a) fund pension benefits for its employees who are members of PERS, (b) amortize the unfunded actuarial liability with respect to such pension benefits, and (c) appropriate funds for the purposes described in (a) and (b).

The proceeds of the Bonds will be used to: (i) refund the City's unamortized, unfunded accrued actuarial liability with respect to pension benefits under the Retirement Law (the "**Unfunded Liability**"); (ii) fund the City's current liability with respect to pension benefits under the PERS Contract and the Retirement Law for Fiscal Year 2020-2021; and (iii) pay certain costs associated with the issuance and delivery of the Bonds.

Section 3. Public Offering. The Underwriter agrees to make an initial public offering of all the Bonds at the public offering prices (or yields) set forth on Exhibit A attached hereto and incorporated herein by reference. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as it deems necessary in connection with the marketing of the Bonds, provided that the Underwriter shall not change the interest rates set forth on Exhibit A. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices.

Section 4. The Official Statement. By its acceptance of this Purchase Agreement, the City ratifies, confirms and approves of the use and distribution by the Underwriter prior to the date hereof of the Preliminary Official Statement relating to the Bonds, dated _____, 2021 (including the cover page, all appendices and all information incorporated therein and any supplements or amendments thereto and as disseminated in its printed physical form or in electronic form in all respects materially consistent with such physical form, the “**Preliminary Official Statement**”) that the City has deemed “final” as of its date, for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (“**Rule 15c2-12**”) except for certain omissions permitted to be omitted therefrom by Rule 15c2-12. The City hereby agrees to deliver or cause to be delivered to the Underwriter, within seven (7) business days of the date hereof, copies of the final official statement, dated the date hereof, relating to the Bonds (including all information previously permitted to have been omitted by Rule 15c2-12, the cover page, all appendices, all information incorporated therein and any amendments or supplements as have been approved by the City and the Underwriter (the “**Official Statement**”)) in such quantity as the Underwriter shall reasonably request to comply with Rule 15c2-12(b)(4) and the rules of the Municipal Securities Rulemaking Board (the “**MSRB**”). To the extent required by applicable MSRB Rules, the City hereby confirms that it does not object to distribution of the Official Statement in electronic form.

Section 5. Closing. At 8:00 a.m., California time, on _____, 2021, or at such other time or date as the City and the Underwriter mutually agree upon, the City shall deliver or cause to be delivered to the Trustee, and the Trustee shall deliver or cause to be delivered through the facilities of The Depository Trust Company, New York, New York (“**DTC**”), the Bonds in definitive form, duly executed and authenticated. Concurrently with the delivery of the Bonds, the City shall deliver the documents hereinafter mentioned at the offices of Kutak Rock LLP, Irvine, California (“**Bond Counsel**”) or another place to be mutually agreed upon by the City and the Underwriter. The Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by wire transfer in immediately available funds. This payment for and delivery of the Bonds, together with the delivery of the aforementioned documents referenced herein, is called the “**Closing.**”

The Bonds shall be registered in the name of Cede & Co., as nominee of DTC in denominations of \$5,000 and any integral multiple thereof as provided in the Trust Agreement and shall be made available to the Underwriter at least one (1) business day before the Closing for purposes of inspection and packaging. The City acknowledges that the services of DTC will be used initially by the Underwriter to permit the issuance of the Bonds in book-entry form and agrees to cooperate fully with the Underwriter in employing such services.

Section 6. Representations, Warranties and Covenants of the City. The City represents, warrants and covenants to the Underwriter as follows.

(a) The City is a municipal corporation of the State of California (the “**State**”), duly organized and validly existing pursuant to the Constitution and laws of the State.

(b) The City had full legal right, power and authority to adopt the Resolution, and the City has, and at the Closing Date will have, full legal right, power and authority (i) to execute and deliver the Trust Agreement, the Continuing Disclosure Certificate relating to the Bonds (the “**Continuing Disclosure Certificate**”), and this Purchase Agreement (collectively, the “**Legal Documents**”), to perform its obligations under the Legal Documents, and has by official action duly authorized and approved the execution and delivery of, and the performance by the City of the obligations on its part contained in the Legal Documents, (ii) to issue, sell and deliver the Bonds to the Underwriter as

provided herein, and (iii) to carry out, give effect to and consummate the transactions contemplated by the Legal Documents and the Resolution.

(c) The City Council has duly and validly adopted the Resolution at a meeting of the City Council duly noticed and at which a quorum was present, and the Resolution has not been modified or amended and is in full force and effect, and has duly approved the execution and delivery of the Bonds and the other Legal Documents, and the performance by the City of its obligations contained therein, and the taking of any and all action as may be necessary to carry out, give effect to and consummate the transactions contemplated by each of said documents.

(d) The Bonds and the other Legal Documents have been, on or before the Closing Date will be, duly executed and delivered by the City, and, on the Closing Date, the Bonds, when authenticated and delivered to the Underwriter in accordance with the Trust Agreement, and the other Legal Documents will constitute legally valid and binding obligations, enforceable against the City in accordance with their respective terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or similar laws or equitable principles relating to or limiting creditors' rights generally.

(e) The City is, and at the Closing Date will be, in compliance, in all respects, with the Legal Documents.

(f) The City is not in breach of or default under any applicable law or administrative regulation of the State or the United States of America or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument, in each case which breach or default has or may have a material adverse effect on the ability of the City to perform its obligations under the Legal Documents.

(g) No consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the City that has not been obtained is or will be required for the issuance and delivery of the Bonds or the consummation by the City of the other transactions contemplated by the Trust Agreement.

(h) The adoption of the Resolution and the execution and delivery by the City of the Legal Documents and the approval by the City of the Official Statement and compliance with the provisions on the City's part contained in the Legal Documents, will not conflict with, or result in a violation or breach of, or constitute a default under, any law, administrative regulation, judgment, decree, loan agreement, indenture, trust agreement, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject to, which conflict, breach or default has or may have a material adverse effect on the ability of the City to carry out its obligations under the Legal Documents, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any material lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of City under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, trust agreement, bond, note, resolution, agreement or other instrument, except as provided by the Legal Documents.

(i) Prior to the date hereof, the City has provided to the Underwriter for its review the Preliminary Official Statement, that the City has deemed final for purposes of Rule 15c2-12, has

approved the distribution of the Preliminary Official Statement and the Official Statement, and has duly authorized the execution and delivery of the Official Statement (including in electronic form). The Preliminary Official Statement, at the date thereof, and as of the date hereof, did not and does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein (other than the information relating to DTC and its book-entry system, as to which no view is expressed), in light of the circumstances under which they were made, not misleading. As of the date hereof and on the Closing, the Official Statement did not and will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein (other than the information relating to DTC and its book-entry system, as to which no view is expressed), in light of the circumstances under which they were made, not misleading.

(j) By official action of the City prior to or concurrently with the acceptance hereof, the City has duly approved the distribution of the Preliminary Official Statement and the distribution of the Official Statement (including in electronic form), and has duly authorized and approved the execution and delivery of, and the performance by the City of the obligations on its part contained, in the Legal Documents.

(k) The City will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The City will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental authority prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds.

(l) The financial statements relating to the receipts, expenditures and cash balances of the City as of June 30, 20[19][20] as set forth in the Preliminary Official Statement and in the Official Statement fairly represent the financial position and results of operations of the City as of the dates and for the periods therein set forth in accordance with generally accepted accounting principles. Except as disclosed in the Preliminary Official Statement, the Official Statement or otherwise disclosed in writing to the Underwriter, there has not been any materially adverse change in the financial position and results of operations of the City or in its operations since June 30, 20[19][20] and, except as disclosed in the Preliminary Official Statement, the Official Statement or otherwise disclosed in writing to the Underwriter, there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

(m) As of the time of acceptance hereof and as of the date of Closing, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, is pending or, to the knowledge of the City, threatened (i) in any way questioning the corporate existence of the City or the titles of the officers of the City to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the execution or delivery of any of the Bonds, or in any way contesting or affecting the validity of the Bonds or the Legal Documents or the consummation of the transactions contemplated thereby or contesting the power of the City to enter into the Legal Documents; (iii) which may result in any material adverse change to the financial condition of the City or to its ability to make payment of principal or redemption price of and interest on the Bonds when due; or (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and

there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clause (i) through (iv) of this sentence.

(n) To the extent required by law, the City will undertake, pursuant to the Continuing Disclosure Certificate, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement. Except as otherwise disclosed in the Preliminary Official Statement, the City has not failed to comply in all material respects with any previous undertakings with regard to Rule 15c2-12 to provide annual reports or notices of enumerated events in the past five years and, the City has been in material compliance during the past five years with its continuing disclosure obligations in accordance with Rule 15c2-12.

(o) Any certificate signed by any officer of the City authorized to execute such certificate in connection with the issuance, sale and delivery of the Bonds and delivered to the Underwriter shall be deemed a representation and warranty of the City to the Underwriter as to the statements made therein but not of the person signing such certificate.

(p) The City will promptly apply the proceeds of the Bonds to refund the Unfunded Liability as of the date of issuance of the Bonds and to pay costs associated with the issuance and delivery of the Bonds.

(q) During the period from the date hereof until the Closing Date, the City agrees to furnish the Underwriter with copies of any documents it files with any regulatory authority which are reasonably requested by the Underwriter.

(r) The City is not in material default, nor has the City been in material default at any time, as to the payment of principal or interest with respect to a material obligation issued by the City or with respect to a material obligation guaranteed by the City as guarantor.

(s) As of the date hereof, the City does not have any revenue bonds, capital lease obligations, installment payment obligations or other material financial obligation, nor other material obligations secured by payments from the general fund of the City, except as disclosed in the Preliminary Official Statement and the Official Statement.

(t) The default judgment dated _____, 20__ entered in favor of the City in connection with *City of National City v. All Persons Interested, etc.* was duly entered, the appeal period has run without any appeal having been filed, and the default judgment is in full force and effect.

(u) The City had, prior to the adoption of the Resolution, and has, in full force and effect, a Debt Management Policy that complies with Government Code Section 8855(i).

Section 7. Conditions to the Obligations of the Underwriter. The Underwriter has entered into this Purchase Agreement in reliance upon the representations and warranties of the City contained herein. The obligations of the Underwriter to accept delivery of and pay for the Bonds on the date of the Closing shall be subject, at the option of the Underwriter, to the accuracy in all respects of the statements of the officers and other officials of the City, as well as authorized representatives of the City Attorney, Bond Counsel, Disclosure Counsel and the Trustee made in any certificates or other documents furnished pursuant to the provisions hereof, to the performance by the City of its obligations

to be performed hereunder at or prior to the date of the Closing, and to the following additional conditions:

(a) The representations, warranties and covenants of the City contained herein shall be true, complete and correct at the date hereof and at the time of the Closing, as if made on the date of the Closing;

(b) At the time of Closing, the Legal Documents shall be in full force and effect as valid and binding agreements between or among the various parties thereto, and the Legal Documents and the Preliminary Official Statement and the Official Statement shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter, and all such reasonable actions as, in the opinion of Bond Counsel, shall reasonably deem necessary in connection with the transactions contemplated hereby;

(c) At the time of the Closing, no default shall have occurred or be existing under the Legal Documents, or any other agreement or document pursuant to which any of the City's financial obligations were executed and delivered, and the City shall not be in default in the payment of principal or interest with respect to any of its financial obligations, which default would result in any material adverse change to the financial condition of the City or adversely impact its ability to make payment of principal or redemption price of and interest on the Bonds when due;

(d) In recognition of the desire of the City and the Underwriter to effect a successful public offering of the Bonds, and in view of the potential adverse impact of any of the following events on such a public offering, this Purchase Agreement shall be subject to termination in the absolute discretion of the Underwriter by notification, in writing, to the City prior to delivery of and payment for the Bonds, if at any time prior to such time, regardless of whether any of the following statements of fact were in existence or known of on the date of this Purchase Agreement:

(i) there shall have occurred (1) an outbreak or escalation of hostilities or the declaration by the United States of a national emergency or war or (2) any other calamity or crisis in the financial markets of the United States or elsewhere or the escalation of such calamity or crisis; or

(ii) a general banking moratorium shall have been declared by federal, State or New York authorities; or

(iii) a general suspension of trading on the New York Stock Exchange or other major exchange shall be in force, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of the SEC or any other governmental authority having jurisdiction; or

(iv) any event shall occur which makes untrue any statement or results in an omission to state a material fact necessary to make the statements in the Preliminary Official Statement and the Official Statement, in the light of the circumstances under which they were made, not misleading, which event, in the reasonable opinion of the Underwriter would materially or adversely affect the ability of the Underwriter to market the Bonds; or

(v) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency of the State, or a decision by any court of

competent jurisdiction within the State shall be rendered which materially adversely affects the market price of the Bonds; or

(vi) the marketability of the Bonds or the market price thereof, in the reasonable opinion of the Underwriter, has been materially adversely affected by an amendment to the Constitution of the United States of America or by any legislation in or by the Congress of the United States of America or by the State, or the amendment of legislation pending as of the date of this Purchase Agreement in the Congress of the United States of America, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States of America, the Treasury Department of the United States of America, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee or by any member thereof, or the presentment of legislation for consideration as an option by either such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States of America, or the favorable reporting for passage of legislation to either House of the Congress of the United States of America by a Committee of such House to which such legislation has been referred for consideration; or

(vii) an order, decree or injunction shall have been issued by any court of competent jurisdiction, or order, ruling, regulation (final, temporary or proposed), official statement or other form of notice or communication issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that: (i) obligations of the general character of the Bonds, or the Bonds, including any or all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended, or that the Trust Agreement is not exempt from qualification under the Trust Indenture Act of 1939; or (ii) the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including any or all underlying obligations, as contemplated hereby or by the Preliminary Official Statement and the Official Statement, is or would be in violation of the federal securities laws as amended and then in effect; or

(viii) legislation shall be introduced, by amendment or otherwise, or be enacted by the House of Representatives or the Senate of the Congress of the United States of America, or a decision by a court of the United States of America shall be rendered, or a stop order, ruling, regulation or official statement by or on behalf of the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter shall be made or proposed, to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, as contemplated hereby or by the Preliminary Official Statement and the Official Statement, is or would be in violation of any provision of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect, or with the purpose or effect of otherwise prohibiting the issuance, offering or sale of the Bonds or obligations of the general character of the Bonds, as contemplated hereby or by the Preliminary Official Statement and the Official Statement; or

(ix) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange, which, in the Underwriter's reasonable opinion, materially adversely affects the marketability or market price of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds; or

(x) a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred; or

(xi) the New York Stock Exchange, or other national securities exchange or association or any governmental authority, shall impose as to the Bonds, or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by or the charge to the net capital requirements of broker dealers; or

(xii) any proceeding shall be pending or threatened by the Securities and Exchange Commission against the City; or

(xiii) trading in securities on the New York Stock Exchange or the American Stock Exchange shall have been suspended or limited or minimum prices have been established on either such exchange which, in the Underwriter's reasonable opinion, materially adversely affects the marketability or market price of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds; or

(xiv) any rating of the Bonds or the rating of any general fund obligations of the City shall have been downgraded, suspended or withdrawn or placed on negative outlook or negative watch by a national rating service, which, in the reasonable opinion of the Underwriter, materially adversely affects the market price of the Bonds; or

(xv) the marketability of the Bonds or the market price thereof, in the reasonable opinion of the Underwriter, has been materially and adversely affected by disruptive events, occurrences or conditions in the securities or debt markets; or

(xvi) any action shall have been taken by any government in respect of its monetary affairs which, in the reasonable opinion of the Underwriter, has a material adverse effect on the United States securities market, rendering the marketing and sale of the Bonds, or enforcement of sale contracts with respect thereto impracticable; or

(xvii) the commencement of any action, suit or proceeding described in Section 6(m).

(e) at or prior to the Closing, the Underwriter shall receive or have received the following documents, in each case to the reasonable satisfaction, in form and substance, of the Underwriter and _____ ("**Underwriter's Counsel**");

(i) a copy of the default judgment, dated _____, 2021, entered in favor of the City in connection with *City of National City v. All Persons Interested, etc.*, Case No _____ filed in the Superior Court of California, County of San Diego;

(ii) all resolutions relating to the Bonds adopted by the City and certified by an authorized official of the City, authorizing the execution and delivery of the Legal Documents and the delivery of the Bonds and the Official Statement;

(iii) the Legal Documents duly executed and delivered by the respective parties thereto, with only such amendments, modifications or supplements as may have been agreed to in writing by the Underwriter; and

(iv) the approving opinion of Bond Counsel, dated the date of Closing and addressed to the City, in substantially the form attached as Appendix B to the Preliminary the Official Statement and the Official Statement, together with a reliance letter thereon addressed to the Underwriter;

(v) a supplemental opinion of Bond Counsel dated the date of Closing and addressed to the Underwriter, to the effect that:

(A) the statements on the cover of the Official Statement and in the Official Statement under the captions “INTRODUCTION,” “THE BONDS,” “SECURITY AND SOURCE OF PAYMENT FOR THE BONDS,” “VALIDATION,” and “TAX MATTERS,” and in APPENDIX C – “SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT,” APPENDIX D – “PROPOSED FORM OF BOND COUNSEL OPINION” and APPENDIX E – “FORM OF CONTINUING DISCLOSURE CERTIFICATE,” and excluding any material that may be treated as included under such captions and appendices by any cross-reference, insofar as such statements expressly summarize provisions of the Bonds, the Trust Agreement, and Bond Counsel’s final opinion relating to the Bonds, are accurate in all material respects as of the date of Closing;

(B) the Purchase Agreement has been duly authorized, executed and delivered by the City and is the valid, legal and binding agreement of the City enforceable in accordance with its terms, except that the rights and obligations under the Purchase Agreement are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors’ rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State, and provided that no opinion is expressed with respect to any indemnification or contribution provisions contained therein; and

(C) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Trust Agreement is exempt from qualification under the Trust Indenture Act of 1939, as amended;

(vi) the Official Statement, executed on behalf of the City;

(vii) evidence that the rating on the Bonds is as described in the Official Statement;

(viii) a certificate, dated the date of Closing, signed by a duly authorized officer of the City satisfactory in form and substance to the Underwriter to the effect that: (i) the representations, warranties and covenants of the City contained in this Purchase Agreement are true and correct in all material respects on and as of the date of Closing with the same effect as if made on the date of the Closing by the City, and the City has complied with all of the terms and conditions of the Purchase Agreement required to be complied with by the City at or prior to the date of Closing; (ii) to the best of such officer’s knowledge, no event affecting the City has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purposes for which it is to be used or which is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect; (iii) the information and statements contained in the Official Statement (other than information relating to DTC and its book entry system) did not as of its date and do not as of the Closing contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect; (iv) the City is not in breach of or default under any

applicable law or administrative regulation of the State or the United States of America or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject, which would have a material adverse impact on the City's ability to perform its obligations under the Legal Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute such a default or an event of default under any such instrument; and (v) no further consent is required for inclusion of its audited financial statements in the Preliminary Official Statement and the Official Statement;

(ix) an opinion dated the date of Closing and addressed to the Underwriter, the Trustee and the Bond Counsel, of the Office of the City Attorney of the City of National City, substantially in the form attached as Exhibit B hereto;

(x) a letter of Kutak Rock LLP, Irvine, California, Disclosure Counsel to the City dated the date of Closing and addressed to the Underwriter substantially to the effect that, on the basis of the information made available to them in the course of their participation in the preparation of the Official Statement as disclosure counsel, but without having undertaken to determine or verify independently, or assuming any responsibility for, the accuracy, completeness or fairness of any of the statements contained in the Official Statement, no facts have come to the attention of the personnel in such firm directly involved in rendering legal advice and assistance to the City in connection with the preparation of the Official Statement which caused them to believe that (A) the Preliminary Official Statement as of its date or as of the date of this Purchase Agreement (excluding therefrom financial, demographic and statistical data; forecasts, projections, estimates, assumptions and expressions of opinions; statements relating to DTC, Cede & Co. and the operation of the book-entry system; statements relating to the treatment of the Bonds or the interest, discount or premium, if any, thereon or therefrom for tax purposes under the law of any jurisdiction; and the statements contained in the Preliminary Official Statement under the captions "TAX MATTERS," and in Appendix A and Appendices C through F to the Preliminary Official Statement; as to all of which they express no view) contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, except for such information as is permitted to be excluded from the Preliminary Official Statement pursuant to Rule 15c2-12 of the Securities Exchange Act of 1934, as amended, including but not limited to information as to pricing, yields, interest rates, maturities, amortization, redemption provisions, debt service requirements, Underwriter's discount and CUSIP numbers or (B) the Official Statement as of its date or as of the Closing Date (excluding therefrom financial, demographic and statistical data; forecasts, projections, estimates, assumptions and expressions of opinions; statements relating to DTC, Cede & Co. and the operation of the book-entry system, statements relating to the treatment of the Bonds or the interest, discount or premium, if any, thereon or therefrom for tax purposes under the law of any jurisdiction; and the statements contained in the Official Statement under the captions "TAX MATTERS," and in Appendix A and Appendices C through F to the Official Statement; as to all of which they express no view) contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(xi) an opinion of counsel to the Trustee, addressed to the Underwriter and the City, dated the date of the Closing, to the effect that:

(A) the Trustee is a national banking association duly organized and validly existing under the laws of the United States of America, having full corporate power to undertake the trust created under the Trust Agreement;

(B) the Trust Agreement has been duly authorized, executed and delivered by the Trustee and, assuming due authorization, execution and delivery by the other parties thereto, the Trust Agreement constitutes the valid, legal and binding obligations of the Trustee enforceable in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought;

(C) the Trustee has duly authenticated the Bonds upon the order of City;

(D) the Trustee's actions in executing and delivering the Trust Agreement are in full compliance with, and do not conflict with any applicable law or governmental regulation and, to the best of such counsel's knowledge, after reasonable inquiry with respect thereto, do not conflict with or violate any contract to which the Trustee is a party or any administrative or judicial decision by which the Trustee is bound;

(E) no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the banking or trust powers of the Trustee that has not been obtained is or will be required for the execution and delivery of the Bonds or the consummation by the Trustee of its obligations under the Trust Agreement; and

(F) there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or public body pending or, to the best of such counsel's knowledge, threatened against or affecting the Trustee, which would materially adversely impact the Trustee's ability to complete the transactions contemplated by the Trust Agreement.

(xii) a certificate, dated the date of Closing, signed by a duly authorized officer of the Trustee satisfactory in form and substance to the Underwriter, to the effect that:

(A) the Trustee is duly organized and existing as a national banking association under the laws of the United States of America, having the full corporate power and authority to enter into and perform its duties under the Trust Agreement;

(B) the Trustee is duly authorized to enter into the Trust Agreement and has duly executed and delivered the Trust Agreement, and assuming due authorization and execution by the other parties thereto, the Trust Agreement is legal, valid and binding upon the Trustee and enforceable against such party in accordance with its terms;

(C) the Trustee has duly authenticated the Bonds under the Trust Agreement and delivered the Bonds to or upon the order of the Underwriter;

(D) no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the banking or trust powers of the Trustee that has not been obtained is required for the execution and delivery of the Bonds or the consummation by the Trustee of its obligations under the Trust Agreement; and

(E) there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or public body pending or, to the best of such counsel's knowledge, threatened against or affecting the Trustee, which would materially adversely impact the Trustee's ability to complete the transactions contemplated by the Trust Agreement.

(xiii) the preliminary and final forms required to be delivered to the California Debt and Investment Advisory Commission pursuant to Section 53583 of the Government Code of the State of California and Section 8855(i) and (j) of the Government Code;

(xiv) a copy of the executed Blanket Issuer Letter of Representations by and between the City and DTC relating to the book-entry system;

(xv) an opinion of Underwriter's Counsel, in form and substance acceptable to the Underwriter;

(xvi) a Rule 15c2-12 certificate, dated the date of the Preliminary Official Statement and executed by the City;

(xvii) such additional legal opinions, Bonds, proceedings, instruments or other documents as the Underwriter or Underwriter's Counsel may reasonably request.

If the City shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds contained in this Purchase Agreement, this Purchase Agreement shall terminate, and except as set forth in Section 9 hereof, neither the Underwriter nor the City shall be under further obligation hereunder.

Section 8. Changes in Official Statement. Within 90 days after the Closing or within 25 days following the "end of the underwriting period" (as defined in Rule 15c2-12), whichever occurs first, if any event relating to or affecting the Bonds, the Trustee, or the City shall occur as a result of which it is necessary, in the reasonable opinion of the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in any material respect in the light of the circumstances existing at the time it is delivered to a purchaser, the City will forthwith prepare and furnish to the Underwriter an amendment or supplement that will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to purchaser, not misleading. The City shall cooperate with the Underwriter in the filing by the Underwriter of such amendment or supplement to the Official Statement with the MSRB. The Underwriter acknowledges that the "end of the underwriting period" will be the date of Closing unless the Underwriter otherwise notifies the City in writing that it still owns some or all of the Bonds.

Section 9. Expenses. (a) Whether or not the Underwriter accepts delivery of and pays for the Bonds as set forth herein, it shall be under no obligation to pay, and the City shall pay out of the proceeds of the Bonds or any other legally available funds of the City, all expenses incidental to the performance of the City's obligations hereunder, including but not limited to the cost of printing and delivering the Legal Documents to the Underwriter, the costs of printing and shipping and electronic distribution of the Preliminary Official Statement and the Official Statement in reasonable quantities, the fees and disbursements of the City, the Trustee and its counsel, Bond Counsel, Disclosure Counsel, City Attorney, the City's actuary, accountants, engineers, appraisers, economic consultants and any

other experts or consultants retained by the City in connection with the issuance and sale of the Bonds, rating agency fees, advertising expenses, and any other expenses not specifically enumerated in paragraph (b) of this section in connection with the issuance and sale of the Bonds. The City shall pay out of the proceeds of the Bonds, for any expenses incurred by the Underwriter on behalf of the City's employees and representatives which are incidental to implementing this Purchase Agreement, including meals, transportation, and lodging of those employees and representatives.

(b) Whether or not the Bonds are delivered to the Underwriter as set forth herein, the City shall be under no obligation to pay, and the Underwriter shall be responsible for and pay (which may be included as an expense component of the Underwriter's discount), MSRB, CUSIP Bureau and CDIAAC fees and expenses to qualify the Bonds for sale under any "blue sky" laws, and all other expenses incurred by the Underwriter in connection with its public offering and distribution of the Bonds not specifically enumerated in paragraph (a) of this section, including the cost of preparing this Purchase Agreement and other Underwriter documents, travel expenses and the fees and disbursements of Underwriter's Counsel.

Section 10. Notices. Any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to _____, Attention: _____. Any notice or communication to be given to the City under this Purchase Agreement may be given by delivering the same in writing to the City of National City, 1243 National City Blvd., National City, CA 91950, Attention: City Manager. All notices or communications hereunder by any party shall be given and served upon each other party.

Section 11. Parties in Interest. This Purchase Agreement is made solely for the benefit of the City and the Underwriter (including the successors or assigns thereof) and no other person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties and agreements of the City in this Purchase Agreement shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriter and shall survive the delivery of and payment for the Bonds.

Section 12. Counterparts. This Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 13. Governing Law. This Purchase Agreement shall be governed by and construed in accordance with the laws of the State.

[UNDERWRITER]

By: _____
Authorized Officer

The foregoing is hereby agreed to and accepted as of the date first above written:

CITY OF NATIONAL CITY

By: _____
City Manager

Time of Execution: _____ p.m. California time

**[BOND PURCHASE AGREEMENT SIGNATURE PAGE - CITY OF NATIONAL CITY 2021
TAXABLE PENSION OBLIGATION BONDS]**

EXHIBIT A
MATURITY SCHEDULE

Maturity Date (June 1)	Principal Amount	Interest Rate	Yield
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
20__ ⁽¹⁾			

⁽¹⁾ Term Bond.

EXHIBIT B

FORM OF CITY ATTORNEY OPINION

_____, 2021

City of National City
National City, California
[Underwriter]

City of National City
2021 Taxable Pension Obligation Bonds

Ladies and Gentlemen:

We have acted as counsel to the City of National City (the “City”) in connection with the issuance and sale by the City of \$____ aggregate principal amount of its City of National City 2021 Taxable Pension Obligation Bonds (the “Bonds”). We have examined and relied upon originals (or copies certified or otherwise identified to our satisfaction) of such documents, records and other instruments as we deem necessary or appropriate for the purposes of this opinion, including, without limitation: (i) those documents relating to the existence, organization and operation of the City; (ii) Resolution No. ____, adopted by a majority of the City Council of the City (the “City Council”) on October 20, 2020 (the “Resolution”); (iii) all necessary documentation of the City relating to the authorization, execution and delivery of the Trust Agreement, dated as of _____ 1, 2021 (the “Trust Agreement”), between the City and _____, as trustee; (iii) the default judgment dated _____, 2021, entered in favor of the City in connection with *City of National City v. All Persons Interested, etc.*, Case No _____ filed in the Superior Court of California, County of San Diego; (iv) the Purchase Agreement, dated _____, 2021 (the “Purchase Agreement”), executed by _____ (the “Underwriter”), and accepted by the City; (v) the Preliminary Official Statement, dated _____, 2021 (the “Preliminary Official Statement”), relating to the Bonds; (vi) the Official Statement, dated _____, 2021 (the “Official Statement”), relating to the Bonds; (vii) the Continuing Disclosure Certificate, dated _____, 2021 (the “Continuing Disclosure Certificate”); and (viii) such other records, documents, certificates, opinions, and other matters as are in our judgment necessary or appropriate to enable us to render the opinions expressed herein. All capitalized terms used herein and not otherwise defined shall have the meaning given to such terms as set forth in the Trust Agreement.

Based on the foregoing, and with regard to State of California (the “State”) law and United States federal law, we are of the opinion that:

(a) The City is a municipal corporation of the State, duly organized and validly existing pursuant to the Constitution and laws of the State.

(b) The resolution of the City approving and authorizing the execution and delivery of the Bonds, the Trust Agreement, the Purchase Agreement, and the Continuing Disclosure Certificate (collectively, the “Legal Documents”) and approving and authorizing the issuance of the Bonds and

the delivery of the Official Statement and other actions of the City was duly adopted at a meeting of the governing body of the City which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the resolution is now in full force and effect and has not been amended or superseded in any way.

(c) Except as disclosed in the Preliminary Official Statement and in the Official Statement, there is no action, suit or proceeding pending, or to the best of our knowledge, threatened against the City to (i) restrain or enjoin the execution or delivery of the Legal Documents (ii) in any way contesting or affecting the validity of the Legal Documents, the Resolution or the authority of the City to enter into the Legal Documents, or (iii) in any way contesting or affecting the powers of the City in connection with any action contemplated by the Official Statement, the Resolution or the Legal Documents.

(d) The execution and delivery of the Legal Documents and compliance with the provisions thereof, do not and will not in any material respect conflict with or constitute on the part of the City a breach of or default under any agreement or other instrument to which the City is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the City is subject, which breach or default has or may have a material adverse effect on the ability of the City to perform its obligations under the Legal Documents.

(e) No authorization, approval, consent, or other order of the State or any other governmental body within the State is required for the valid authorization, execution and delivery of the Legal Documents or the consummation by the City of the transactions on its part contemplated therein, except such as have been obtained and except such as may be required under state securities or blue sky laws in connection with the purchase and distribution of the Bonds by the Underwriter.

Very truly yours,

TRUST AGREEMENT

by and between

CITY OF NATIONAL CITY

and

_____,
as Trustee

Dated as of _____ 1, 2021

Relating to

\$ _____
CITY OF NATIONAL CITY
2021 TAXABLE PENSION OBLIGATION BONDS

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TRUST AGREEMENT

This **TRUST AGREEMENT** is dated as of _____ 1, 2021, and is made by and between the **CITY OF NATIONAL CITY**, a general law city duly organized and validly existing under and pursuant to the Constitution and the laws of the State of California (the “**City**”), and _____, a national banking association organized and existing under the laws of the United States of America, as trustee (the “**Trustee**”).

RECITALS

WHEREAS, the City is a member of the California Public Employees’ Retirement System (“**PERS**”) and, as such, is obligated by the Public Employees’ Retirement Law, constituting Part 3 of Division 5 of Title 2 of the California Government Code (the “**Retirement Law**”), and the contract between the Board of Administration of PERS and the City Council of the City, effective _____, _____ (as amended, the “**PERS Contract**”), to make contributions to PERS to (a) fund pension benefits for its employees who are members of PERS, (b) amortize the unfunded actuarial liability with respect to such pension benefits, and (c) appropriate funds for the purposes described in (a) and (b); and

WHEREAS, the City is authorized pursuant to Articles 10 and 11 (commencing with Section 53570) of Chapter 3 of Division 2 of Title 5 of the California Government Code (the “**Refunding Law**”) to issue bonds for the purpose of refunding certain obligations of the City, including the obligations set forth in the PERS Contract; and

WHEREAS, for the purpose of refunding the City’s unamortized, unfunded accrued actuarial liability with respect to pension benefits under the Retirement Law (the “**Unfunded Liability**”), to fund the City’s current liability with respect to pension benefits under the PERS Contract and the Retirement Law for Fiscal Year 2020-21, and to pay the costs of issuance, including underwriter’s discount and any original issue discount, the City has determined to issue its \$_____ City of National City 2021 Taxable Pension Obligation Bonds (the “**Bonds**”), all pursuant to and secured by this Trust Agreement providing for the issuance of the Bonds, all in the manner provided herein;

NOW THEREFORE, the City and the Trustee agree as follows, each for the benefit of the other and the benefit of holders of the Bonds (as defined below) issued in accordance with this Trust Agreement.

ARTICLE I

DEFINITIONS; INTERPRETATION

Section 1.01 Certain Defined Terms. The terms defined in this Article I shall, for all purposes of this Trust Agreement, have the meanings specified unless the context clearly requires otherwise.

“**Account**” means any account established pursuant to this Trust Agreement.

“**Additional Bonds**” means bonds issued in accordance with Section 2.06 hereof.

“Annual Debt Service” means, for any Bond Year, the sum of the aggregate amount of principal required to be paid on Bonds during such Bond Year either at maturity or pursuant to a mandatory sinking fund payment and the interest due on the Bonds on each Interest Payment Date during such Bond Year.

“Authorized City Representative” means the City Manager, the Assistant City Manager, the Director of Finance, or any officer authorized to act on their respective behalves.

“Authorized Denominations” means \$5,000 and any integral multiple thereof (except that while Bonds are registered in book-entry form, they may be held in amounts other than an integral multiple so long as the amount exceeds \$5,000).

“Beneficial Owner” means, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the beneficial owner of such Bond by a Participant on the records of such Participant or such person’s subrogee.

“Bond” or **“Bonds”** means the bonds issued under this Trust Agreement and designated as “City of National City 2021 Taxable Pension Obligation Bonds.”

“Bond Counsel” means (a) Kutak Rock LLP, or (b) a firm of attorneys nationally recognized as experts in the area of municipal finance who are familiar with the transactions contemplated under this Trust Agreement and acceptable to the City.

“Bond Interest Account” means the Account of that name established within the Revenue Fund pursuant to Section 6.02(a) hereof.

“Bond Principal Account” means the Account of that name established within the Revenue Fund pursuant to Section 6.02(a) hereof.

“Bond Year” means the twelve-month period commencing on each June 2 and ending on the next succeeding June 1, except that the first Bond Year shall commence on the Closing Date and end on June 1, 2021.

“Book-Entry Bonds” means the Bonds held by DTC (or its nominee) as the registered owner thereof pursuant to the terms and provisions of Section 3.03 hereof.

“Business Day” means a day (a) other than a day on which banks located in the City of New York, New York or the cities in which the respective principal offices of the Trustee or any Paying Agent are located, are required or authorized by law or executive order to close, and (b) on which the New York Stock Exchange is open.

“Closing Date” means _____, 2021.

“Consultant” means the accountant, attorney, municipal advisor, consultant, municipal finance consultant or investment banker, or firm thereof, retained by the City to perform acts and carry out the duties provided for such Consultant in this Trust Agreement. Such accountant, attorney, consultant, municipal finance consultant or investment banker, or firm thereof, shall be nationally recognized within its profession for work of the character required.

“Continuing Disclosure Certificate” means that certain Continuing Disclosure Certificate executed and delivered by the City and acknowledged and accepted by the dissemination agent listed therein, dated _____ 1, 2021, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Costs of Issuance” means all costs and expenses incurred by the City in connection with the issuance of the Bonds and the refunding of the Unfunded Liability, including, but not limited to, out-of-pocket expenses of the City, costs and expenses of printing and copying documents and the Bonds and the fees, costs and expenses of Rating Agencies, credit providers or enhancers, the Trustee, counsel to the Trustee, municipal advisor, Bond Counsel, the verification agent, accountants, municipal finance consultant, disclosure counsel and other consultants and the premium for any municipal bond insurance and surety bond insurance.

“Defeasance Securities” means any of the following: (a) non-callable direct obligations of the United States of America (“Treasuries”), (b) evidence of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, and (c) pre-refunded municipal obligations rated “AAA” and “Aaa” by S&P and Moody’s, respectively (or any combination thereof), which shall be authorized to be used to effect defeasance of the Bonds.

“DTC” means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors and assigns.

“Event of Default” means any occurrence or event specified in Section 11.01 hereof.

“Fiduciary or Fiduciaries” means the Trustee, any Paying Agent, or any or all of them, as may be appropriate.

“Fiscal Year” means the period of time beginning on July 1 of each given year and ending on June 30 of the immediately subsequent year, or such other period as the City designates as its fiscal year.

“Fund” means any fund established pursuant to this Trust Agreement.

“Holder,” or “Bondholder,” “owner” or “registered owner” means the registered owner of any Bonds, including DTC or its nominee as the sole registered owner of Book-Entry Bonds.

“Information Services” means any one or more of the national information services that Trustee determines are in the business of disseminating notices of redemption of obligations such as the Bonds.

“Interest Payment Date” means June 1 and December 1 of each year commencing June 1, 2021.

“Mail” means by first-class United States mail, postage prepaid.

“Moody’s” means Moody’s Investors Service, Inc., New York, New York, and its successors, and, if such corporation shall for any reason no longer perform the functions of a

securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized rating agency designated by the City.

“**Opinion of Bond Counsel**” means a written opinion of Bond Counsel.

“**Outstanding**,” with respect to the Bonds, means all Bonds which have been authenticated and delivered under this Trust Agreement, except:

(a) Bonds cancelled or purchased by the Trustee for cancellation or delivered to or acquired by the Trustee for cancellation and, in all cases, with the intent to extinguish the debt represented thereby.

(b) Bonds deemed to be paid in accordance with Section 10.02 hereof.

(c) Bonds in lieu of which other Bonds have been authenticated under Sections 3.02 and 3.04 hereof.

(d) Bonds that have become due (at maturity, on redemption, or otherwise) and for the payment of which sufficient moneys, including interest accreted or accrued to the due date, are held by the Trustee or a Paying Agent.

(e) For purposes of any consent or other action to be taken by the Holders of a specified percentage of Bonds Outstanding under this Trust Agreement, Bonds held by or for the account of the City or by any person controlling, controlled by or under common control with the City, unless such Bonds are pledged to secure a debt to an unrelated party, in which case such Bonds shall, for purposes of consents and other Bondholder action, be deemed to be Outstanding and owned by the party to which such Bonds are pledged. Nothing herein shall be deemed to prevent the City from purchasing Bonds from any party out of any funds available to the City.

“**Participant**” means the participants of DTC which include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations.

“**Paying Agent**” means any paying agent for the Bonds, or successor thereto, appointed by the City pursuant to Sections 8.01 or 8.02 hereof, and any successor appointed pursuant to Section 7.04 hereof.

“**Permitted Investments**” means the following:

(1) Direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America (“U.S. Government Securities”).

(2) Direct obligations* of the following federal agencies which are fully

* The following are explicitly excluded from the securities enumerated in 2 and 3:

- (i) All derivative obligations, including without limitation inverse floaters, residuals, interest-only, principal-only and range notes;
- (ii) Obligations that have a possibility of returning a zero or negative yield if held to maturity;
- (iii) Obligations that do not have a fixed par value or those whose terms do not promise a fixed dollar amount at maturity or call date; and
- (iv) Collateralized Mortgage-Backed Obligations (“CMOs”).

guaranteed by the full faith and credit of the United States of America:

- a. Export-Import Bank of the United States – Direct obligations and fully guaranteed certificates of beneficial interest
- b. Federal Housing Administration – debentures
- c. General Services Administration – participation certificates
- d. Government National Mortgage Association (“GNMAs”) – guaranteed mortgage-backed securities and guaranteed participation certificates
- e. Small Business Administration – guaranteed participation certificates and guaranteed pool certificates
- f. U.S. Department of Housing & Urban Development – local authority bonds
- g. U.S. Maritime Administration – guaranteed Title XI financings
- h. Washington Metropolitan Area Transit Authority – guaranteed transit bonds

(3) Direct obligations* of the following federal agencies which are not fully guaranteed by the faith and credit of the United States of America:

- a. Federal National Mortgage Association (“FNMA”) – senior debt obligations rated Aaa by Moody’s Investors Service (“Moody’s”) and AAA by Standard & Poor’s Ratings Services (“S&P”)
- b. Federal Home Loan Mortgage Corporation (“FHLMCs”) – participation certificates and senior debt obligations rated Aaa by Moody’s and AAA by S&P
- c. Federal Home Loan Banks – consolidated debt obligations
- d. Student Loan Marketing Association – debt obligations
- e. Resolution Funding Corporation – debt obligations

(4) Direct, general obligations of any state of the United States of America or any subdivision or agency thereof whose uninsured and unguaranteed general obligation debt is rated, at the time of purchase, A2 or better by Moody’s and A or better by S&P, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose uninsured and unguaranteed general obligation debt is rated, at the time of purchase, A2 or better by Moody’s and A or better by S&P.

(5) Commercial paper (having original maturities of not more than 270 days) rated, at the time of purchase, P-1 by Moody’s and A-1 or better by S&P.

(6) Certificates of deposit, savings accounts, deposit accounts or money market deposits in amounts that are continuously and fully insured by the Federal Deposit Insurance Corporation (“FDIC”), including the Bank Insurance Fund and the Savings Association Insurance Fund, and including funds for which the Trustee or its affiliates provide investment advisory or other management services.

(7) Certificates of deposit, deposit accounts, federal funds or bankers’ acceptances (in each case having maturities of not more than 365 days following the date of purchase) of any domestic commercial bank or United States branch office of a foreign bank,

provided that such bank's short-term certificates of deposit are rated P-1 by Moody's and A-1 or better by S&P (not considering holding company ratings).

(8) Investments in money-market funds rated AAAm or AAAm-G by S&P, including funds for which the Trustee and its affiliates provide investment advisory or other management services.

(9) Repurchase agreements that meet the following criteria:

- a. A master repurchase agreement or specific written repurchase agreement, substantially similar in form and substance to the Public Securities Association or Bond Market Association master repurchase agreement, governs the transaction.
- b. Acceptable providers shall consist of (i) registered broker/dealers subject to Securities Investors' Protection Corporation ("SIPC") jurisdiction or commercial banks insured by the FDIC, if such broker/dealer or bank has an uninsured, unsecured and unguaranteed rating of A3/P-1 or better by Moody's and A-/A-1 or better by S&P, or (ii) domestic structured investment companies rated Aaa by Moody's and AAA by S&P.
- c. The repurchase agreement shall require termination thereof if the counterparty's ratings are suspended, withdrawn or fall below A3 or P-1 from Moody's, or A- or A-1 from S&P. Within ten (10) days, the counterparty shall repay the principal amount plus any accrued and unpaid interest on the investments.
- d. The repurchase agreement shall limit acceptable securities to U.S. Government Securities and to the obligations of GNMA, FNMA or FHLMC described in 2(d), 3(a) and 3(b) above. The fair market value of the securities in relation to the amount of the repurchase obligation, including principal and accrued interest, is equal to a collateral level of at least 104% for U.S. Government Securities and 105% for GNMA, FNMA or FHLMC. The repurchase agreement shall require (i) the Trustee or the Agent to value the collateral securities no less frequently than weekly, (ii) the delivery of additional securities if the fair market value of the securities is below the required level on any valuation date, and (iii) liquidation of the repurchase securities if any deficiency in the required percentage is not restored within two (2) business days of such valuation.
- e. The repurchase securities shall be delivered free and clear of any lien to the Trustee or to an independent third party acting solely as agent ("Agent") for the Trustee, and such Agent is (i) a Federal Reserve Bank, or (ii) a bank which is a member of the FDIC and which has combined capital, surplus and undivided profits or, if appropriate, a net worth, of not less than \$50 million, and the Trustee shall have received written confirmation from such third party that such third

party holds such securities, free and clear of any lien, as agent for the Trustee.

- f. A perfected first security interest in the repurchase securities shall be created for the benefit of the Trustee, and the issuer and the Trustee shall receive an opinion of counsel as to the perfection of the security interest in such repurchase securities and any proceeds thereof.
- g. The repurchase agreement shall have a term of one year or less, or shall be due on demand.
- h. The repurchase agreement shall establish the following as events of default, the occurrence of any of which shall require the immediate liquidation of the repurchase securities:
 - (i) insolvency of the broker/dealer or commercial bank serving as the counterparty under the repurchase agreement;
 - (ii) failure by the counterparty to remedy any deficiency in the required collateral level or to satisfy the margin maintenance call under item 9(d) above; or
 - (iii) failure by the counterparty to repurchase the repurchase securities on the specified date for repurchase.

(10) Investment agreements, collateralized at 102%, (also referred to as guaranteed investment contracts) that meet the following criteria:

- a. A master agreement or specific investment agreement governs the transaction.
- b. Acceptable providers of uncollateralized investment agreements shall consist of (i) domestic FDIC-insured commercial banks, or U.S. branches of foreign banks, rated at least Aa2 by Moody's and AA by S&P; (ii) domestic insurance companies rated Aaa by Moody's and AAA by S&P; and (iii) domestic structured investment companies rated Aaa by Moody's and AAA by S&P.
- c. Acceptable providers of collateralized investment agreements shall consist of (i) registered broker/dealers subject to SIPC jurisdiction, if such broker/dealer has an unsecured, unsecured and unguaranteed rating of A1 or better by Moody's and A+ or better by S&P; (ii) domestic FDIC-insured commercial banks, or U.S. branches of foreign banks, rated at least A1 by Moody's and A+ by S&P; (iii) domestic insurance companies rated at least A1 by Moody's and A+ by S&P; and (iv) domestic structured investment companies rated Aaa by Moody's and AAA by S&P. Required collateral levels shall be as set forth in 10(f) below.

- d. The investment agreement shall provide that if the provider's ratings fall below Aa3 by Moody's or AA- by S&P, the provider shall within ten (10) days either (i) repay the principal amount plus any accrued and interest on the investment; or (ii) deliver Permitted Collateral as provided below.
- e. The investment agreement must provide for termination thereof if the provider's ratings are suspended, withdrawn or fall below A3 from Moody's or A- from S&P. Within ten (10) days, the provider shall repay the principal amount plus any accrued interest on the agreement, without penalty to the City.
- f. The investment agreement shall provide for the delivery of collateral described in (i) or (ii) below ("Permitted Collateral") which shall be maintained at the following collateralization levels at each valuation date:
 - (i) U.S. Government Securities at 104% of principal plus accrued interest; or
 - (ii) Obligations of GNMA, FNMA or FHLMC (described in 2(d), 3(a) and 3(b) above) at 105% of principal and accrued interest.
- g. The investment agreement shall require the Trustee to determine the market value of the Permitted Collateral not less than weekly and notify the investment agreement provider on the valuation day of any deficiency. Permitted Collateral may be released by the Trustee to the provider only to the extent that there are excess amounts over the required levels. Market value, with respect to collateral, may be determined by any of the following methods:
 - (i) the last quoted "bid" price as shown in Bloomberg, Interactive Data Systems, Inc., The Wall Street Journal or Reuters;
 - (ii) valuation as performed by a nationally recognized pricing service, whereby the valuation method is based on a composite average of various bid prices; or
 - (iii) the lower of two bid prices by nationally recognized dealers. Such dealers or their parent holding companies shall be rated investment grade and shall be market makers in the securities being valued.
- h. Securities held as Permitted Collateral shall be free and clear of all liens and claims of third parties, held in a separate custodial account and registered in the name of the Trustee or the Agent.
- i. The provider shall grant the Trustee a perfected first security interest in any collateral delivered under an investment agreement. For investment agreements collateralized initially and in connection with the delivery of Permitted Collateral under 10(f) above, the Trustee

shall receive an opinion of counsel as to the perfection of the security interest in the collateral.

- j. The investment agreement shall provide that moneys invested under the agreement must be payable and putable at par to the Trustee without condition, breakage fee or other penalty, upon not more than two (2) business days' notice, or immediately on demand for any reason for which the funds invested may be withdrawn from the applicable fund or account established under the authorizing document, as well as the following:
- (i) In the event of a deficiency in the debt service account;
 - (ii) Upon acceleration after an event of default;
 - (iii) Upon refunding of the Bonds in whole or in part;
 - (iv) Reduction of any debt service reserve requirement for the Bonds; or
 - (v) If a determination is later made by a nationally recognized bond counsel that investments must be yield-restricted.

Notwithstanding the foregoing, the agreement may provide for a breakage fee or other penalty that is payable in arrears and not as a condition of a draw by the Trustee if the City's obligation to pay such fee or penalty is subordinate to its obligation to pay debt service on the Bonds and to make deposits to any debt service reserve fund established for the Bonds.

- (k) The investment agreement shall establish the following as events of default, the occurrence of any of which shall require the immediate liquidation of the investment securities:
- (i) Failure of the provider or the guarantor (if any) to make a payment when due or to deliver Permitted Collateral of the character, at the times or in the amounts described above;
 - (ii) Insolvency of the provider or the guarantor (if any) under the investment agreement;
 - (iii) Failure by the provider to remedy any deficiency with respect to required Permitted Collateral;
 - (iv) Failure by the provider to make a payment or observe any covenant under the agreement;
 - (v) The guaranty (if any) is terminated, repudiated or challenged; or
 - (vi) Any representation of warranty furnished to the Trustee or the issuer in connection with the agreement is false or misleading.

- (l) The investment agreement must incorporate the following general criteria:
 - (i) “Cure periods” for payment default shall not exceed two (2) business days;
 - (ii) The agreement shall provide that the provider shall remain liable for any deficiency after application of the proceeds of the sale of any collateral, including costs and expenses incurred by the Trustee;
 - (iii) Neither the agreement or guaranty agreement, if applicable, may be assigned (except to a provider that would otherwise be acceptable under these guidelines);
 - (iv) If the investment agreement is for a debt service reserve fund, reinvestments of funds shall be required to bear interest at a rate at least equal to the original contract rate.
 - (v) The provider shall be required to immediately notify the Trustee of any event of default or any suspension, withdrawal or downgrade of the provider’s ratings; and
 - (vi) The agreement shall be unconditional and shall expressly disclaim any right of set-off or counterclaim.

(11) Forward delivery agreements in which the securities delivered mature on or before each interest payment date (for debt service or debt service reserve funds) or draw down date (construction funds) that meet the following criteria:

- (a) A specific written investment agreement governs the transaction.
- (b) Acceptable providers shall be limited to (i) any registered broker/dealer subject to the Securities Investors’ Protection Corporation jurisdiction, if such broker/dealer or bank has an uninsured, unsecured and unguaranteed obligation rated A3/P-1 or better by Moody’s and A-/A-1 or better by S&P; (ii) any commercial bank insured by the FDIC, if such bank has an uninsured, unsecured and unguaranteed obligation rated A3/P-1 or better by Moody’s and A-/A-1 or better by S&P; and (iii) domestic structured investment companies rated Aaa by Moody’s and AAA by S&P.
- (c) The forward delivery agreement shall provide for termination or assignment (to a qualified provider hereunder) of the agreement if the provider’s ratings are suspended, withdrawn or fall below A3 or P-1 from Moody’s or A- or A-1 from S&P. Within ten (10) days, the provider shall fulfill any obligations it may have with respect to shortfalls in market value. There shall be no breakage fee payable to the provider in such event.

- (d) Permitted securities shall include the investments listed in 1, 2 and 3 above.
- (e) The forward delivery agreement shall include the following provisions:
 - (i) The permitted securities must mature at least one (1) business day before a debt service payment date or scheduled draw. The maturity amount of the permitted securities must equal or exceed the amount required to be in the applicable fund on the applicable valuation date.
 - (ii) The agreement shall include market standard termination provisions, including the right to terminate for the provider's failure to deliver qualifying securities or otherwise to perform under the agreement. There shall be no breakage fee or penalty payable to the provider in such event.
 - (iii) Any breakage fees shall be payable only on debt service payment dates and shall be subordinated to the payment of debt service and debt service reserve fund replenishments.
 - (iv) The provider must submit at closing a bankruptcy opinion to the effect that upon any bankruptcy, insolvency or receivership of the provider, the securities will not be considered to be a part of the provider's estate.
 - (v) The agreement may not be assigned (except to a provider that would otherwise be acceptable under these guidelines).

(12) Forward delivery agreements in which the securities delivered mature after the funds may be required but provide for the right of the City or the Trustee to put the securities back to the provider under a put, guaranty or other hedging arrangement.

(13) Maturity of investments shall be governed by the following:

- a. Investments of monies (other than reserve funds) shall be in securities and obligations maturing not later than the dates on which such monies will be needed to make payments.
- b. Investments shall be considered as maturing on the first date on which they are redeemable without penalty at the option of the holder or the date on which the Trustee may require their repurchase pursuant to repurchase agreements.
- c. Investments of monies in reserve funds not payable upon demand shall be restricted to maturities of five years or less.

(14) Any other investment which the City is permitted by law to make, including without limitation investment in the Local Agency Investment Fund of the State of California (LAIF), provided that any investment of the type authorized pursuant to paragraphs (d), (f), (h) and (i) of Section 53601 of the California Government Code are additionally restricted as provided in the appropriate paragraph or paragraphs above applicable to such type of investment and provided

further that investments authorized pursuant to paragraphs (k) and (m) of Section 53601 are not permitted.

To the extent that any of the requirements concerning Permitted Investments embodies a legal conclusion, the Trustee shall be entitled to conclusively rely upon a certificate from the appropriate party or an opinion from counsel to such party, that such requirement has been met.

“**PERS**” means the California Public Employees’ Retirement System.

“**PERS Contract**” has the meaning assigned that term in the Recitals to this Trust Agreement.

“**Principal Office of the Trustee**” means the office of the Trustee at the address set forth in Section 15.06 of this Trust Agreement, provided for transfer, exchange, registration, surrender and payment of Bonds means care of the corporate trust office of _____ in _____, _____ or such other office designated by the Trustee.

“**Rating Agencies**” means Moody's and S&P.

“**Rating Category**” means (a) with respect to any long-term rating category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier and (b) with respect to any short-term or commercial paper rating category, all ratings designated by a particular letter or combination of letters and taking into account any numerical modifier, but not any plus or minus sign or other modifier.

“**Record Date**” means the fifteenth day of each calendar month preceding any Interest Payment Date, regardless of whether such day is a Business Day.

“**Redemption Fund**” means the Fund of that name established pursuant to Section 6.03 hereof.

“**Refunding Law**” has the meaning assigned that term in the Recitals to this Trust Agreement.

“**Registrar**” means, for purposes of this Trust Agreement, the Trustee or its successor or assignee.

“**Representation Letter**” means the Letter of Representations from the City and the Trustee to DTC with respect to the Bonds.

“**Requisition**” or “**Written Requisition**” means a Requisition or Written Requisition, substantially in the form of Exhibit “B” hereto.

“**Responsible Officer**” means an officer of the Trustee assigned by the Trustee to administer this Trust Agreement.

“**Retirement Law**” has the meaning assigned that term in the Recitals to this Trust Agreement.

“**Revenue Fund**” means the Fund of that name established pursuant to Section 6.02(a) hereof.

“**S&P**” means S&P Global Ratings, LLC, a Standard & Poor’s Financial Services LLC business, and its successors, and, if such company shall for any reason no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized rating agency designated by the City.

“**Securities Depositories**” means any of The Depository Trust Company or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other securities depositories, or if no such depositories, as the City may indicate in a certificate of the City delivered to the Trustee.

“**State**” means the State of California.

“**Total Bond Obligation**” means, as of any date of calculation, the aggregate principal amount of the Bonds then Outstanding.

“**Trust Agreement**” means this Trust Agreement dated as of _____ 1, 2020 between the City and the Trustee, as it may be amended, supplemented or otherwise modified from time to time.

“**Trustee**” means the entity named as such in the heading of this Trust Agreement until a successor replaces it, and thereafter means such successor.

“**Unfunded Liability**” has the meaning assigned that term in the Recitals to this Trust Agreement.

Section 1.02 Other Definitional Provisions. Except as otherwise indicated, references to Articles and Sections are to the Articles and Sections of this Trust Agreement. Any of the terms defined in Section 1.01 may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference.

ARTICLE II

THE BONDS

Section 2.01 Issuance of Bonds; Form; Dating. Bonds may be issued by the City under the terms of this Trust Agreement only to refund the City’s Unfunded Liability under the PERS Contract and the Retirement Law, to fund the City’s current liability with respect to pension benefits under the PERS Contract and the Retirement Law for Fiscal Year 2020-21 and to pay the Costs of Issuance in connection with the issuance of the Bonds. The Bonds shall be designated “City of National City 2021 Taxable Pension Obligation Bonds” and shall be issued in Authorized Denominations. The Bonds shall be issued hereunder in the aggregate principal amount of \$_____. Interest on the Bonds shall be payable on each June 1 and December 1, commencing June 1, 2021.

Section 2.02 Description of the Bonds. Each Bond shall be issued in fully registered form and shall be numbered as determined by the Trustee. The Bonds shall be dated the Closing Date. The Bonds shall be issued in Authorized Denominations; provided, however, that the Bonds shall initially be Book-Entry Bonds.

The Bonds shall mature on the dates, in the principal amounts, and interest thereon shall be computed at the rates, as shown below:

<i>Maturity Date</i> <i>(June 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>
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Section 2.03 Interest on the Bonds. Interest on each Bond of each maturity shall be payable at the respective per annum rates set forth in Section 2.02 hereof and shall be payable on each Interest Payment Date until maturity or earlier redemption, computed using a year of 360 days comprised of twelve 30-day months. Interest on each Bond shall accrue from the Interest Payment Date for the Bonds next preceding the date of authentication and delivery thereof, unless (i) such date of authentication is an Interest Payment Date in which event interest shall be payable from such date of authentication; (ii) it is authenticated after a Record Date and before the close of business on the immediately following Interest Payment Date, in which event interest thereon shall be payable from such Interest Payment Date; or (iii) it is authenticated prior to the close of business on the first Record Date, in which event interest thereon shall be payable from the Closing Date; provided, however, that if at the time of authentication of any Bond interest thereon is in default, interest thereon shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment or, if no interest has been paid or made available for payment, from the Closing Date.

Section 2.04 Medium of Payment. Principal, premium, if any, and interest on the Bonds shall be payable in currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Payments of interest on any of the Bonds will be made on each Interest Payment Date by check of the Trustee sent by Mail, or by wire transfer to any Holder of \$1,000,000 or more of Bonds, to the account specified by such Holder in a written request delivered to the Trustee on or prior to the Record Date for such Interest Payment Date, to the Holder thereof on the Record Date; provided, however, that payments of defaulted interest shall be payable to the person in whose name such Bond is registered at the close of business on a special record date fixed therefor by the Trustee which shall not be more than 15 days and not less than ten days prior to the date of the proposed payment of defaulted interest. Payment of the principal of the Bonds upon

redemption or maturity will be made upon presentation and surrender of each such Bond, at the Principal Office of the Trustee.

Section 2.05 Form. The Bonds shall be substantially in the form set forth in Exhibit “A” attached hereto and by this reference incorporated herein. The Bonds may be printed, lithographed, photocopied or typewritten and shall be in such Authorized Denominations as may be determined by the City.

Section 2.06 Additional Bonds. From time to time, the City may enter into (i) one or more other trust agreements or indentures and/or (ii) one or more agreements supplementing and/or amending this Trust Agreement, for the purpose of providing for the issuance of Additional Bonds to refund the Bonds or to refund all or any portion of any Unfunded Liability under the PERS Contract arising subsequent to the issuance of the Bonds or any other obligations due to PERS. Such Additional Bonds may be issued on a parity with the Bonds.

ARTICLE III

EXECUTION, AUTHENTICATION AND EXCHANGE OF BONDS; BOOK ENTRY BONDS

Section 3.01 Execution and Authentication; Registration.

(a) The Bonds will be signed for the City with the manual or facsimile signature of the Mayor of the City Council of the City. The City may deliver to the Trustee or its agent duly executed Bonds for authentication from time to time by the Trustee or its agent as such Bonds may be required. Bonds executed and so delivered and authenticated will be valid. In case any officer of the City whose signature or whose facsimile signature shall appear on any Bonds shall cease to be such officer before the authentication of such Bonds, such signature or the facsimile signature thereof shall nevertheless be valid and sufficient for all purposes the same as if he or she had remained in office until authentication. Also, if a person signing a Bond is the proper officer on the actual date of execution, the Bond will be valid even if that person is not the proper officer on the nominal date of action and even though, at the date of this Trust Agreement, such person was not such officer.

(b) A Bond will not be valid until the Trustee or its agent executes the certificate of authentication on such Bond by manual signature. Such signature will be conclusive evidence that such Bond has been authenticated under this Trust Agreement. The Trustee may appoint an authenticating agent acceptable to the City to authenticate Bonds. An authenticating agent may authenticate Bonds whenever the Trustee may do so. Each reference in this Trust Agreement to authentication by the Trustee includes authentication by such agent.

(c) Bonds may be presented at the Principal Office of the Trustee, unless a different office has been designated for such purpose, for registration, transfer and exchange. The Registrar will keep a register of such Bonds and of their transfer and exchange.

Section 3.02 Transfer or Exchange of Bonds. Subject to Section 3.03:

(a) All Bonds shall be issued in fully registered form. Upon surrender for transfer of any Bond at the Principal Office of the Trustee, the Trustee shall deliver in the name of the transferee or transferees a new fully authenticated and registered Bond or Bonds of Authorized

Denominations of the same maturity for the aggregate principal amount which the Bondholder is entitled to receive.

(b) All Bonds presented for transfer, redemption or payment shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the City, duly executed by the Bondholder or by his duly authorized attorney. The Trustee also may require payment from the Bondholder of a sum sufficient to cover any tax, or other governmental fee or charge that may be imposed in relation thereto. Such taxes, fees and charges shall be paid before any such new Bond shall be delivered.

(c) Bonds delivered upon any transfer as provided herein, or as provided in Section 3.04, shall be valid obligations of the City, evidencing the same debt as the Bond surrendered, shall be secured by this Trust Agreement and shall be entitled to all of the security and benefits hereof to the same extent as the Bond surrendered.

(d) The City, the Trustee and the Paying Agent shall treat the Bondholder, as shown on the registration books kept by the Trustee, as the person exclusively entitled to payment of principal, premium, if any, and interest with respect to such Bond and to the exercise of all other rights and powers of the Bondholder, except that all interest payments will be made to the party who, as of the Record Date, is the Bondholder.

Section 3.03 Book-Entry Bonds.

(a) Except as provided in paragraph (c) of this Section 3.03, the registered owner of all of the Bonds shall be DTC and the Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Except as provided in paragraph (d) of this Section 3.03, payment of principal, interest and premium, if any, for any Bonds registered in the name of Cede & Co. shall be made as provided in the Representation Letter.

(b) The Bonds shall be initially issued in the form of a separate single authenticated fully registered Bond for each separate stated maturity of the Bonds. The Trustee, the Registrar and the City may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal or redemption price of, or interest on, the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under this Trust Agreement, registering the transfer of Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever, and neither the Trustee, the Registrar nor the City shall be affected by any notice to the contrary. Neither the Trustee, the Registrar nor the City shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant or any other person which is not shown on the registration books as being a Bondholder, with respect to (i) the accuracy of any records maintained by DTC or any Participant, (ii) the payment by DTC or any Participant of any amount in respect of the principal or redemption price of or interest on the Bonds, (iii) any notice which is permitted or required to be given to Bondholders under this Trust Agreement, (iv) the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or (v) any consent given or other action taken by DTC as a Bondholder. The Trustee shall pay, from funds held under the terms of this Trust Agreement or otherwise provided by the City, all principal or redemption price of and interest on the Bonds only to DTC as provided in the Representation Letter and all such payments shall be valid and effective to satisfy and discharge fully the City's obligations with respect to the

principal or redemption price of and interest on the Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive authenticated Bonds evidencing the obligation of the City, to make payments of principal or redemption price and interest pursuant to this Trust Agreement. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to Record Dates, the name "Cede & Co." in this Trust Agreement shall refer to such new nominee of DTC.

(c) In the event the City determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bond certificates and notifies DTC, the Trustee and the Registrar of such determination, then DTC will notify the Participants of the availability through DTC of Bond certificates. In such event, the Trustee shall authenticate and the Registrar shall transfer and exchange Bonds certificates as requested by DTC and any other Bondholders in appropriate amounts. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and the Trustee and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the City and the Trustee shall be obligated to deliver Bond certificates as described in this Trust Agreement. In the event Bond certificates are issued, the provisions of this Trust Agreement shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of and interest on such certificates. Whenever DTC requests the City and the Trustee to do so, the Trustee and the City will cooperate with DTC in taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the Bonds to any Participant having Bonds credited to its DTC account or (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Bonds.

(d) Notwithstanding any other provision of this Trust Agreement to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal or redemption price of and interest on such Bonds and all notices with respect to such Bonds shall be made and given, respectively, to DTC as provided in the Representation Letter.

(e) In connection with any notice or other communication to be provided to Bondholders pursuant to this Trust Agreement by the City or the Trustee with respect to any consent or other action to be taken by Bondholders, the City or the Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than 15 calendar days in advance of such record date to the extent possible. Notice to DTC shall be given only when DTC is the sole Bondholder.

(f) If the City purchases, or causes the Trustee to purchase, any of the Bonds, such purchase of Bonds shall be deemed to have occurred upon the purchase of beneficial ownership interests in the Bonds from a Participant. Upon receipt by DTC of notice from the City and a Participant that a purchase of beneficial ownership interests in the Bonds has been made by the City from such Participant, DTC shall surrender to the Trustee the Bonds referenced in such notice and, if the principal amount referenced in said notice is less than the principal amount of the Bonds so surrendered, the Trustee shall authenticate and deliver to DTC, in exchange for the Bonds so surrendered, a new Bond or Bonds, as the case may be, in Authorized Denominations and in a principal amount equal to the difference between (i) the principal amount of the Bonds so surrendered and (ii) the principal amount referenced in said notice.

(g) Notwithstanding any provision herein to the contrary, the City and the Trustee may agree to allow DTC, or its nominee, Cede & Co., to make a notation on any Bond redeemed in part to reflect, for informational purposes only, the principal amount and date of any such redemption.

(h) In the event that DTC notifies the City that it is discontinuing the book-entry system for the Bonds, the City may either appoint another entity to hold the Bonds in book-entry form or deliver Bond certificates to the beneficial owners or Participants, as directed by DTC.

Section 3.04 Mutilated, Lost, Stolen or Destroyed Bonds.

(a) In the event any Bond is mutilated or defaced but identifiable by number and description, the City shall execute and the Trustee shall authenticate and deliver a new Bond of like date, maturity and denomination as such Bond, upon surrender thereof to the Trustee; provided that there shall first be furnished to the City and the Trustee proof satisfactory to the Trustee that the Bond is mutilated or defaced. The Bondholder shall accompany the above with a deposit of money required by the City for the cost of preparing the substitute Bond and all other expenses connected with the issuance of such substitute. The City shall then cause proper record to be made of the cancellation of the original, and thereafter the substitute shall have the validity of the original.

(b) In the event any Bond is lost, stolen or destroyed, the City may execute and the Trustee may authenticate and deliver a new Bond of like date, maturity and denomination as that Bond lost, stolen or destroyed; provided that there shall first be furnished to the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee, together with indemnity satisfactory to it.

(c) The City and the Trustee shall charge the Holder of such Bond all transfer taxes, if any, and their reasonable fees and expenses in this connection. All substitute Bonds issued and authenticated pursuant to this Section shall be issued as a substitute and numbered, if numbering is provided for by the Trustee, as determined by the Trustee. In the event any such Bond has matured or has been called for redemption, instead of issuing a substitute Bond, the Trustee may pay the same without surrender thereof upon receipt of indemnity satisfactory to the Trustee.

Section 3.05 Destruction of Bonds. Whenever any Outstanding Bonds shall be delivered to the Trustee for cancellation pursuant to this Trust Agreement, upon payment of the principal amount and interest represented thereby or for replacement pursuant to Section 3.04 or transfer pursuant to Section 3.02, such Bond shall be cancelled and destroyed by the Trustee and counterparts of a certificate of destruction evidencing such destruction shall, upon the City's request, be furnished by the Trustee to the City.

Section 3.06 Temporary Bonds.

(a) Pending preparation of definitive Bonds, the City may execute and the Trustee shall authenticate and deliver, in lieu of definitive Bonds and subject to the same limitation and conditions, interim receipts, certificates or temporary bonds which shall be exchanged for the Bonds.

(b) If temporary Bonds shall be issued, the City shall cause the definitive Bonds to be prepared and to be executed and delivered to the Trustee, and the Trustee, upon presentation to it of any temporary Bond, shall cancel the same and deliver in exchange therefor at the place

designated by the Bondholder, without charge to the Bondholder thereof, definitive Bonds of an equal aggregate principal amount, of the same series, maturity and bearing interest at the same rate or rates as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefit and security of this Trust Agreement as the definitive Bonds to be issued and authenticated hereunder.

ARTICLE IV

REDEMPTION OF BONDS

Section 4.01 Notices to Trustee; Notices to Bondholders; Notices to DTC.

(a) Notice of redemption shall be given by the Trustee, not less than 30 nor more than 60 days prior to the redemption date: (i) in the case of Bonds not registered in the name of a Securities Depository or its nominee, to the respective Holders of the Bonds designated for redemption at their addresses appearing on the registration books of the Trustee; (ii) in the case of Bonds registered in the name of a Securities Depository or its nominee, to such Securities Depository for such Bonds; and (iii) to the Information Services. Notice of redemption to the Holders pursuant to (i) above shall be given by mail at their addresses appearing on the registration books of the Trustee, or any other method agreed upon by such Holder and the Trustee. Notice of redemption to the Securities Depositories pursuant to (ii) above and the Information Services pursuant to (iii) above shall be given by electronically secure means, or any other method agreed upon by such entities and the Trustee.

(b) Each notice of redemption shall state the Bonds or designated portions thereof to be redeemed, the date of redemption, the place of redemption, the redemption price, the CUSIP number (if any) of the Bonds to be redeemed, the distinctive numbers of the Bonds of such maturity to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed, the original issue date, interest rate and stated maturity date of each Bond to be redeemed in whole or part. Each such notice shall also state that on said date there will become due and payable on each of the Bonds to be redeemed the redemption price, and redemption premium, if any, thereof, and that from and after such redemption date interest thereon shall cease to accrue.

(c) Failure to give the notices described in this Section 4.01 or any defect therein shall not in any manner affect the redemption of any Bonds. Any notice sent as provided herein will be conclusively presumed to have been given whether or not actually received by the addressee.

(d) The City shall have the right to rescind any notice of optional redemption previously sent pursuant to this Section 4.01. Any such notice of rescission shall be sent in the same manner as the notice of redemption. Neither the City nor the Trustee shall incur any liability, to Bond Owners, DTC, or otherwise, as a result of a rescission of a notice of redemption.

Section 4.02 Optional Redemption of Bonds. The Bonds maturing on or after June 1, 20__ may be redeemed at the option of the City from any source of funds on any date on or after June 1, 20__ in whole or in part from such maturities as are selected by the City and by lot within a maturity at a redemption price equal to the principal amount to be redeemed, together with accrued interest to the date of redemption, without premium.

Section 4.03 Mandatory Sinking Fund Redemption of Bonds. The Bonds maturing June 1, 20__ (the “**20__ Term Bonds**”) are subject to mandatory sinking fund redemption at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium. The 20__ Term Bonds shall be so redeemed on the following dates and in the following amounts:

<i>Redemption Date</i> <i>(June 1)</i>	<i>Principal</i> <i>Amount</i>
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*

* Final maturity.

The Bonds maturing June 1, 20__ (the “**20__ Term Bonds**”) are subject to mandatory sinking fund redemption at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium. The 20__ Term Bonds shall be so redeemed on the following dates and in the following amounts:

<i>Redemption Date</i> <i>(June 1)</i>	<i>Principal</i> <i>Amount</i>
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* Final maturity.

On or before each April 15 next preceding any mandatory sinking fund redemption date, the Trustee shall proceed to select for redemption pro-rata from all Term Bonds subject to mandatory sinking fund redemption at that time, an aggregate principal amount of such Term Bonds equal to the amount for such year as set forth in the table above and shall call such Term Bonds or portions thereof for redemption and give notice of such redemption in accordance with the terms of Section 4.01. At the option of the City, to be exercised by delivery of a written certificate to the Trustee on or before May 1 next preceding any mandatory sinking fund redemption date, it may (a) deliver to the Trustee for cancellation Term Bonds or portions thereof (in the amount of an Authorized Denomination) of the stated maturity subject to such redemption or (b) specify a principal amount of such Term Bonds or portions thereof (in the amount of an Authorized Denomination) which prior to said date have been redeemed (otherwise than under the provisions of this Section 4.03) and cancelled by the Trustee at the request of the City and not theretofore applied as a credit against any mandatory sinking fund redemption requirement. Each such Term Bonds or portion thereof so delivered or previously redeemed shall be credited by the Trustee at 100% of the principal amount of the Term Bonds so delivered to the Trustee by the City against the obligation of the City on such mandatory sinking fund redemption date.

Section 4.04 Payment of Bonds Called for Redemption; Effect of Redemption Call.

(a) Upon surrender to the Trustee or the Trustee’s agent, Bonds called for redemption shall be paid at the redemption price stated in the notice, plus interest accrued to the redemption date.

(b) On the date so designated for redemption, notice having been given in the manner and under the conditions provided herein relating to such Bonds as are to be redeemed and moneys for payment of the redemption price being held in trust to pay the redemption price, the Bonds so called for redemption shall become and be due and payable on the redemption date, interest on such Bonds shall cease to accrue, such Bonds shall cease to be entitled to any lien, benefit or security under this Trust Agreement and the owners of such Bonds shall have no rights in respect thereof except to receive payment of the redemption price and accrued interest to the redemption date.

(c) Bonds which have been duly called for redemption under the provisions of this Article IV and for the payment of the redemption price of which moneys shall be deposited in the Redemption Fund or otherwise held in trust for the Holders of the Bonds to be redeemed, all as provided in this Trust Agreement, shall not be deemed to be Outstanding under the provisions of this Trust Agreement.

Section 4.05 Selection of Bonds for Redemption; Bonds Redeemed in Part. Bonds are subject to redemption pro rata within a maturity. Upon surrender of a Bond to be redeemed in part, the Trustee will authenticate for the registered owner a new Bond or Bonds of the same maturity and tenor equal in principal amount to the unredeemed portion of the Bond surrendered.

ARTICLE V

**APPLICATION OF PROCEEDS;
SOURCE OF PAYMENT OF BONDS**

Section 5.01 Application of Proceeds and City Contribution. The net proceeds of the sale of the Bonds received by the Trustee, \$_____ (\$_____ principal amount, less \$_____ underwriter’s discount), shall be deposited by the Trustee as follows:

(i) the sum of \$_____ shall be deposited into the Costs of Issuance Fund;

(ii) the sum of \$_____, together with \$_____ transferred by the City to the Trustee, shall be transferred to PERS and used to pay the Unfunded Liability relating the Safety Plan; and

(iii) the sum of \$_____, together with \$_____ transferred by the City to the Trustee, shall be transferred to PERS and used to pay the Unfunded Liability relating to the Miscellaneous Plan.

Section 5.02 Sources of Payment of Bonds; Semi-Annual Payments by the City.

(a) The City shall provide for payment of principal or redemption price of and interest on the Bonds from any source of legally available funds of the City. If any Bonds are

Outstanding, the City shall, no later than three Business Days preceding each Interest Payment Date beginning June 1, 2021, deliver funds to the Trustee for deposit to the Revenue Fund in an aggregate amount equal to the portion of the Annual Debt Service coming due on such Interest Payment Date (less amounts on deposit in the Revenue Fund).

(b) The Bonds shall be obligations of the City payable from any lawfully available funds, shall not be limited as to payment to any special source of funds of the City, and shall be subject to appropriation in accordance with Section 8.01 hereof. The Bonds do not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation.

ARTICLE VI

CREATION OF CERTAIN FUNDS AND ACCOUNTS

Section 6.01 Creation of Costs of Issuance Fund. There is hereby created a Fund to be held by the Trustee designated “City of National City 2021 Taxable Pension Obligation Bonds Costs of Issuance Fund” (the “**Costs of Issuance Fund**”). Funds on deposit in the Costs of Issuance Fund shall be used to pay or to reimburse the City for the payment of Costs of Issuance. Amounts in the Costs of Issuance Fund shall be disbursed by the Trustee upon Written Requisition in the form of Exhibit “B” executed by an Authorized City Representative.

At such time as the City delivers to the Trustee written notice that all Costs of Issuance have been paid or otherwise notifies the Trustee in writing that no additional amounts from the Costs of Issuance Fund will be needed to pay Costs of Issuance, the Trustee shall transfer all amounts then remaining in the Costs of Issuance Fund to the Bond Interest Account of the City unless otherwise directed by the City. At such time as no amounts remain in the Costs of Issuance Fund, such Fund shall be closed.

Section 6.02 Creation of Revenue Fund and Certain Accounts. There is hereby created a Fund to be held by the Trustee designated “City of National City 2021 Taxable Pension Obligation Bonds Revenue Fund” (the “**Revenue Fund**”). There are hereby created in the Revenue Fund two separate Accounts designated “**Bond Interest Account**” and “**Bond Principal Account**”.

(a) All amounts received by the Trustee from the City in respect of interest payments on the Bonds shall be deposited in the Bond Interest Account and shall be disbursed to the applicable Bondholders to pay interest on the Bonds. All amounts held at any time in the Bond Interest Account (including amounts deposited pursuant to Section 6.03) shall be held for the security and payment of interest on the Bonds pursuant to this Trust Agreement. If at any time funds on deposit in the Bond Interest Account are insufficient to provide for the payment of such interest, the City shall promptly deposit funds to such Account to cure such deficiency. On December 2 of each year beginning in 2021, so long as no Event of Default has occurred and is continuing, the Trustee shall transfer all amounts on deposit in the Bond Interest Account to the Revenue Fund to be used for any lawful purpose.

(b) All amounts received by the Trustee from the City in respect of principal payments on the Bonds shall be deposited in the Bond Principal Account and all amounts in the Bond Principal Account will be disbursed to pay principal on the Bonds pursuant to this Trust Agreement. If at any time funds on deposit in the Bond Principal Account are insufficient to provide for the

payment of such principal, the City shall promptly deposit funds to such Account to cure such deficiency.

(c) The moneys in such Funds and Accounts shall be held by the Trustee in trust and applied as herein provided and, pending such application, shall be subject to a lien and charge in favor of the holders of the Bonds issued and Outstanding under this Trust Agreement and for the further security of such holders until paid out or transferred as hereinafter provided.

Section 6.03 Creation of Redemption Fund. A Fund to be held by the Trustee is hereby created and designated the “City of National City 2021 Taxable Pension Obligation Bonds Redemption Fund” (the “**Redemption Fund**”). All moneys deposited by the City with the Trustee for the purpose of redeeming Bonds shall be deposited in the Redemption Fund. All amounts deposited in the Redemption Fund shall be used and withdrawn by the Trustee solely for the purpose of redeeming Bonds in the manner, at the times and upon the terms and conditions specified in this Trust Agreement; provided that, at any time prior to giving such notice of redemption, the Trustee shall, upon receipt of written instructions from an Authorized City Representative, apply such amounts to the purchase of Bonds at public or private sale, as and when and at such prices (including brokerage and other charges) as directed by the City.

Section 6.04 Moneys Held in Redemption Fund. All moneys which shall have been withdrawn from the Revenue Fund and deposited in the Redemption Fund for the purpose of paying any of the Bonds hereby secured, either at the maturity thereof or upon call for redemption, shall be held in trust for the respective Holders of such Bonds.

Section 6.05 Unclaimed Moneys. Any moneys which shall be set aside or deposited in the Redemption Fund, the Bond Principal Account, the Bond Interest Account or any other Fund or Account for the benefit of Holders of Bonds and which shall remain unclaimed by the Holders of such Bonds for a period of one year after the date on which such Bonds shall have become due and payable (or such longer period as shall be required by State law) shall be paid to the City, and thereafter the Holders of such Bonds shall look only to the City for payment and the City shall be obligated to make such payment, but only to the extent of the amounts so received without any interest thereon, and the Trustee and any Paying Agent shall have no responsibility with respect to any of such moneys.

ARTICLE VII

CONCERNING PAYING AGENT

Section 7.01 Paying Agent; Appointment and Acceptance of Duties. The City hereby appoints the Trustee as the Paying Agent for the Bonds.

Section 7.02 Paying Agent - General Responsibilities.

(a) The City may at any time or from time to time appoint a different Paying Agent or Paying Agents for the Bonds, and each Paying Agent, if other than the Trustee, shall be a commercial bank with trust powers and shall designate to the City and the Trustee its principal office and signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the City under which each such Paying Agent will agree, particularly:

(i) to hold all sums held by it for the payment of the principal of, and premium or interest on, Bonds in trust for the benefit of the Bondholders until such sums shall be paid to such Bondholders or otherwise disposed of as herein provided;

(ii) to keep such books and records as shall be consistent with prudent industry practice, to make such books and records available for inspection by the City and the Trustee at all reasonable times upon reasonable prior notice; and

(iii) upon the request of the Trustee, to forthwith deliver to the Trustee all sums so held in trust by such Paying Agent.

(b) The Paying Agent shall perform the duties and obligations set forth in this Trust Agreement, and in particular shall hold all sums delivered to it by the Trustee for the payment of principal or premium of and interest on the Bonds for the benefit of the Bondholders until such sums shall be paid to such Bondholders or otherwise disposed of as herein provided.

(c) In performing its duties hereunder, the Paying Agent shall be entitled to all of the rights, protections and immunities accorded to the Trustee under the terms of this Trust Agreement.

Section 7.03 Certain Permitted Acts. Any Fiduciary may become the owner of any Bonds, with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as depositary for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Trust Agreement, whether or not any such committee shall represent the owners of a majority in Total Bond Obligation of the Bonds then Outstanding.

Section 7.04 Resignation or Removal of Paying Agent and Appointment of Successor.

(a) Any Paying Agent may at any time resign and be discharged of the duties and obligations created by this Trust Agreement in accordance with the provisions set forth in this Trust Agreement for the removal of the Trustee by giving at least 60 days' written notice to the City and the other Fiduciaries. Any Paying Agent may be removed at any time upon 30 days prior written notice by an instrument filed with such Paying Agent and the Trustee and signed by an Authorized City Representative. Any successor Paying Agent shall be appointed by the City with the approval of the Trustee and shall be a commercial bank with trust powers or trust company organized under the laws of any state of the United States, having capital stock and surplus aggregating at least \$100,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Trust Agreement.

(b) In the event of the resignation or removal of any Paying Agent, such Paying Agent shall assign and deliver any moneys and Bonds, including authenticated Bonds, held by it to its successor, or if there be no successor, to the Trustee. In the event that for any reason there shall be a vacancy in the office of any Paying Agent, the Trustee shall act as such Paying Agent.

ARTICLE VIII

COVENANTS OF THE CITY

Section 8.01 Payment of Principal and Interest. The City covenants and agrees that it will duly and punctually pay or cause to be paid the principal, premium, if any, and interest on every Bond at the place and on the dates and in the manner specified herein and in the Bonds, according to the true intent and meaning thereof, and that it will faithfully do and perform all covenants and agreements contained herein and in the Bonds and the City agrees that time is of the essence of this Trust Agreement. The obligations of the City under the Bonds, including the obligation to make all payments of principal, premium, if any, and interest when due, are absolute and unconditional, without any right of set-off or counter claim.

The City shall in each Fiscal Year include in its budget a provision to provide funds in an amount sufficient to pay the principal, premium, if any, and interest on the Bonds coming due in such Fiscal Year, but only to the extent that such amounts exceed the amount of available funds then on deposit in the Revenue Fund, and shall make annual appropriations for all such amounts. If such principal, premium, if any, and interest on the Bonds coming due in any Fiscal Year exceeds the sum of amounts budgeted in respect thereof together with amounts then on deposit in the Revenue Fund, then the City shall amend or supplement the budget to provide for such excess amounts. The covenants contained in this Section shall be deemed to be and shall be duties imposed by law and it shall be the duty of each and every public official of the City to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the City to carry out and perform the covenants and agreements in this Trust Agreement agreed to be carried out and performed by the City.

Section 8.02 Performance of Covenants by City; Authority; Due Execution. The City covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Trust Agreement, in any and every Bond executed, authenticated and delivered hereunder and in all of its proceedings pertaining hereto. The City covenants that it is duly authorized under the Constitution and laws of the State to issue the Bonds.

Section 8.03 Instruments of Further Assurance. The City covenants that it will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered such further acts, instruments and transfers as the Trustee may reasonably request for the better assuring and confirming to the Trustee all the rights and obligations of the City under and pursuant to this Trust Agreement. The City shall, upon the reasonable request of the Trustee, from time to time execute and deliver such further instructions and take such further action as may be reasonable and as may be required to effectuate the purposes of this Trust Agreement or any provisions hereof; provided, however, that no such instruments or actions shall pledge the full faith and credit or the taxing powers of the State.

Section 8.04 No Inconsistent Action. The City covenants that no contract or contracts will be entered into or any action taken by the City which shall be inconsistent with the provisions of this Trust Agreement.

Section 8.05 No Adverse Action. The City covenants that it will not take any action which will have a material adverse effect upon the rights of the Holders of the Bonds.

Section 8.06 Maintenance of Powers. The City covenants that it will at all times use its best efforts to maintain the powers, functions, duties and obligations now reposed in it pursuant to applicable law and will not at any time voluntarily do, suffer or permit any act or thing the effect of which would be to hinder, delay or imperil either the payment of the indebtedness evidenced by any of the Bonds or the performance or observance of any of the covenants herein contained.

Section 8.07 Covenants of City Binding on Successors.

(a) All covenants, stipulations, obligations and agreements of the City contained in this Trust Agreement shall be deemed to be covenants, stipulations, obligations and agreements of the City to the full extent authorized or permitted by law. If the powers or duties of the City shall hereafter be transferred by amendment of any provision of the Constitution or any other law of the State or in any other manner there shall be a successor to the City, and if such transfer shall relate to any matter or thing permitted or required to be done under this Trust Agreement by the City, then the entity that shall succeed to such powers or duties of the City shall act and be obligated in the place and stead of the City as provided in this Trust Agreement, and all such covenants, stipulations, obligations and agreements herein shall be binding upon such successor or successors thereof from time to time and upon any officer, board, body, district, authority or commission to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law.

(b) Except as otherwise provided in this Trust Agreement, all rights, powers and privileges conferred and duties and liabilities imposed upon the City by the provisions of this Trust Agreement shall be exercised or performed by the City or by such officers, board, body, district, authority or commission as may be required by law to exercise such powers or to perform such duties.

Section 8.08 Trust Agreement to Constitute a Contract. This Trust Agreement is executed by the City for the benefit of the Bondholders and constitutes a contract with the Bondholders.

Section 8.09 City to Perform Pursuant to Continuing Disclosure Certificate. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Trust Agreement, failure of the City to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default under this Trust Agreement; provided, however, the obligations of the City to comply with the provisions of the Continuing Disclosure Certificate shall be enforceable by any Participating Underwriter or any Holder of Outstanding Bonds, or by the Trustee on behalf of the Holders of Outstanding Bonds; provided, further, that the Trustee shall not be required to take any enforcement action whatsoever except at the written direction of the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding who shall have provided the Trustee with security and indemnity to its satisfaction, including without limitation, attorney's fees and expenses. The Participating Underwriters', Holders' and Trustee's rights to enforce the provisions of the Continuing Disclosure Certificate shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the City's obligations under the Continuing Disclosure Certificate. Notwithstanding the foregoing, the City shall be entitled to amend or rescind the Continuing Disclosure Certificate to the extent permitted by law.

ARTICLE IX

INVESTMENTS

Section 9.01 Investments Authorized. Money held by the Trustee in any fund or account hereunder shall be invested by the Trustee in Permitted Investments pending application as provided herein solely at the prior written direction of an Authorized City Representative, shall be registered in the name of the Trustee where applicable, as Trustee, and shall be held by the Trustee. The City shall direct the Trustee prior to 12:00 p.m. Pacific time on the last Business Day before the date on which a Permitted Investment matures or is redeemed as to the reinvestment of the proceeds thereof. In the absence of such direction, the Trustee shall invest in investments authorized under clause (8) contained in the definition of "Permitted Investments." The Trustee may rely on the City's certification in such investment instructions that such investments are permitted by law and by any policy guidelines promulgated by the City. Money held in any fund or account hereunder may be commingled for purposes of investment only.

The Trustee may, with the prior written approval of an Authorized City Representative, purchase from or sell to itself or any affiliate, as principal or agent, investments authorized by this Section 9.01. Any investments and reinvestments shall be made after giving full consideration to the time at which funds are required to be available hereunder and to the highest yield practicably obtainable giving due regard to the safety of such funds and the date upon which such funds will be required for the uses and purposes required by this Trust Agreement. The Trustee or any of its affiliates may act as agent in the making or disposing of any investment and may act as sponsor or advisor with respect to any Permitted Investment. For investment purposes, the Trustee may commingle the funds and accounts established hereunder but shall account for each separately.

Section 9.02 Reports. The Trustee shall furnish monthly to the City a report of all investments made by the Trustee and of all amounts on deposit in each fund and account maintained hereunder.

Section 9.03 Valuation and Disposition of Investments. For the purpose of determining the amount in any fund or account hereunder, all Permitted Investments shall be valued at the market value thereof not later than July 1 of each year. With the prior written approval of an Authorized City Representative, the Trustee may sell at the best price obtainable, or present for redemption, any Permitted Investment so purchased by the Trustee whenever it shall be necessary in order to provide money to meet any required payment, transfer, withdrawal or disbursement from any fund or account hereunder, and the Trustee shall not be liable or responsible for any loss resulting from such investment or sale, except any loss resulting from its own negligence or willful misconduct.

Section 9.04 Application of Investment Earnings. Investments in any Fund or Account shall be deemed at all times to be a part of such Fund or Account, and any profit realized from such investment shall be credited to such Fund or Account and any loss resulting from such investment shall be charged to such Fund or Account. Interest earnings on investments in any Fund or Account shall be deposited in the Bond Interest Account of the Revenue Fund.

ARTICLE X

DEFEASANCE

Section 10.01 Discharge of Bonds; Release of Trust Agreement. Bonds or portions thereof (such portions to be in an Authorized Denomination) which have been paid in full or which are deemed to have been paid in full shall no longer be entitled to the benefits of this Trust Agreement except for the purposes of payment from moneys and Defeasance Securities. When all Bonds which have been issued under this Trust Agreement have been paid in full or are deemed to have been paid in full, and all other sums payable hereunder by the City, including all necessary and proper fees, compensation and expenses of the Trustee and any Paying Agents, have been paid or are duly provided for, then the Trustee shall cancel, discharge and release this Trust Agreement, shall execute, acknowledge and deliver to the City such instruments of satisfaction and discharge or release as shall be requisite to evidence such release and such satisfaction and discharge and shall assign and deliver to the City any amounts at the time subject to this Trust Agreement which may then be in the Trustee's possession, except funds or securities in which such funds are invested and held by the Trustee or the Paying Agents for the payment of the principal, premium, if any, and interest on the Bonds.

Section 10.02 Bonds Deemed Paid.

(a) A Bond shall be deemed to be paid within the meaning of this Article XI and for all purposes of this Trust Agreement when (i) payment with respect thereto of the principal, interest and premium, if any, either (1) shall have been made or caused to be made in accordance with the terms of the Bonds and this Trust Agreement or (2) shall have been provided for, as certified to the Trustee by a Consultant who is a certified public accountant, by irrevocably depositing with the Trustee in trust and irrevocably setting aside exclusively for such payment: (x) moneys sufficient to make such payment, and/or (y) Defeasance Securities maturing as to principal and interest in such amounts and at such times as will insure the availability of sufficient moneys to make such payment, and (ii) all necessary and proper fees, compensation and expenses of the Trustee and any Paying Agents pertaining to the Bonds with respect to which such deposit is made shall have been paid or provision made for the payment thereof. At such times as Bonds shall be deemed to be paid hereunder, such Bonds shall no longer be secured by or entitled to the benefits of this Trust Agreement, except for the purposes of payment from such moneys and Defeasance Securities.

(b) Notwithstanding the foregoing paragraph, no deposit under clause (i)(2) of the immediately preceding paragraph shall be deemed a payment of such Bonds until (i) proper notice of redemption of such Bonds shall have been given in accordance with Section 4.01, or in the event such Bonds are not to be redeemed within the next succeeding 60 days, until the City shall have given the Trustee irrevocable instructions to notify, as soon as practicable, the holders of the Bonds in accordance with Section 4.01, that the deposit required by clause (i)(2) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this Article XI and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal of, premium, if any, and unpaid interest on such Bonds; or (ii) the maturity of such Bonds.

ARTICLE XI

DEFAULTS AND REMEDIES

Section 11.01 Events of Default. Each of the following events shall constitute and is referred to in this Trust Agreement as an “**Event of Default**”:

(a) a failure to pay the principal or premium, if any, on any of the Bonds when the same shall become due and payable at maturity or upon redemption;

(b) a failure to pay any installment of interest on any of the Bonds when such interest shall become due and payable;

(c) a failure by the City to observe and perform any covenant, condition, agreement or provision (other than as specified in clauses (a) and (b) of this Section 11.01) contained in the Bonds or in this Trust Agreement on the part of the City to be observed or performed, which failure shall continue for a period of 60 days after written notice, specifying such failure and requesting that it be remedied, shall have been given to the City by the Trustee; provided, however, that the Trustee shall be deemed to have agreed to an extension of such period if corrective action is initiated by the City within such period and is being diligently pursued; or

(d) if the City files a petition in voluntary bankruptcy, for the composition of its affairs or for its corporate reorganization under any state or federal bankruptcy or insolvency law, or makes an assignment for the benefit of creditors, or admits in writing to its insolvency or inability to pay debts as they mature, or consents in writing to the appointment of a trustee or receiver for itself.

Upon its actual knowledge of the occurrence of any Event of Default, the Trustee shall immediately give written notice thereof to the City.

Section 11.02 Remedies.

(a) Upon the occurrence and continuance of any Event of Default, the Trustee in its discretion may, and shall upon the written direction of the holders of a majority of the Total Bond Obligation of the Bonds then Outstanding and, in each case, receipt of indemnity to its satisfaction, in its own name and as the Trustee of an express trust:

(1) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Bondholders hereunder, as the case may be, and require the City to carry out any agreements with or for the benefit of the Bondholders and to perform its or their duties under the Refunding Law or any other law to which it is subject and this Trust Agreement; provided that any such remedy may be taken only to the extent permitted under the applicable provisions of this Trust Agreement;

(2) bring suit upon the defaulted Bonds;

(3) commence an action or suit in equity to require the City to account as if it were the trustee of an express trust for the Bondholders; or

(4) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders hereunder.

(b) The Trustee shall be under no obligation to take any action with respect to any Event of Default unless the Trustee has actual knowledge of the occurrence of such Event of Default.

Section 11.03 Restoration to Former Position. In the event that any proceeding taken by the Trustee to enforce any right under this Trust Agreement shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then the City, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee shall continue as though no such proceeding had been taken.

Section 11.04 Bondholders' Right to Direct Proceedings on their Behalf. Anything in this Trust Agreement to the contrary notwithstanding, Holders of a majority in Total Bond Obligation shall have the right, at any time, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all remedial proceedings on their behalf available to the Trustee under this Trust Agreement to be taken in connection with the enforcement of the terms of this Trust Agreement or exercising any trust or power conferred on the Trustee by this Trust Agreement; provided that such direction shall not be otherwise than in accordance with the provisions of the law and this Trust Agreement and that there shall have been provided to the Trustee security and indemnity satisfactory to the Trustee against the costs, expenses and liabilities to be incurred as a result thereof by the Trustee; provided further that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders not parties to such direction.

Section 11.05 Limitation on Bondholders' Rights to Institute Proceedings. No owner of any Bond shall have the right to institute any suit, action or proceeding at law in equity, for the protection or enforcement of any right or remedy under this Trust Agreement, or applicable law with respect to such Bond, unless (a) such owner shall have given to the Trustee written notice of the occurrence of an Event of Default; (b) the owners of not less than a majority in Total Bond Obligation shall have made written request upon the Trustee to exercise the powers heretofore granted or to institute such suit, action or proceeding in its own name; (c) such owner or said owners shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; (d) the Trustee shall have refused or failed to comply with such request for a period of 60 days after such written request shall have been received by and said tender of indemnity shall have been made to, the Trustee and (e) the Trustee shall not have received contrary directions from the owners of a majority in aggregate principal amount of the Total Bonds Obligation.

Section 11.06 No Impairment of Right to Enforce Payment. Notwithstanding any other provision in this Trust Agreement, the right of any Bondholder to receive payment of the principal of and interest on such Holder's Bond, on or after the respective due dates expressed therein, or to institute suit for the enforcement of any such payment on or after such respective date, shall not be impaired or affected without the consent of such Bondholder.

Section 11.07 Proceedings by Trustee Without Possession of Bonds. All rights of action under this Trust Agreement or under any of the Bonds secured hereby which are enforceable by the Trustee may be enforced by it without the possession of any of the Bonds, or the production thereof at the trial or other proceedings relative thereto, and any such suit, action or proceeding instituted by

the Trustee shall be brought in its name for the equal and ratable benefit of the Bondholders, as the case may be, subject to the provisions of this Trust Agreement.

Section 11.08 No Remedy Exclusive. No remedy herein conferred upon or reserved to the Trustee or to Bondholders is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder, or now or hereafter existing at law or in equity or by statute; provided, however, that any conditions set forth herein to the taking of any remedy to enforce the provisions of this Trust Agreement or the Bonds shall also be conditions to seeking any remedies under any of the foregoing pursuant to this Section 11.08.

Section 11.09 No Waiver of Remedies. No delay or omission of the Trustee or of any Bondholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence therein and every power and remedy given by this Article XII to the Trustee and to the Bondholders, respectively, may be exercised from time to time and as often as may be deemed expedient.

Section 11.10 Application of Moneys.

(a) Any moneys received by the Trustee for the benefit of Bondholders, by any receiver or by any Bondholder pursuant to any right given or action taken under the provisions of this Article XII, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses, liabilities and advances incurred or made by the Trustee (including without limitation reasonable fees and reasonable expenses of its attorneys), shall be deposited in the Revenue Fund and all moneys so deposited in the Revenue Fund during the continuance of an Event of Default shall be applied (i) first, to the payment to the persons entitled thereto of all installments of interest then due on the Bonds, with interest on overdue installments, if lawful, at the rate per annum borne by the Bonds, as the case may be, in the order of maturity of the installments of such interest (if the amount available for such interest installments shall not be sufficient to pay in full any particular installment of interest, then to the payment ratably, according to the amounts due on such installment), and if the amount available for such interest shall not be sufficient to make payment thereof, then to the payment thereof ratably according to the respective aggregate amounts due and (ii) second, to the payment to the persons entitled thereto of the unpaid principal, as applicable, of any of the Bonds which shall have become due with interest on such Bonds at their respective rate from the respective dates upon which they became due (if the amount available for such unpaid principal and interest shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal and interest due on such date, in each case to the persons entitled thereto, without any discrimination or privilege among Holders of Bonds), and, if the amount available for such principal and interest shall not be sufficient to make full payment thereof, then to the payment thereof ratably according to the respective aggregate amounts due.

(b) Whenever moneys are to be applied pursuant to the provisions of this Section 11.10, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts to be paid on such date shall cease to accrue. The Trustee shall give notice of

the deposit with it of any such moneys and of the fixing of any such date by Mail to all Bondholders and shall not be required to make payment to any Bondholder until such Bonds shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 11.11 Severability of Remedies. It is the purpose and intention of this Article XII to provide rights and remedies to the Trustee and the Bondholders which may be lawfully granted under the provisions of applicable law, but should any right or remedy herein granted be held to be unlawful, the Trustee and the Bondholders shall be entitled, as above set forth, to every other right and remedy provided in this Trust Agreement and by applicable law.

Section 11.12 Additional Events of Default and Remedies. So long as any Bonds are Outstanding, the Events of Default and remedies as set forth in this Article XII may be supplemented with additional Events of Default and remedies as set forth from time to time in a supplemental agreement.

ARTICLE XII

TRUSTEE; REGISTRAR

Section 12.01 Acceptance of Trusts. The Trustee hereby accepts and agrees to execute the trusts specifically imposed upon it by this Trust Agreement, but only upon the additional terms set forth in this Article XIII, to all of which the City agrees and the respective Bondholders agree by their acceptance of delivery of any of the Bonds.

Section 12.02 Duties of Trustee.

(a) If an Event of Default has occurred and is continuing, the Trustee shall exercise its rights and powers and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default:

(i) the Trustee need perform only those duties that are specifically set forth in this Trust Agreement and no others; and

(ii) in the absence of negligence on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Trust Agreement. However, the Trustee shall examine the certificates and opinions to determine whether they conform to the requirements of this Trust Agreement.

(c) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(i) this paragraph does not limit the effect of paragraph (b) of this Section 12.02;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer unless the Trustee was negligent in ascertaining the pertinent facts;

(iii) the Trustee shall not be liable with respect to any action it takes or fails to take in good faith in accordance with a direction received by it from Bondholders or the City in the manner provided in this Trust Agreement; and

(iv) no provision of this Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers if repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(d) Every provision of this Trust Agreement that in any way relates to the Trustee is subject to all the paragraphs of this Section 12.02.

(e) The Trustee may refuse to perform any duty or exercise any right or power unless it receives indemnity reasonably satisfactory to it against any loss, liability or expense.

(f) The Trustee shall not be liable for interest on any cash held by it except as the Trustee may agree with the City.

Section 12.03 Rights of Trustee.

(a) The recitals of facts contained herein and in the Bonds shall be taken as statements of the City, and the Trustee assumes no responsibility for the correctness of the same (other than the certificate of authentication of the Trustee on each Bond), and makes no representations as to the validity or sufficiency of this Trust Agreement or of the Bonds or of any Permitted Investment and shall not incur any responsibility in respect of any such matter, other than in connection with the duties or obligations expressly assigned to or imposed upon it herein or in the Bonds. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence, willful misconduct or breach of the express terms and conditions hereof. The Trustee and its directors, officers, employees or agents may in good faith buy, sell, own, hold and deal in any of the Bonds and may join in any action which any Holder of a Bond may be entitled to take, with like effect as if the Trustee was not the Trustee under this Trust Agreement.

(b) The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents or receivers, and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder, and the opinion of such counsel shall be authorization for any action taken or not taken in reliance on such opinion, but the Trustee shall be answerable for the negligence or misconduct of any such attorney, agent or receiver selected by it.

(c) No permissive power, right or remedy conferred upon the Trustee hereunder shall be construed to impose a duty to exercise such power, right or remedy.

(d) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, coupon or other paper or document but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit,

and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the City, personally or by agent or attorney.

(e) The Trustee shall not be responsible for the application or handling by the City of any moneys transferred to or pursuant to any requisition or request of the City in accordance with the terms and conditions hereof.

(f) Whether or not therein expressly so provided, every provision of this Trust Agreement relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article XIII.

(g) The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, facsimile transmission, electronic mail, opinion, note or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(h) The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

(i) The Trustee agrees to accept and act upon facsimile transmission of written instructions and/or directions pursuant to this Trust Agreement provided, however, that: (x) subsequent to such facsimile transmission of written instructions and/or directions the Trustee shall forthwith receive the originally executed instructions and/or directions, (y) such originally executed instructions and/or directions shall be signed by a person as may be designated and authorized to sign for the party signing such instructions and/or directions, and (z) the Trustee shall have received a current incumbency certificate containing the specimen signature of such designated person.

Section 12.04 Individual Rights of Trustee. The Trustee in its individual or any other capacity may become the owner or pledgee of Bonds and may otherwise deal with the City with the same rights it would have if it were not Trustee. Any Paying Agent or other agent may do the same with like rights.

Section 12.05 Trustee's Disclaimer. The Trustee makes no representations as to the validity or adequacy of this Trust Agreement or the Bonds, it shall not be accountable for the City's use of the proceeds from the Bonds paid to the City and it shall not be responsible for any statement in any official statement or other disclosure document or in the Bonds other than its certificate of authentication.

Section 12.06 Notice of Defaults. If an event occurs which with the giving of notice or lapse of time or both would be an Event of Default, and if the event is continuing and if it is actually known to the Trustee, the Trustee shall mail to each Bondholder notice of the event within 90 days after it occurs. Except in the case of a default in payment or purchase on any Bonds, the Trustee may withhold the notice to Bondholders if and so long as a committee of its Responsible Officers in good faith determines that withholding the notice is in the interests of the Bondholders.

Section 12.07 Compensation of Trustee. The City shall from time to time, but only in accordance with a written agreement in effect with the Trustee, pay to the Trustee reasonable compensation for its services and shall reimburse the Trustee for all its reasonable advances and expenditures, including but not limited to advances to and fees and expenses of independent appraisers, accountants, consultants, counsel, agents and attorneys-at-law or other experts employed by it in the exercise and performance of its powers and duties hereunder. The Trustee shall not otherwise have any claims or lien for payment of compensation for its services against any other moneys held by it in the funds or accounts established hereunder, except as provided in Section 11.10, but may take whatever legal actions are lawfully available to it directly against the City. To the extent permitted by applicable law, the City agrees to indemnify and save the Trustee, its officers, employees, directors and agents, harmless against any costs, expenses, claims or liabilities whatsoever, including, without limitation, fees and expenses of its attorneys, that it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or willful misconduct. The agreement contained in this Section shall survive the payment of the Bonds, the discharge of this Trust Agreement and the appointment of a successor trustee.

Section 12.08 Eligibility of Trustee. This Trust Agreement shall always have a Trustee that is a trust company, a bank or association having trust powers and is organized and doing business under the laws of the United States or any state or the District of Columbia, is subject to supervision or examination by United States, state or District of Columbia authority and has a combined capital and surplus of at least \$100,000,000 as set forth in its most recent published annual report of condition.

Section 12.09 Replacement of Trustee.

(a) The Trustee may resign as trustee hereunder by notifying the City in writing prior to the proposed effective date of the resignation. The Holders of a majority in Total Bond Obligation of the Bonds may remove the Trustee by notifying the removed Trustee and may appoint a successor Trustee with the City's consent. The City may remove the Trustee, by notice in writing delivered to the Trustee 30 days prior to the proposed removal date; provided, however, that the City shall have no right to remove the Trustee during any time when an Event of Default has occurred and is continuing unless (i) the Trustee fails to comply with the foregoing Section, (ii) the Trustee is adjudged a bankrupt or an insolvent, (iii) the Trustee otherwise becomes incapable of acting or (iv) the City determines that the Trustee's services are no longer satisfactory to the City. No resignation or removal of the Trustee under this Section shall be effective until a new Trustee has taken office. If the Trustee resigns or is removed or for any reason is unable or unwilling to perform its duties under this Trust Agreement, the City shall promptly appoint a successor Trustee.

(b) A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the City. Immediately thereafter, the retiring Trustee shall transfer all property held by it as Trustee to the successor Trustee, the resignation or removal of the retiring Trustee shall then (but only then) become effective and the successor Trustee shall have all the rights,

powers and duties of the Trustee under this Trust Agreement. If a Trustee is not performing its duties hereunder and a successor Trustee does not take office within 60 days after the retiring Trustee delivers notice of resignation or the City delivers notice of removal, the retiring Trustee, the City or the Holders of a majority in Total Bond Obligation of the Bonds may petition any court of competent jurisdiction for the appointment of a successor Trustee.

Section 12.10 Successor Trustee or Agent by Merger. If the Trustee, any Paying Agent or Registrar consolidates with, merges or converts into, or transfers all or substantially all its assets (or, in the case of a bank or trust company, its corporate trust business) to, another corporation, the resulting, surviving or transferee corporation without any further act shall be the successor Trustee, Paying Agent or Registrar.

Section 12.11 Registrar. The City shall appoint the Registrar for the Bonds and may from time to time remove a Registrar and name a replacement upon notice to the Trustee. The City hereby appoints the Trustee as Registrar. Each Registrar, if other than the Trustee, shall designate to the Trustee, the Paying Agent, and the City its principal office and signify its acceptance of the duties imposed upon it hereunder by a written instrument of acceptance delivered to the City and the Trustee under which such Registrar will agree, particularly, to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection by the City, the Trustee, and the Paying Agent at all reasonable times.

Section 12.12 Other Agents. The City or the Trustee may from time to time appoint other agents to perform duties and obligations under this Trust Agreement which agents may include, but not be limited to, authenticating agents all as provided by resolution of the City.

Section 12.13 Several Capacities. Anything in this Trust Agreement to the contrary notwithstanding, the same entity may serve hereunder as the Trustee, Registrar and any other agent as appointed to perform duties or obligations under this Trust Agreement or an escrow agreement, or in any combination of such capacities, to the extent permitted by law.

Section 12.14 Accounting Records and Reports of Trustee.

(a) The Trustee shall at all times keep, or cause to be kept, proper books of record and account in which complete and accurate entries shall be made of all transactions made by it relating to the proceeds of the Bonds and all Funds and Accounts established pursuant to this Trust Agreement and held by the Trustee. Such books of record and account shall be available for inspection by the City and any Bondholder, or his agent or representative duly authorized in writing, at reasonable hours and under reasonable circumstances.

(b) The Trustee shall file and furnish to the City and to each Bondholder who shall have filed his name and address with the Trustee for such purpose (at such Bondholder's cost), on an annual basis (or, with respect to the City, such other interval that the City may request), a complete financial statement (which may be its regular account statements and which need not be audited) covering receipts, disbursements, allocation and application of moneys in any of the funds and accounts established pursuant to this Trust Agreement for the preceding year.

Section 12.15 No Remedy Exclusive. No remedy herein conferred upon or reserved to the City is intended to be exclusive of any other remedy or remedies, and each and every such remedy

shall be cumulative, and shall be in addition to every other remedy given hereunder, or now or hereafter existing at law or in equity or by statute.

ARTICLE XIII

MODIFICATION OF THIS TRUST AGREEMENT

Section 13.01 Limitations. This Trust Agreement shall not be modified or amended in any respect subsequent to the first delivery of fully executed and authenticated Bonds except as provided in and in accordance with and subject to the provisions of this Article XIV.

Section 13.02 Supplemental Agreements Not Requiring Consent of Bondholders.

(a) The City may, from time to time and at any time, without the consent of or notice to the Bondholders, execute and deliver supplemental agreements supplementing and/or amending this Trust Agreement as follows:

(i) to cure any defect, omission, inconsistency or ambiguity in this Trust Agreement;

(ii) to add to the covenants and agreements of the City in this Trust Agreement other covenants and agreements, or to surrender any right or power reserved or conferred upon the City, and which shall not adversely affect the interests of the Bondholders;

(iii) to confirm, as further assurance, any interest of the Trustee in and to the Funds and Accounts held by the Trustee or in and to any other moneys, securities or funds of the City provided pursuant to this Trust Agreement or to otherwise add security for the Bondholders;

(iv) to comply with the requirements of the Trust Indenture Act of 1939, as from time to time amended;

(v) to modify, alter, amend or supplement this Trust Agreement in any other respect which, in the judgment of the City, is not materially adverse to the Bondholders;

(vi) to qualify the Bonds for a rating or ratings by any Rating Agency; and

(vii) to authorize the issuance of Additional Bonds in accordance with this Trust Agreement.

(b) Before the City shall, pursuant to this Section 14.02, execute any supplemental agreement there shall have been delivered to the City an opinion of Bond Counsel to the effect that such supplemental agreement (i) is authorized or permitted by this Trust Agreement and the Refunding Law, and (ii) will, upon the execution and delivery thereof, be valid and binding upon the City in accordance with its terms, subject to the typical exceptions.

Section 13.03 Supplemental Agreement Requiring Consent of Bondholders.

(a) Except for any supplemental agreement entered into pursuant to Section 14.02, the Holders of not less than a majority in Total Bond Obligation shall have the right from time to time to consent to and approve the execution by the City of any supplemental agreement

deemed necessary or desirable by the City for the purposes of modifying, altering, amending, supplementing or rescinding, in any particular, any of the terms or provisions contained in this Trust Agreement or in a supplemental agreement; provided, however, that, unless approved in writing by the Holders of all the Bonds then Outstanding, nothing contained herein shall permit or be construed as permitting (i) a change in the times, amounts or currency of payment of the principal of or interest on any Outstanding Bonds or (ii) a reduction in the principal amount or redemption price of any Outstanding Bonds or the rate of interest thereon; and provided that nothing contained herein, including the provisions of Section 14.03(b) below, shall, unless approved in writing by the Holders of all the Bonds then Outstanding, permit or be construed as permitting (1) a preference or priority of any Bond or Bonds over any other Bond or Bonds or (2) a reduction in the aggregate principal amount of Bonds the consent of the Holders of which is required for any such supplemental agreement. Nothing herein contained, however, shall be construed as making necessary the approval by Holders of the execution of any supplemental agreement as authorized in Section 14.02.

(b) If at any time the City shall desire to enter into any supplemental agreement for any of the purposes of this Section 14.03, the City shall cause notice of the proposed execution of the supplemental agreement to be given by Mail to all Holders. Such notice shall briefly set forth the nature of the proposed supplemental agreement and shall state that a copy thereof is on file at the office of the City for inspection by all Holders.

(c) Within two weeks after the date of the first mailing of such notice, the City may execute and deliver such supplemental agreement in substantially the form described in such notice, but only if there shall have first been delivered to the City (i) the required consents, in writing, of Holders and (ii) an opinion of Bond Counsel stating that such supplemental agreement is authorized or permitted by this Trust Agreement and other applicable law, complies with their respective terms and, upon the execution and delivery thereof, will be valid and binding upon the City in accordance with its terms.

(d) If Holders of not less than the percentage of Bonds required by this Section 14.03 shall have consented to and approved the execution and delivery thereof as herein provided, no Holders shall have any right to object to the adoption of such supplemental agreement, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution and delivery thereof, or to enjoin or restrain the City from executing the same or from taking any action pursuant to the provisions thereof.

Section 13.04 Effect of Supplemental Agreements. Upon execution and delivery of any supplemental agreement pursuant to the provisions of this Article XIV, this Trust Agreement and all supplemental agreements shall be, and shall be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Trust Agreement and all supplemental agreements of the City, the Trustee, the Registrar, any Paying Agent and all Holders shall thereafter be determined, exercised and enforced under this Trust Agreement and all supplemental agreements, subject in all respects to such modifications and amendments.

Section 13.05 Supplemental Agreements to be Part of this Trust Agreement. Any supplemental agreement adopted in accordance with the provisions of this Article XIV shall thereafter form a part of this Trust Agreement or the supplemental agreement which they supplement or amend, and all of the terms and conditions contained in any such supplemental agreement as to any provision authorized to be contained therein shall be and shall be deemed to be part of the terms and conditions of this Trust Agreement which they supplement or amend for any and all purposes.

ARTICLE XIV

MISCELLANEOUS PROVISIONS

Section 14.01 Parties in Interest. Except as herein otherwise specifically provided, nothing in this Trust Agreement expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the City, the Paying Agent, the Trustee, and the Bondholders any right, remedy or claim under or by reason of this Trust Agreement, this Trust Agreement being intended to be for the sole and exclusive benefit of the City, the Paying Agent, the Trustee and the Bondholders.

Section 14.02 Severability. In case any one or more of the provisions of this Trust Agreement, or of any Bonds issued hereunder shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Trust Agreement or of Bonds, and this Trust Agreement and any Bonds issued hereunder shall be construed and enforced as if such illegal or invalid provisions had not been contained herein or therein.

Section 14.03 No Personal Liability of City Officials; Limited Liability of City to Bondholders.

(a) No covenant or agreement contained in the Bonds or in this Trust Agreement shall be deemed to be the covenant or agreement of any present or future official, officer, agent or employee of the City in his individual capacity, and neither the members of the City Council of the City nor any person executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

(b) Except for the payment when due of the payments and the observance and performance of the other agreements, conditions, covenants and terms required to be performed by it contained in this Trust Agreement, the City shall not have any obligation or liability to the Bondholders with respect to this Trust Agreement or the preparation, execution, delivery, transfer, exchange or cancellation of the Bonds or the receipt, deposit or disbursement of the payments by the Trustee, or with respect to the performance by the Trustee of any obligation required to be performed by it contained in this Trust Agreement.

Section 14.04 Execution of Instruments; Proof of Ownership.

(a) Any request, direction, consent or other instrument in writing required or permitted by this Trust Agreement to be signed or executed by Bondholders or on their behalf by an attorney-in-fact may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Bondholders in person or by an agent or attorney-in-fact appointed by an instrument in writing or as provided in the Bonds. Proof of the execution of any such instrument and of the ownership of Bonds shall be sufficient for any purpose of this Trust Agreement and shall be conclusive in favor of the Trustee with regard to any action taken by it under such instrument if made in the following manner:

(i) the fact and date of the execution by any person of any such instrument may be proved by the certificate of any officer in any jurisdiction who, by the laws thereof, has power to take acknowledgments within such jurisdiction, to the effect that the person

signing such instrument acknowledged before him the execution thereof, or by an affidavit of a witness to such execution; and

(ii) the ownership of Bonds shall be proved by the registration books kept under the provisions of Section 3.01 hereof;

(b) Nothing contained in this Section 15.04 shall be construed as limiting the Trustee to such proof. The Trustee may accept any other evidence of matters herein stated which it may deem sufficient. Any request, consent of, or assignment by any Bondholder shall bind every future Bondholder of the same Bonds or any Bonds issued in lieu thereof in respect of anything done by the Trustee or the City in pursuance of such request or consent.

Section 14.05 Governing Law; Venue. This Trust Agreement is made in the State under the Constitution and laws of the State and is to be so construed. If any party to this Trust Agreement initiates any legal or equitable action to enforce the terms of this Trust Agreement, to declare the rights of the parties under this Trust Agreement or which relates to this Trust Agreement in any manner, each such party agrees that the place of making and for performance of this Trust Agreement shall be the City of National City, State of California, and the proper venue for any such action is the Superior Court of the State of California, in and for the City of National City.

Section 14.06 Notices.

(a) Any notice, request, direction, designation, consent, acknowledgment, certification, appointment, waiver or other communication required or permitted by this Trust Agreement or the Bonds must be in writing except as expressly provided otherwise in this Trust Agreement or the Bonds.

(b) The Trustee shall give written notice to the Rating Agencies if at any time (i) a successor Trustee is appointed under this Trust Agreement, (ii) there is any amendment to this Trust Agreement, (iii) Bonds are to be redeemed pursuant to Section 4.02, (iv) notice of any defeasance of the Bonds, or (v) if the Bonds shall no longer be Book-Entry Bonds. Notice in the case of an event referred to in clause (ii) hereof shall include a copy of any such amendment.

(c) Except as otherwise required herein, all notices required or authorized to be given to the City, the Trustee and Paying Agent, and the Rating Agencies pursuant to this Trust Agreement shall be in writing and shall be sent by registered or certified mail, postage prepaid, to the following addresses:

1. if to the City, to:

City of National City
1243 National City Blvd.
National City, California 91950
Attention: City Manager
Telephone: (619) 336-4240

2. if to the Trustee and Paying Agent, to:

3. if to S&P, to:

S&P Global Ratings
55 Water Street
New York, New York 10041

or to such other addresses as may from time to time be furnished to the parties, effective upon the receipt of notice thereof given as set forth above.

Section 14.07 Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Trust Agreement, shall not be a Business Day, such payment may, unless otherwise provided in this Trust Agreement be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Trust Agreement, and no interest shall accrue for the period from and after such nominal date.

Section 14.08 Captions. The captions and table of contents in this Trust Agreement are for convenience only and do not define or limit the scope or intent of any provisions or Sections of this Trust Agreement.

Section 14.09 Counterparts. This Trust Agreement may be signed in several counterparts, each of which will be an original, but all of them together constitute the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the parties hereto have executed this Trust Agreement by their officers thereunto duly authorized as of the date first above written.

CITY OF NATIONAL CITY

By: _____
City Manager

ATTEST:

City Clerk

_____, as Trustee

By: _____
Authorized Officer

EXHIBIT A

FORM OF BOND

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the City of National City or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. _____

\$ _____

**CITY OF NATIONAL CITY
2021 TAXABLE PENSION OBLIGATION BONDS**

Neither the faith and credit nor the taxing power of the State of California or any public agency is pledged to the payment of the principal of, or interest on, this Bond.

<i>Maturity</i>	<i>Interest Rate Per Annum</i>	<i>Dated Date</i>	<i>CUSIP NO.</i>
June 1, _____	_____ %	_____, 2020	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ AND NO/100 DOLLARS

THE CITY OF NATIONAL CITY, a general law city duly organized and validly existing under and pursuant to the Constitution and the laws of the State of California, for value received, hereby promises to pay to the registered owner named above or registered assigns, on the maturity date specified above, the principal sum specified above together with interest on such principal sum at the rates determined as herein provided on each June 1 and December 1, commencing June 1, 2021 (each, an “**Interest Payment Date**”) from the Interest Payment Date next preceding the date of authentication and delivery thereof, unless (i) such date of authentication is an Interest Payment Date in which event interest shall be payable from such date of authentication; (ii) it is authenticated after a Record Date (as defined in the Trust Agreement) and before the close of business on the immediately following Interest Payment Date, in which event interest thereon shall be payable from such Interest Payment Date; or (iii) it is authenticated prior to the close of business on the first Record Date, in which event interest thereon shall be payable from its Dated Date; provided, however, that if at the time of authentication of any Bond interest thereon is in default, interest

thereon shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment or, if no interest has been paid or made available for payment, from its Dated Date. The principal hereof and premium, if any, hereon are payable when due upon presentation hereof at the Principal Office of _____, as trustee (together with any successor as trustee under the Trust Agreement (hereinafter defined), the “**Trustee**”), in lawful money of the United States of America.

This Bond is one of a duly authorized issue of City of National City 2021 Taxable Pension Obligation Bonds (the “**Bonds**”) of the designation indicated on the face hereof. Said authorized issue of Bonds is limited in aggregate principal amount as provided in the Trust Agreement and consists or may consist of one or more series of varying denominations, dates, maturities, interest rates and other provisions, as provided in the Trust Agreement, all issued and to be issued pursuant to the provisions of Articles 10 and 11 (commencing with Section 53570 of Chapter 3 of Division 2 of Title 5 of the California Government Code (the “**Refunding Law**”). This Bond is issued pursuant to the Trust Agreement dated as of _____ 1, 2020 by and between the City of National City and _____, as trustee, providing for the issuance of the Bonds and setting forth the terms and authorizing the issuance of the Bonds (said Trust Agreement as amended, supplemented or otherwise modified from time to time being the “**Trust Agreement**”). Reference is hereby made to the Trust Agreement and to the Refunding Law for a description of the terms on which the Bonds are issued and to be issued, and the rights of the registered owners of the Bonds; and all the terms of the Trust Agreement and the Refunding Law are hereby incorporated herein and constitute a contract between the City and the registered owner from time to time of this Bond, and to all the provisions thereof the registered owner of this Bond, by its acceptance hereof, consents and agrees. All capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Trust Agreement.

The City is required under the Trust Agreement to make payments on the Bonds from any source of legally available funds. The City has covenanted to make the necessary annual appropriations for such purpose.

The obligation of the City to make payments on the Bonds does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation.

This Bond is one of the Bonds described in the Trust Agreement.

Interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months. The Bonds or the principal portion thereof called for redemption will cease to bear interest after the specified redemption date, provided that notice has been given pursuant to the Trust Agreement and sufficient funds for redemption are on deposit at the place of payment on the redemption date.

The Bonds shall be subject to redemption as set forth in the Trust Agreement.

The rights and obligations of the City and of the holders and registered owners of the Bonds may be modified or amended at any time in the manner, to the extent, and upon the terms provided in the Trust Agreement, which provide, in certain circumstances, for modifications and amendments without the consent of or notice to the registered owners of the Bonds.

It is hereby certified and recited that any and all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the incurring of the indebtedness evidenced by this Bond, and in the issuing of this Bond, do exist, have happened and have been performed in due time, form and manner, as required by the Constitution and statutes of the State of California, and that this Bond, is within every debt and other limit prescribed by the Constitution and the statutes of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Trust Agreement or the Refunding Law.

This Bond shall not be entitled to any benefit under the Trust Agreement, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, THE CITY OF NATIONAL CITY, a general law city duly organized and validly existing under and pursuant to the Constitution and the laws of the State of California, has caused this Bond to be executed in its name and on its behalf by the Mayor of the City Council, and attested by the City Clerk, and this Bond to be dated as of the Dated Date.

CITY OF NATIONAL CITY

By: _____
Its: Mayor

ATTEST:

City Clerk

[FORM OF CERTIFICATE OF AUTHENTICATION AND REGISTRATION]

This is one of the Bonds described in the within-mentioned Trust Agreement and authenticated the date set forth below.

Dated: _____, 2021

_____, as Trustee

By: _____
Authorized Signatory

[FORM OF LEGAL OPINION]

The following is a true copy of the opinion rendered by Kutak Rock LLP, Irvine, California, in connection with the issuance of, and dated as of the date of the original delivery of, the Bonds. A signed copy is on file in my office.

City Clerk of the City of National City

[FORM OF ASSIGNMENT]

For value received _____ hereby sells, assigns and transfers unto _____ (Tax I.D. No.: _____) the within Bond and hereby irrevocably constitute and appoints _____ attorney, to transfer the same on the books of the City at the office of the Trustee, with full power of substitution in the premises.

NOTE: The signature to this Assignment must correspond with the name on the face of the within Registered Bond in every particular, without alteration or enlargement or any change whatsoever.

Dated: _____

Signature Guaranteed by: _____

NOTE: Signature must be guaranteed by an eligible guarantor institution.

EXHIBIT B

FORM OF REQUISITION

TO: [Trustee]

City of National City Use Only
Request No. __

DISBURSEMENT REQUEST: REGARDING \$_____ CITY OF NATIONAL CITY 2021
TAXABLE PENSION OBLIGATION BONDS

You are hereby requested to pay from the Costs of Issuance Fund established by the Trust Agreement with respect to the above-referenced bonds, to the person, corporation or other entity designated below as Payee, the sum set forth below such designation, in payment of all () or a portion () of the Costs of Issuance described below.

Name of Payee: _____
Address: _____
Amount: \$ _____
Method of Payment: _____
Service Provided: _____

The undersigned hereby certifies that:

- (i) s/he is an Authorized City Representative;
- (ii) this requisition for payment is in accordance with the terms and provisions of Section 6.01 of the Trust Agreement;
- (iii) each item to be paid with the requisitioned funds represents either incurred or due and payable Costs of Issuance;
- (iv) such Costs of Issuance have not been paid from other funds withdrawn from the Costs of Issuance Fund; and
- (v) to the best of the signatory's knowledge no Event of Default has occurred and is continuing under the Trust Agreement.

Dated: _____

CITY OF NATIONAL CITY

By: _____
Name:
Title:

AGREEMENT FOR BOND AND DISCLOSURE COUNSEL SERVICES

THIS AGREEMENT (the “Agreement”) is made and entered into this ___ day of October, 2020, between the City of National City, whose address is 1243 National City Blvd. National City, CA 91950 (the “City”), and Kutak Rock LLP (“Kutak”) whose address is 5 Park Plaza, Ste. 1500, Irvine, California 92614.

WITNESSETH:

WHEREAS, the City proposes to refinance the City’s unamortized, unfunded accrued actuarial liability with respect to pension benefits under Public Employees’ Retirement Law, constituting Part 3 of Division 5 of Title 2 of the California Government Code (the “Retirement Law”) and to fund the City’s current liability with respect to pension benefits under its contract with the Board of Administration of PERS and the Retirement Law for Fiscal Year 2020-21 (collectively, the “Project”); and

WHEREAS, Kutak is specifically trained and experienced in the conduct of proceedings for accomplishing the refinancing of the Project through the preparation, sale and delivery of a taxable pension obligation bonds for such purposes (the “Obligations”); and

NOW, THEREFORE, in consideration of the covenants and premises herein contained and other good and valuable consideration, the parties hereto agree as follows:

1. Duties. Kutak shall provide legal services in connection with the authorization, issuance and delivery of the Obligations (the “Transaction”). Such services shall include, but not be limited to, the following:

a. Reviewing California State law regarding the authority for the City to authorize and enter into the Obligations.

b. Conferring and consulting with the City, the officers, administrative staff, financial advisor, underwriter and other representatives of the City in connection with the preparation and formulation of the Transaction.

c. Preparation of the Resolution of Issuance, security documents and all other resolutions, agreements, notices and other documents necessary for the proper conduct and consummation of the Transaction.

d. A review of all financial documents for legal sufficiency.

e. Preparation of the official statement or disclosure document in connection with the Transaction to assure the disclosure of all material facts within the knowledge of the City.

f. Preparation of an incumbency certificate and any and all other closing documents required of the City to accompany delivery of the financing documents.

g. Preparation of documentation and assistance in obtaining credit enhancement and/or a rating on the Obligations if such a rating is sought.

h. Attendance at and supervision of the closing, and issuing the legal opinion of Kutak stating that the interest payments with respect to the Obligations is not exempt from present federal incomes taxes and is exempt from State income taxes and approving in all respects the legality of all proceedings for the authorization, issuance, sale and delivery of the Obligations and other agreements relating to the Transaction.

i. Preparation of a transcript of the closing of the Transaction.

j. Conferring and consulting with City officials and agents with regard to any problems which may arise prior to the maturity of the issuance.

k. Providing any other necessary services, including ongoing monitoring of the Transaction after the sale of the Obligations and assistance to the City regarding the Transaction, generally expected of Kutak not listed above.

2. Compensation. For provision of the services to be rendered pursuant to this Agreement related to the execution and delivery or issuance of the Obligations, the City shall pay Kutak a fee of \$70,000, which fee shall include any out-of-pocket expenses incurred by it in the course of this engagement, such as reproduction and printing costs, word processing time, long distance telephone calls, travel at the request of the City and similar items (excluding any publication costs). Said fee is payable only upon issuance of the Obligations and shall be paid from proceeds thereof.

In the event Kutak is requested to perform additional work outside of its normal and customary services as bond counsel or disclosure counsel, such as litigation, Kutak will be paid additional compensation therefor following the submission of monthly, itemized bills at the hourly rate of the attorney performing such services; provided, however, there shall be no additional compensation due Kutak under the paragraph without the prior approval of the City.

3. Assignment. This Agreement may be assigned by the City to any other issuer of the securities as may be necessary to consummate the Transaction, without the consent of but with notice to Kutak.

4. No Guarantees; Entire Agreement. Nothing in this Agreement and nothing in our statements to you should be construed as a guarantee or promise about the outcome of the Transaction or any phase thereof. We make no such guarantees or promises. Comments about the course or outcome of the Transaction or any phase thereof which we may make from time to time are expressions of opinion only. The written Agreement constitutes the entire Agreement between the parties hereto with respect to Kutak services and neither party has

been induced to make or enter into this Agreement by reason or promise, agreement, representation, statement or warranty other than as herein contained.

5. Other Representation. Kutak may, from time to time, have clients with interests which may be potentially adverse to the City. Kutak reserves the right to represent said clients except on matters directly relating to the issuance and sale of the Obligations. We will disclose any such potential conflict to you and will seek a waiver of that conflict. We will of course work with you and our other clients to construct an appropriate ethical wall to protect the confidences of all of our clients and to clearly separate our work in any such case. Although we are not asking for a waiver now since these conflicts may not emerge, we ask that you agree to give good faith consideration to our requests for any such waivers in the future. This will allow us to better serve all of our clients.

6. Work Product. Our files developed in the course of work undertaken pursuant to this Agreement are your property. We will release those files to you or to anyone else you designate upon your written request delivered to the attorney in charge of this matter. However, such a request will signify the end of this engagement if it is then still ongoing. You agree that we may, in our sole discretion, copy all or any portion of such files at your expense and retain such copies, and that we may have a reasonable period of time before releasing the documents to you or your designee in order to make the copies. We will from time to time send portions of your files that are not currently needed to an off-site storage facility. The cost of using this facility will be our sole expense. However, we are not the guarantor of the security of any off-site storage facility. Accordingly, you agree that the firm will not be responsible for any damages which may occur as a result of the loss of any of your files which we store at an off-site storage facility. You also agree that we may, after the passage of two years without our having performed any work for you pursuant to this engagement, destroy the files of this engagement without further notice to you unless you have previously provided us with written instructions to forward the files to you or to another person you designate.

7. Insurance. We carry professional liability insurance which would cover the services we will be providing under the terms of this Agreement. That insurance is subject to a self-insured retention.

8. Litigation. If an action or proceeding is commenced to enforce this Agreement or any provision hereof, the prevailing party in such an action or proceeding shall be entitled to recover the reasonable amount of his, her or its fees and costs thereof, in addition to compensatory damages. For the purposes of enforcing this Agreement only, and as otherwise required by law, you agree that this Agreement may be disclosed to a court.

9. Notices. All notices, demands, requests, consents and approvals given, required or permitted to be given hereunder, shall be contained in writing and shall be deemed sufficiently given if sent by express delivery service or by registered or certified mail, postage prepaid and return receipt requested, addressed to the parties at the addresses set forth above or on any addendum or counterpart to this Agreement, or to such other address as the recipient shall have notified the sender of in writing. You agree to keep us currently informed of any change in

your address or telephone numbers so that we may effectively communicate with you. We will also advise you promptly of any change in the firm's business address, electronic mail address, telephone or facsimile numbers.

10. California Law. This Agreement is made under and shall be construed in accordance with the substantive laws of the State of California.

11. Counterparts. This Agreement may be executed in counterparts each of which shall be deemed an original but all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers and representatives thereto duly authorized, all as of the day and year first above written.

CITY OF NATIONAL CITY

By: _____
Authorized Representative

KUTAK ROCK LLP

By: _____
Albert R. Reyes, a Partner

RESOLUTION NO. 2020 -

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY
AUTHORIZING JUDICIAL VALIDATION PROCEEDINGS RELATING TO THE
ISSUANCE OF BONDS TO REFUND CERTAIN PENSION OBLIGATIONS OF THE
CITY, APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF A TRUST
AGREEMENT AND BOND PURCHASE AGREEMENT, AND APPROVING
ADDITIONAL ACTIONS RELATED THERETO**

WHEREAS, the City of National City (the “City”) has previously adopted a retirement plan pursuant to the Public Employees’ Retirement Law, commencing with Section 20000 of the Government Code of the State of California, as amended (the “Retirement Law”) and elected to become a contracting member of the California Public Employees’ Retirement System (“PERS”);

WHEREAS, the Retirement Law and the contract (the “PERS Contract”) effective July 1, 1948, between the Board of Administration of PERS and the City Council of the City (the “City Council”) obligate the City to (i) make contributions to PERS to fund pension benefits for certain City employees, (ii) amortize the unfunded accrued actuarial liability with respect to such pension benefits, and (iii) appropriate funds for the foregoing purposes;

WHEREAS, the City desires to authorize the issuance of its City of National City 2021 Taxable Pension Obligation Bonds (the “Bonds”) pursuant to the provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53570 of said Code (the “Bond Law”), in a maximum principal amount not to exceed that required for the purpose of refunding all or a portion of the City’s current obligation to PERS for fiscal year 2020-21, pursuant to the PERS Contract, to pay all or a portion of the unfunded accrued actuarial liability of the City (the “Unfunded Liability”) with respect to pension benefits under the Public Employees’ Retirement Law and the PERS Contract and to pay the costs of issuance of such Bonds, including the underwriter’s discount and any original issue discount on such Bonds;

WHEREAS, the City expects that the need may arise in the future to issue additional refunding bonds (the “Additional Bonds”) pursuant to the Bond Law to amortize the accrued and Unfunded Liability of the City to PERS as required by the Retirement Law and the PERS Contract and to fund all or a portion of the normal contributions required by the PERS Contract;

WHEREAS, the Bonds will be issued under and secured by a Trust Agreement (such Trust Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Trust Agreement”) by and between the City and a trustee to be selected by the City (the “Trustee”); and

WHEREAS, the City has determined the advisability of filing an action to determine the validity of the Bonds, the Additional Bonds and the Trust Agreement, and the actions proposed to be taken in connection therewith;

**Resolution No. 2020 –
Page Two**

WHEREAS, in compliance with SB 450, the City has obtained from NHA Advisors (the “Municipal Advisor”) the required good faith estimates and such estimates are disclosed and set forth in an attachment to the staff report submitted herewith; and

WHEREAS, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the financing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the City is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such financing for the purpose, in the manner and upon the terms herein provided;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of National City as follows:

Section 1. The City Council does hereby find and declare that the above recitals are true and correct.

Section 2. The issuance of the Bonds on the terms and conditions set forth in, and subject to the limitations specified in, the Trust Agreement, is hereby authorized and approved. The Bonds shall be dated, shall bear interest at the rates, shall mature on the dates, shall be issued in the form and shall have terms as provided in the Trust Agreement, as the same shall be completed in accordance with this Resolution. The title of the Bonds may be changed to reflect the year in which the Bonds are issued, and to reflect the appropriate series designation, as directed by the City Manager of the City.

Section 3. The Trust Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, is hereby approved. The Mayor of the City, or such member of the City Council as the Mayor may designate, the City Manager of the City, the Assistant City Manager of the City, the Director of Finance of the City and their authorized designees (the “Authorized Officers”) are, and each of them is, hereby authorized and directed, for and in the name of the City, to execute and deliver the Trust Agreement in the form presented to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Trust Agreement by such Authorized Officer. The City Clerk of the City is hereby authorized and directed to attest the Trust Agreement for and in the name and on behalf of the City. The City Manager of the City, the Assistant City Manager of the City and the Director of Finance of the City are each hereby authorized to work with the Municipal Advisor to select the Trustee for the Bonds.

Section 4. The City hereby authorizes and approves the issuance of Additional Bonds pursuant to the Bond Law, as authorized by the Trust Agreement, from time to time, to refund all or a portion of the Unfunded Liability and the City’s obligation to PERS pursuant to the PERS Contract for the then-current fiscal year, provided that the City Manager, or his designee, first certifies to the Council in writing that such actions will result in cost savings to

**Resolution No. 2020 –
Page Three**

the City. The City authorizes any one of the Authorized Officers, or their designees, to execute and deliver one or more other trust agreements and/or one or more supplemental agreements supplementing or amending the Trust Agreement and providing for the issuance of Additional Bonds (each an “Additional Trust Agreement”); provided, however, that (i) each series of Additional Bonds shall be in a principal amount not to exceed the sum of the Unfunded Liability of the City to PERS under the PERS Contract and the Retirement Law remaining unpaid on the date of issuance of such Additional Bonds, the obligation to PERS for the current fiscal year pursuant to the PERS Contract, and the costs of issuing the Additional Bonds, (ii) the stated interest rate on the Additional Bonds shall not exceed the discount rate assumed by PERS with respect to the amortization of the Unfunded Liability at the time such Additional Bonds are issued, and (iii) the Additional Bonds issued pursuant to such Additional Trust Agreement shall mature not later than 30 years from the date of their issuance.

Each Unfunded Liability refunded by the Bonds and each series of Additional Bonds pursuant to the Trust Agreement and each Additional Trust Agreement constitutes an obligation imposed by law, pursuant to the Constitution and laws of the State of California and an obligation of the City not limited as to payment from any special source of funds. The Unfunded Liability refunded by the Bonds pursuant to the Trust Agreement and each series of Additional Bonds pursuant to an Additional Trust Agreement shall not, however, constitute an obligation of the City for which the City is obligated or permitted to levy or pledge any form of taxation or for which the City has levied or pledged or will levy or pledge any form of taxation.

Section 5. The form of the Bond Purchase Agreement (the “Purchase Agreement”) by and among the City and an underwriter or underwriters to be selected by the City (the “Underwriter”) presented to this meeting and on file with the Clerk and the sale of the Bonds to the Underwriter pursuant thereto upon the terms and conditions set forth therein is hereby approved, and subject to such approval and subject to the provisions hereof, the Authorized Officers are each hereby authorized and directed to evidence the City’s acceptance of the offers made by the Purchase Agreement by executing and delivering the Purchase Agreement in said form with such changes therein as the Authorized Officer or Authorized Officers executing the same may approve and such matters as are authorized by this Resolution, such approval to be conclusively evidenced by the execution and delivery thereof by any one of the Authorized Officers. The City Manager of the City the Assistant City Manager of the City and the Director of Finance of the City are each hereby authorized to work with the Municipal Advisor to select the Underwriter for the Bonds.

Section 6. The Mayor of the City, the City Manager of the City, the Assistant City Manager of the City, the Director of Finance of the City, the Treasurer of the City, and their designees, are each authorized, on behalf of the City, to establish and determine (i) the final principal amount of the Bonds, provided the aggregate initial principal amount of the Bonds shall not be greater than the lesser of (a) \$135,000,000 (\$135 million) or (b) sum of the City’s obligation to PERS for the remainder of fiscal year 2020-21, as evidenced by the PERS Contract, and the Unfunded Liability as calculated by PERS or other actuary selected by the

**Resolution No. 2020 –
Page Four**

Authorized Officer, together with the costs of issuing the Bonds as approved by such Authorized Officer, (ii) the final interest rates on various maturities of the Bonds, provided that the net present value savings achieved through refunding the Unfunded Liability by issuing the Bonds shall be at least 3% of the Unfunded Liability; and (iii) the Underwriter's discount for the purchase of the Bonds, not to exceed 1.00% of the principal amount of the Bonds.

Section 7. The Mayor of the City, the City Manager of the City, the Assistant City Manager of the City, the Director of Finance of the City, the Treasurer of the City, and their respective designees are hereby authorized to negotiate and execute an insurance policy and debt service reserve fund insurance policy for the Bonds (and such other agreements that may be required by the insurer in connection therewith) if it is determined that the policies will result in interest rate savings for the City, and to pay the insurance premium of such policies from the proceeds of the issuance and sale of the Bonds.

Section 8. Kutak Rock LLP is hereby retained to act as Bond Counsel and Disclosure Counsel to the City, and NHA Advisors, is hereby retained to serve as Municipal Advisor to the City. The Authorized Officers are, and each of them is, hereby authorized to execute a contract with Kutak Rock LLP in substantially the form on file with the Clerk, together with such changes as may be approved by the City Manager, the City Attorney, or their designee, which changes shall be deemed approved by the execution and delivery of such contract by the City Manager.

Section 9. In order to determine the validity of the Bonds, the Additional Bonds, the Trust Agreement and the Additional Trust Agreements, and the actions authorized hereby to be taken in connection therewith, the City Council hereby authorizes the City Attorney, in concert with Kutak Rock LLP, Bond Counsel, to prepare and cause to be filed and prosecuted to completion all proceedings required for the judicial validation of the Bonds, the Additional Bonds, the Trust Agreement and the Additional Trust Agreements in the Superior Court of San Diego County, under and pursuant to the provisions of Sections 860 *et seq.* of the California Code of Civil Procedure. The City Council further authorizes the Authorized Officers and all other officers, employees and agents of the City to take any and all actions, including the execution and delivery or appropriate documentation, as may be required to conclude such judicial validation proceedings.

Section 10. The Authorized Officers, the City Clerk of the City and the other officers and staff of the City responsible for the fiscal affairs of the City are, and each of them hereby is, authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereby, including, but not limited to, the preparation of an Official Statement (and a Preliminary Official Statement) for use in connection with the offering and sale of the Bonds, the execution and delivery of the Purchase Agreement, the execution and delivery of a continuing disclosure undertaking and the execution and delivery of any documents required by PERS in order to complete the issuance of the Bonds and the refunding of the Unfunded Liability.

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Page Five**

Section 11. All actions heretofore taken by the Authorized Officers and by any other officers, employees or agents of the City with respect to the issuance of the Bonds, or in connection with or related to any of the agreements or documents referenced herein, are hereby approved, confirmed and ratified.

Section 12. This Resolution shall take effect from and after the date of approval and adoption hereof.

The City Clerk of the City of National City shall certify as to the adoption of this Resolution.

PASSED and ADOPTED this 20th day of October, 2020

Alejandra Sotelo-Solis, Mayor

ATTEST:

Michael R. Dalla, City Clerk

APPROVED AS TO FORM:

Angil P. Morris-Jones, City Attorney

The following page(s) contain the backup material for Agenda Item: [First Quarter Fiscal Year 2021 Budget Review and COVID-19 Fiscal Impact Update. \(City Manager and Finance\)](#)

Please scroll down to view the backup material.

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: October 20, 2020

AGENDA ITEM NO.:

ITEM TITLE:

First Quarter Fiscal Year 2021 Budget Review & COVID-19 Fiscal Impact Update.

PREPARED BY: Mark Roberts, Director of Finance

PHONE: 619-336-4330

DEPARTMENT: Finance

APPROVED BY: Mark Roberts

EXPLANATION:

See attached staff report.

FINANCIAL STATEMENT:

ACCOUNT NO.

NA

APPROVED: Mark Roberts **FINANCE**

APPROVED: _____ **MIS**

ENVIRONMENTAL REVIEW:

This is not a project and, therefore, not subject to environmental review.

ORDINANCE: INTRODUCTION FINAL ADOPTION

STAFF RECOMMENDATION:

Accept the staff report.

BOARD / COMMISSION RECOMMENDATION:

NA

ATTACHMENTS:

Staff report



City Council Staff Report

October 20, 2020

ITEM

Staff Report: First Quarter Fiscal Year 2021 Budget Review & COVID-19 Fiscal Impact Update.

BACKGROUND

As part of the City of National City's Strategic Plan objective to provide consistent financial reports, this staff report presents an update on the City's financial operations for the first quarter of fiscal year 2021.

DISCUSSION

Budgets are projections based on known and anticipated future revenues and expenditures. Throughout the year, staff monitor and analyze revenues and expenditures, develop projections, and provide periodic financial reports to the City Council, City Manager, and department directors. The totals presented herein reflect revenue and expenditure totals for the period of July 1st through September 30th for the current and prior years.

1st Quarter Fiscal Year 2021

The fiscal year 2021 adopted budget authorizes a use of General Fund unassigned fund balance of \$6.7 million, \$800,000 of which is for capital expenses and \$5.9 million for operations. Since it is early in the fiscal year, the ability to project year-end revenue and expenditure totals and actual use of fund balance is limited. The most useful information at the end of the first quarter is a comparison of the fiscal-year-to-date totals of the City's major revenue sources and expenditure categories for the period for the current and prior fiscal years. This information is summarized in the tables below.

Revenues

Revenue Source	FY 21	FY 20
Sales & Use Tax	\$ 1,629,774	\$ 1,384,036
District Transactions & Use Tax	1,006,841	904,926
Property Tax	64,166	45,964
Property Tax in Lieu of VLF	-	-
Other Revenues	2,073,427	2,001,377
Total	\$ 4,774,207	\$ 4,336,302

The sales & use tax and district transactions & use tax revenue amounts shown are those distributed to the City by the State in September for July sales activity. Fiscal year 2021 sales & use tax and district transaction & use tax revenues are \$348,000 higher than fiscal year 2020's through the end of the first quarter. Although it is too early to draw definitive conclusions from this limited data, this aligns with the latest outlook provided by the City's sales tax consultant for an accelerated recovery for sales tax, particularly in the auto sales and general consumer goods categories.

Fiscal year 2021 property tax revenue for the first quarter, consisting primarily of payments related to unsecured and supplemental property tax bills, is slightly higher than that of fiscal year 2020 for the period, as a result of higher amounts due and paid at the beginning of the current fiscal year. While the revenue is low for both years, this is normal at this point of the year, as the largest portions of property tax revenues are typically received in December and April, corresponding to tax payment due dates. Early reports from the County indicate that secured property taxes, the most significant component of the Property Tax category, will be in line with the City's adopted budget.

Because the distribution of property tax in lieu of VLF revenue occurs in January and May, no allocation of this revenue was received in the first quarter of the current or previous fiscal year. However, based upon the change in assessed value for the City from fiscal year 2020 (information received post budget adoption), staff estimates this revenue will be \$7.6 million in fiscal year 2021 compared to \$7.2 million in fiscal year 2020 and \$7.4 million in the adopted budget for fiscal year 2021.

First quarter fiscal year 2021 revenues in the "Other Revenues" category are \$72,000 higher than for fiscal year 2020 at the same point in time. The net increase is made up of various increase and decreases within the category, however, the increase is primarily due to \$128,000 in CARES Act funding received in the first quarter.

Expenditures

Expenditure Type	FY 21	FY 20
Personnel Services	\$ 14,622,193	\$ 12,402,111
Maintenance & Operations (M&O)	896,579	709,477
Capital Projects	114,443	772,941
Internal Service Charges	1,942,967	1,786,424
Total	\$ 17,576,183	\$ 15,670,953

Personnel costs are \$2.2 million more than fiscal year 2020's at the same point, although fiscal year 2021 includes costs for a nearly full additional pay period which accounts for approximately \$1 million of the difference. Other significant factors contributing to the difference are a \$700,000 increase in the prepayment of the unfunded accrued liability ("UAL") portion of the City's annual pension contribution, an increase of \$647,000 in overtime costs, and a one-time \$195,000 retention incentive pay given to employees in lieu of salary increases. An estimated \$500,000 of the overtime costs will be offset by reimbursement revenue for Fire Department strike team activities. Looking ahead to the remainder of the fiscal year, analysis of personnel cost data shows that on a pay period basis, costs for full-time salaries, normal cost retirement contributions, and health insurance are trending lower than in fiscal year 2020, largely due to positions frozen as a cost savings measure. These costs are being continuously monitored; projected costs compared to the budget will be provided in the mid-year budget status report.

Fiscal-year-to-date 2021 M&O expenditures as of September 30th are \$187,000 higher than in fiscal year 2020. This is attributable to a \$128,000 overall increase in expenses for contractual services and \$97,000 paid for hotel accommodations for residents displaced by the USS Bonhomme Richard fire in July of the current year, offset by net lower year-to-year costs in various M&O accounts. The hotel accommodation cost was fully funded by revenue received from the San Diego Unified Port District.

Internal service charges for the first quarter of fiscal year 2021 are \$156,000 higher than the same point last fiscal year. This is primarily due to budgeted higher liability insurance and information systems maintenance charges.

COVID-19 Fiscal Impact Update

COVID-19 was declared a global pandemic by the World Health Organization on March 11th of this year. On March 15th, Governor Gavin Newsom ordered all non-essential businesses in the state of California to be closed and later ordered many other businesses, including dine-in restaurants, to cease indoor operations. After several weeks of the closures and restrictions, non-essential businesses were permitted to reopen and indoor operations could resume, provided they followed strict health and safety guidelines to minimize the spread of the novel coronavirus. However, on July 6th,

San Diego County businesses were forced to dial back re-openings after the County's COVID-19 case rate per 100,000 residents exceeded the State's threshold, and indoor operations were suspended until August 18th. On August 28, the State announced a new monitoring system that places counties in one of four tiers depending upon their "case rate" and percentage of positive tests. Business re-openings are governed by the tier assigned to their county. San Diego County currently is in the "red tier," which is the second most-restrictive of the four tiers.

As expected, the business closures have sharply impacted the revenues of the cities throughout the state, including the City of National City, for which retail sales-related taxes account for more than half of annual General Fund revenues. The City has received some relief from a total of approximately \$1.9 million in Coronavirus Aid, Relief, and Economic Security (CARES) Act allocations from the County and State to help address necessary costs incurred due to the public health emergency. In addition, the City has received \$464,000 in Community Development Block Grant (CDBG) CARES Act funds and \$67,000 from the Department of Justice Coronavirus Emergency Supplemental Funding (CESF) Program to prepare for, prevent, and respond to the pandemic.

The provisions of the CARES Act permit use of some or all of the County and State allocations (combined \$1.9 million) to offset budgeted public safety personnel expenses, and the City has applied \$1.7 million of the funds toward those costs. However, no funding has been available so far that would offset the revenue contractions upon which the fiscal year 2021 budget was built, and the City has incurred significant expenses addressing the pandemic with substantially more on the horizon. To date, the City has incurred approximately \$244,000 in expenses to purchase various supplies, equipment, and services to make City facilities safer for staff and the public, to enable staff to work from home as necessary, and to support the City's nutrition program. And \$200,000 was allocated to the South County Economic Development Council, which provided thirty-eight \$5,000 grants to enable small businesses in National City to continue to fund payroll costs during the shut-down period. Another \$239,000 currently is encumbered to address further facility needs as they arise, and staff is preparing an estimate of costs for additional supplies and equipment necessary through the remainder of the current fiscal year.

The CDBG CARES Act award (\$464,000) allocates funding for emergency family assistance, COVID-19 testing, economic and workforce development services, distance learning via online tutoring and online classrooms, COVID-19 fair housing and tenant-landlord mitigation, and administrative expenses.

Allowable uses of the CESF Program funds (\$67,000) include, but are not limited to, expenses for overtime, equipment (including PPE), supplies (e.g., gloves, masks, sanitizer), training, & travel expenses.

As previewed during City Council budget meetings, the City has undertaken cost reduction measures in order to further mitigate the financial impact of the COVID-19 pandemic, and staff are responding well to the call to conserve resources. There are currently ten vacant positions that will remain unfilled, resulting in savings for the year of \$841,000. Any additional positions becoming vacant will undergo a rigorous review before being authorized to be filled. Savings in travel and training costs are also being realized this year. Due to the pandemic, since March of this year, many conferences and training sessions have been cancelled or moved online. Fiscal year 2021 expenditures for travel were \$35,000 for the first quarter, compared to \$71,000 at the same point last year. Assuming attendance remains at the current levels for the remainder of the fiscal year, training expenditures for the General Fund are projected to total \$139,000 compared to the adopted budget of \$379,000, a savings of \$240,000.

As noted above, the City's tax consultant has provided an updated forecast with an improved overall sales tax outlook compared to the previous projections incorporated into the current year's budget. The consultant is scheduled to deliver an update to staff on October 22 which will provide greater detail regarding its outlook.

Conclusion / Budgetary Outlook

As noted above, the fiscal year 2021 planned use of General Fund unassigned fund balance is \$6.7 million. At such an early point in the fiscal year, the ability to project year-end revenue and expenditure totals and actual use of fund balance is limited. Nonetheless, it is encouraging to see evidence that retail sales may be beginning to recover sooner rather than later, that property tax and other revenues are holding steady, and that cost savings measures have been effective while the City has continued to provide necessary services to the residents of National City during this difficult period.

Staff will continue to monitor revenues and expenditures and will provide information regarding comparisons to the budget and the prior year in future staff reports to the City Council. The next report will be the mid-year budget status report that will include projections to year-end for revenues and expenditures and their combined estimated impact on unassigned fund balance.

RECOMMENDATION

Accept and file this staff report.

The following page(s) contain the backup material for Agenda Item: [Resolution of the Community Development Commission-Housing Authority of the City of National City \(“Housing Authority”\) \(1\) authorizing the Executive Director to execute a Disposition and Development Agreement by and between the Housing Authority, Community HousingWorks, and Centro De La Salud De La Comunidad de San Ysidro, Inc., dba San Ysidro Health, for the development of the Kimball Highland Master Plan that includes \(a\) 60 affordable housing units and a new senior center on a parcel of land owned by the Housing Authority located at 1221 “D” Avenue, and \(b\) 85 affordable housing units, a Program of All-Inclusive Care for the Elderly Center, and a Federally Qualified Health Center on a parcel of land located on the westerly side of 1320 Highland Avenue; and \(2\) authorizing the establishment of a Housing Authority Fund baseline appropriation of \\$10,475,000 but not-to-exceed \\$11,662,000 from fund balance of the Housing Authority Fund for a Housing Authority Loan to Community HousingWorks to finance the development of the affordable housing and new senior center. \(Housing Authority\)](#)

Please scroll down to view the backup material.

**CITY OF NATIONAL CITY, CALIFORNIA
COMMUNITY DEVELOPMENT COMMISSION-HOUSING AUTHORITY
COUNCIL AGENDA STATEMENT**

MEETING DATE: October 20, 2020

AGENDA ITEM NO.:

ITEM TITLE:

Resolution of the Community Development Commission-Housing Authority of the City of National City ("Housing Authority") (1) authorizing the Executive Director to execute a Disposition and Development Agreement by and between the Housing Authority, Community HousingWorks, and Centro De La Salud De La Comunidad de San Ysidro, Inc., dba San Ysidro Health, for the development of the Kimball Highland Master Plan that includes (a) 60 affordable housing units and a new senior center on a parcel of land owned by the Housing Authority located at 1221 "D" Avenue, and (b) 85 affordable housing units, a Program of All-Inclusive Care for the Elderly Center, and a Federally Qualified Health Center on a parcel of land located on the westerly side of 1320 Highland Avenue; and (2) authorizing the establishment of a Housing Authority Fund baseline appropriation of \$10,475,000 but not-to-exceed \$11,662,000 from fund balance of the Housing Authority Fund for a Housing Authority Loan to Community HousingWorks to finance the development of the affordable housing and new senior center.

PREPARED BY: Carlos Aguirre, Director

DEPARTMENT: Housing Authority

PHONE: 619-336-4391

EXPLANATION:

APPROVED BY:



The Housing Authority approved an Exclusive Negotiation Agreement on November 19, 2019 with Community Housing Works and San Ysidro Health to refine the design and structure the financing for a senior village mixed-use master plan project identified in National City's 2011 Comprehensive Land Use Plan. In June 2020, the development team submitted a comprehensive development concept and financing plan that has been reviewed by City staff and consultants for feasibility and leverages \$110 million in non-City resources. The proposed Kimball Highland Master Plan Development and Disposition Agreement implements and supports the urban village concept of creating a resilient, age-friendly National City that includes the social and physical infrastructure for healthy aging, including affordable housing, a senior center, and health facilities that are close to amenities including parks, libraries, and with access to transit and commerce. See Attachment No.1 for additional explanation.

FINANCIAL STATEMENT:

APPROVED: Mark Ralwitz **FINANCE**

ACCOUNT NO. 501-419-462-650-9165

APPROVED: _____ **MIS**

The Housing Authority will provide a baseline loan for \$10,475,000 which may be increased up to \$11,662,000 upon delivery of evidence that funding is insufficient to construct 145 affordable housing units and a new City senior center. See Attachment No. 1 and Exhibit B of Attachment No. 2 for additional information.

ENVIRONMENTAL REVIEW:

The Kimball Highland Master Plan project is considered an in-fill development which meets the conditions for CEQA exemption under Section 15332 (In-Fill Development Project).

ORDINANCE: INTRODUCTION FINAL ADOPTION

STAFF RECOMMENDATION:

Adopt the Resolution.

BOARD / COMMISSION RECOMMENDATION:

Not applicable.

ATTACHMENTS:

1. Staff Report Explanation
2. Power Point Presentation
3. Disposition and Development Agreement
4. Resolution

**COMMUNITY DEVELOPMENT COMMISSION-HOUSING AUTHORITY
OF THE CITY OF NATIONAL CITY**

**STAFF REPORT EXPLANATION
October 20, 2020**

Agenda Item

Resolution of the Community Development Commission-Housing Authority of the City of National City (“Housing Authority”) (1) authorizing the Executive Director to execute a Disposition and Development Agreement by and between the Housing Authority, Community HousingWorks, and Centro De La Salud De La Comunidad de San Ysidro, Inc., dba San Ysidro Health for the development of the Kimball Highland Master Plan that includes (a) 60 affordable housing units and a new senior center on a parcel of land owned by the Housing Authority located at 1221 “D” Avenue, and (b) 85 affordable housing units, a Program of All-Inclusive Care for the Elderly Center, and a Federally Qualified Health Center on a parcel of land located on the westerly side of 1320 Highland Avenue; and (2) authorizing the establishment of a Housing Authority Fund baseline appropriation of \$10,475,000 but not-to-exceed \$11,662,000 from fund balance of the Housing Authority Fund for a Housing Authority Loan to Community HousingWorks to finance the development of the affordable housing and new senior center.

Background

The Kimball Highland Master Plan (“Master Plan”) was first envisioned as the Senior Village Project by Community Development Commission. Workshops were held as early as 2005 to discuss a new affordable and for sale senior housing, the renovation of existing affordable housing units, specialized retail uses, and the replacement of the existing Nutrition and Senior Centers. The Senior Village Expansion and Enhancement Project was introduced to the City Council of the City of National City on February 2, 2010. The 2011 Comprehensive Land Use Update included the development of a Senior Village, which called for the rehabilitation of Morgan and Kimball Towers and the development of additional housing, a medical services building, and a new senior center. However, the Community Development Commission of the City of National City was unable to pursue at that time due to the dissolution of the Redevelopment Agency in 2011.

The substantial rehabilitation and recapitalization of Morgan and Kimball Towers began in April 2019 and was recently completed in August 2020 by the Community HousingWorks and Mercy Housing. Community HousingWorks worked to secure a Purchase and Sale Agreement for a westerly portion of 1320 Highland Avenue (Site 1 and portion of Site 3 as indicated in Exhibit “A” of Attachment No. 3 to this staff report) as an opportunity to further the goals of the Housing Authority and the City with regards to revitalizing the area as identified in the City’s plans for a Senior Village expansion project. Community HousingWorks and San Ysidro Health entered into an Exclusive Negotiation Agreement on November 19, 2019 that included the Kimball Senior Center site located at 1221 “D” Avenue (Site 2 as indicated in Exhibit “A” of Attachment No. 3 to this staff report) in the development. In June 2020, Community HousingWorks and San Ysidro Health delivered to the Housing Authority a refined scope and financing plan for the development

of the Kimball Highland Master Plan, and negotiations of the proposed Disposition and Development Agreement (Attachment No. 3) ensued.

Development and Disposition Agreement

The proposed Disposition and Development Agreement (“DDA”), included as Attachment No. 3 of this staff report, comprehensively addresses all the Kimball Highland Master Plan development process components.

Under the DDA, Community Housing Works and San Ysidro Health will each have a separate land parcel on (Site 1 and Site 3, respectively) and will undertake their own financing and construction responsibilities. Community HousingWorks will own and operate affordable housing units on Site 1. On Site 3, San Ysidro Health will oversee and operate all health care services at the Program of All-Inclusive Care for the Elderly (PACE) Center and Federally Qualified Health Clinic. Both of these facilities will serve the broader National City community. San Ysidro Health will require that the Housing Authority sell a portion of Right of Way located at Kimball Way to complete the proposed health care facilities. The Housing Authority will receive the appraised value for the Kimball Right of Way upon the close of escrow for Site 3.

Community HousingWorks will be the sole developer of the Site 2 parcel and will enter into a 65-year ground lease with the Housing Authority. Community HousingWorks will pay the Housing Authority the appraised value for the 65-year ground lease. The capitalized ground lease will be paid back as a loan (City’s land loan) to the Housing Authority. The Housing Authority intends to transfer ownership of the Site 2 parcel to the City before the ground lease is executed with Community HousingWorks so that payments from the City’s land loan can be used by the City to offset the operational costs of the new Senior Center. Community HousingWorks will provide a new turnkey Kimball Senior Center for the City that will be leased back to the City for 65 years for \$1.00 a year.

As part of the DDA, Community Hosing will also consider the feasibility of a market-rate housing project along “D” Avenue on the Kimball and Morgan Towers site and at the site of the current San Ysidro Health Center on the corner of East 12th and “D” Avenue.

Master Plan Components

SITE ONE (1): REDEVELOPMENT OF 1320 HIGHLAND PARKING LOT

- 85 affordable intergenerational apartment homes, serving over 250 new residents
- 90 parking spaces for the residents

SITE TWO (2): REDEVELOPMENT OF THE KIMBALL SENIOR CENTER

- 60 affordable intergenerational apartment homes, serving over 180 new residents
- 8,800 sf Senior Center
- 86 parking spaces – 60 needed for residents; shared during daytime hours with Senior

Center

SITE THREE (3): REDEVELOPMENT OF A PORTION OF 1320 HIGHLAND PARKING LOT AND KIMBALL RIGHT OF WAY

- 18,354 sf PACE center for seniors with exterior patio and garden area
- 21,180 sf Federally Qualified Health Center to serve the broader community

PUBLIC AMENITIES:

- New and upgraded sidewalks, street trees, and urban greening
- Cul-de-sac at Kimball Way, creating pedestrian-calming and safer crossing
- Walkway between E. 14th Street and Kimball Way providing additional connectivity

Master Plan Design

The organic curves of the Paradise Creek are the architectural inspiration for the Kimball Highland Master Plan. The two sites border and shelter the masterplan comes from the curvilinear course of the adjacent Paradise Creek as well as the human need for connection. The Master Plan is focused on enhancing a village atmosphere that is connected, similar to historic villages centered around the common plaza space, which is where public and private interactions occur among all generations. The City of National City has already centered so many key public institutions in the Kimball Park area, including City offices, the library, service institutions such as the Boys and Girls Club, the Martin Luther King Jr. Center, ARTS Center, the existing San Ysidro Health Center, the Kimball Senior Center, and Senior Nutrition Center. Utilizing the natural rise of the terrain, the two sites in the Master Plan act as a capstone and connector to all the commercial activities to the east and flow west, ultimately to the Bayfront.

The two Sites have mainly been underutilized and treated as the back of the National Shopping Plaza. With the proposed design, the two sites are now connected between the park and the marketplace, including the vibrant transportation corridor along Highland Avenue and Plaza Boulevard. The Master Plan envisions that residents will wander both east and west from these two centers of public and private energy and thus have created sheltered pedestrian spaces for them to wander. This includes the closing of Kimball Way, thus creating a cul-de-sac that is a calmer pedestrian experience and safer crossing to the Walmart Center. It also includes a landscaped paseo that provides connectivity east and west for the entire community between Kimball Park, the commercial spaces, and the public transportation corridor along Highland Avenue.

Added density adds energy and synergy to the space, but steps down from the nearby senior towers, and is shielded by the natural mesa to the east. These structures will peek out, not push out, and will reveal fresh materials, rooflines, and modern facades that add beauty and interest at the street level and enhance views from around the City. In addition, the plan emphasizes sustainable transportation, such as walking, bicycling, rather than relying on the automobile as the

primary focus for entering and enjoying the village. Parking is tucked away, under-emphasized, and shared so that people, not vehicles, are the focus.

Connectivity was the primary focus when designing the two Sites, not only how the two sites communicate but also webbing all the ancillary and adjacent uses of the City Center area, such as the Kimball Senior Center, Senior Nutrition Center, and City Offices, and the major transit stops and patterns of pedestrian travel. Special attention was paid to pedestrian uses in this area with high walkability to transit, commercial, and connections to many civic engagement centers such as the park and library.

The PowerPoint Presentation (Attachment No. 2) provides site layouts for the Master Plan and architectural details.

Financing Plan

AFFORDABLE HOUSING AND NEW KIMBALL SENIOR CENTER (SITES 1 AND 2)

The estimated total cost of the project of Site 1 and Site 2 Affordable Housing Project is \$91,272,000, which includes direct costs, indirect costs, and financing costs. The funding sources for the project are a permanent loan, federal and state tax credits, a general partner contribution, a CalHFA Mixed-Income Program, and accrued interest and TCAC refunds on deposits. Exhibit B of the DDA (Attachment No. 3) provides a comprehensive financial analysis completed by Keyser Marston and Associates for the Housing Authority.

Community HousingWorks will apply for both 9% and 4% Low Income Housing Tax Credits and will also look to add State tax credits if available. These credits will be awarded by CTCAC, to allow a tax investor to become a limited partner in the final ownership entity and invest equity in exchange for the benefits of the tax credits. Community HousingWorks has over thirty years of experience in LIHTC developments, receives premium pricing from the highest level of investors, and will competitively bid and negotiate with prospective investors on every development to obtain the best investment and partnership terms. CHW will contribute a portion of its earned developer fee back to the project. The General Partner is making a \$7,471,000 equity contribution to support the project.

The Housing Authority will make a cash loan to Community Housing Works for the development of the affordable housing on Site 1 and Site 2 and the new City Senior Center of \$10,475,000. Because of challenging site conditions and the potential for escalating construction costs, the cash loan may be increased up to \$11,662,000. There will be a base payment on the loan of \$30,000 but will be repayable over 55 years at an interest of 3%. The loan principal will be immediately reduced by the amount of proceeds that Community HousingWorks receives for Site 3 and any adjoining right-of-way when it is sold to San Ysidro Health for the development of the proposed health facilities.

FINANCING OF HEALTH CARE FACILITIES (SITE 3)

The estimated total development cost of the health care facilities on Site 3 will be approximately \$32 million. The health care facilities are being developed entirely with New Market Tax Credits and health care specific financing. The City or Housing Authority is not investing any other funds into this part of the development. San Ysidro Health has contracted with an experienced health care facilities financial advisor, Capital Link, that has prepared a financial overview for the development of the PACE center and Federally-Qualified Health Clinic as part of the Kimball Highlands Master Plan. Capital Link has extensive New Market Tax Credit and other financing experience, specializing in healthcare facilities serving low income communities.

Environmental Review

The Kimball Highland Master Plan is considered an in-fill development, which meets the conditions for CEQA exemption under Section 15332 (In-Fill Development Project). Specifically, the project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations; the proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses; the project site has no value, as habitat for endangered, rare or threatened species; approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality; and finally, the site can be adequately served by all required utilities and public services.

Project Benefits and Staff Recommendation

REDEVELOPMENT – It is estimated that the proposed two-site redevelopment and additional active transportation improvements will result in over \$120 million in improvements and infrastructure within the City of National City.

ADDITIONAL RESIDENTIAL UNITS – In a time where access to affordable housing is at an all-time low, this development would provide an additional 145 units for working families and seniors on restricted incomes. These additional units would also provide the City low and very low-income units to assist in its Regional Housing Needs Assessment (RHNA) allocation as determined by the State of California.

AFFORDABILITY – The intergenerational apartments are slated to be highly affordable, renting at between 30-70% AMI. This affordability stabilizes renters and allows them to build resources to weather issues such as job loss and financial setbacks. Affordable rents for working class families and fixed-income seniors mean that they have more resources to spend on goods and services that are typically boosts to the local economy.

ENRICHING HEALTH SERVICES – A full-service Federally Qualified Health Center, along with a PACE Center for the Elderly, will provide a nexus of senior and family health services

in a central, transit-oriented location.

JOB CREATION – The residential development will create an estimated 244 high-quality construction jobs and over 200 permanent, higher-paying jobs in apartment management and medical facilities. The DDA includes a Workforce Enhancement Initiative, which will strive to implement an apprenticeship and local hiring program for the affordable housing component of the Master Plan. Community Housing Works will also pay Davis-Bacon prevailing wage on the construction of Site 1 and 2.

MAXIMIZING LEVERAGE – By applying for the State of California funds, tax credits, and tax-exempt bond financing for the residential developments, the Housing Authority is funding only of the residential components. \$80 million dollars in public and private leverage is being provided to the residential components.

REVENUE - The Housing Authority will receive a minimum payment of \$30,000 on its cash loan to Community Housing Works and an additional \$30,000 for the City through the capitalized ground lease loan on Site 2. Payment amounts on the loans will increase over time as a share of cash flow (see Attachment 3, Exhibit B, Table 4). The Housing Authority will also receive \$29,000 in annual monitoring fees.

STAFF RECOMMENDATION

Housing Authority staff recommends that the Board of Commissioners of the National City Housing Authority authorize the Executive Director to execute the proposed Disposition and Development Agreement with Community HousingWorks and San Ysidro Health.

Kimball Highland Master Plan

Presentation: City of National City City Council

October 20, 2020





**SAN YSIDRO
HEALTH**



Team Members

Kimball Highland Master Plan Team



- **Master Plan Developer & Housing / Senior Center Owner/Developer:**

Community HousingWorks (CHW)

- **Health Clinics Owner/Developer:**

Centro de Salud de la Comunidad of San Ysidro Inc. (San Ysidro Health SYH)

- **Design and Finance Team:**

- Architect
- Civil Engineer
- Financial Consultant

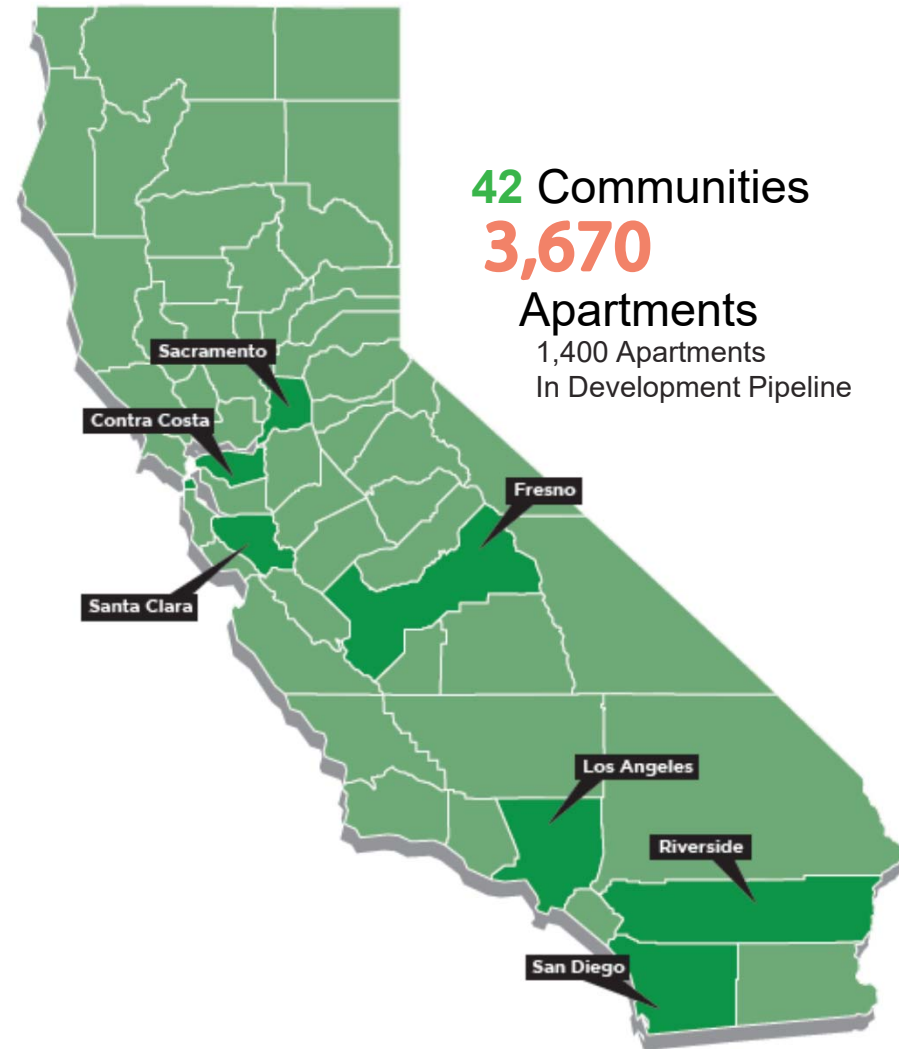
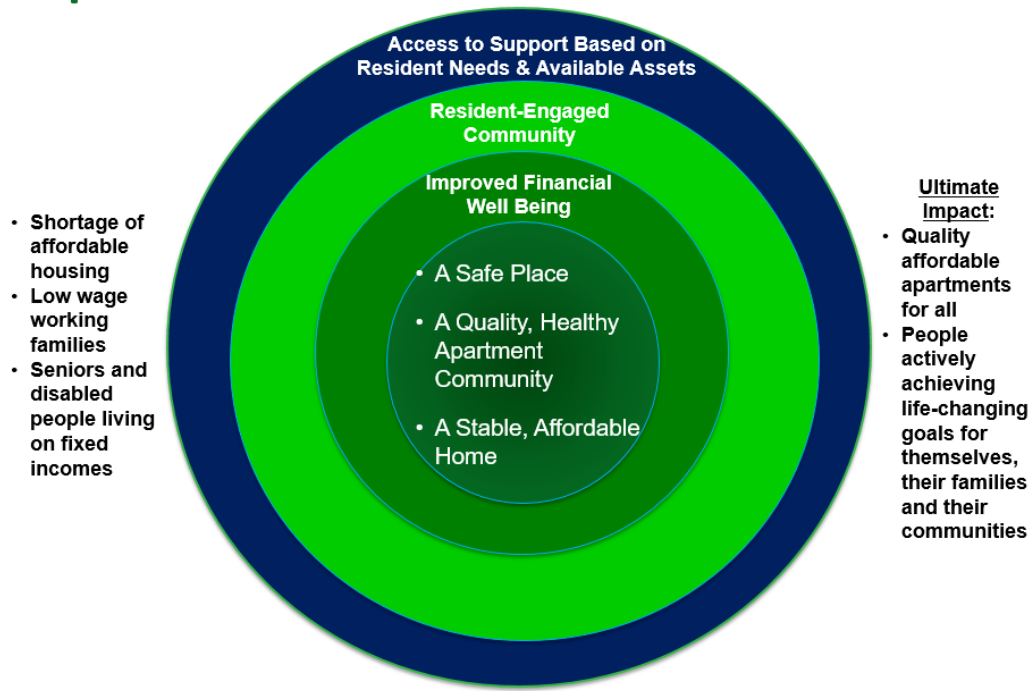
Studio E Architects
Excel Engineering
California Housing Partnership



Community HousingWorks (CHW)

- 31 Year old local nonprofit
- Part of National City community
- “Opportunity begins with a stable home”
- Serves over 9,000 residents including working families, seniors, disabled

Impact Framework





San Ysidro Health (SYHealth)



- Founded out of humble beginnings 51 years old by seven mothers seeking care for their children and now, a nationally recognized 501(c)(3) nonprofit, and Federally Qualified Health Center (FQHC).
- The mission of San Ysidro Health is to improve the health and well-being of the communities we serve, with access for all. We provide high quality, affordable and compassionate **medical, dental and behavioral health services** for the entire family.
- **107,000** patients served throughout 42 program sites across San Diego County generating nearly 500,000 visits. We have 3 clinics in National City and have been offering free COVID-19 testing.
- 2019 Patient Profile:
 - **94%** of patients live at or below **200%** of the FPL
 - 40% are children (ages of 0-17 years)
 - **24% are seniors (ages 55+ years)**
- 2 Programs for All Inclusive Care for the Elderly (PACE)- San Ysidro and Chula Vista and 2 soon to open in El Cajon and Vista.
- Adjacent landowner



**SAN YSIDRO
HEALTH**



Kimball Highland Master Plan: Age-Friendly Community Concept

National City: Age-Friendly Community



- In Nov 2019, the City enrolled in AARP Network of Age Friendly Communities
- City Vision: Enhanced Quality of Life for people of all ages and abilities
- Increased livability across the age spectrum
- Walkability to transit and retail, new homes, availability of health care, opportunities for ongoing community building and socialization

Vision



Integrating intergenerational homes, healthcare and community amenities in a transit and pedestrian oriented village in downtown National City

Kimball Highland Master Plan: Concept

- Walkable, intergenerational neighborhood with amenities
- Connect Civic Center, Kimball Park, Highland Avenue / Plaza commercial businesses and transit
- Connect senior activities and existing senior residences w neighborhood that includes:
 - Kimball Park
 - Pedestrian friendly to Civic Center
 - Existing 303 apartment homes for low-income seniors at Kimball Tower and Morgan Tower
 - Existing George Waters Nutrition Center for seniors city-wide
 - Existing City Senior Center
 - Near retail and MTS transit on Highland Avenue



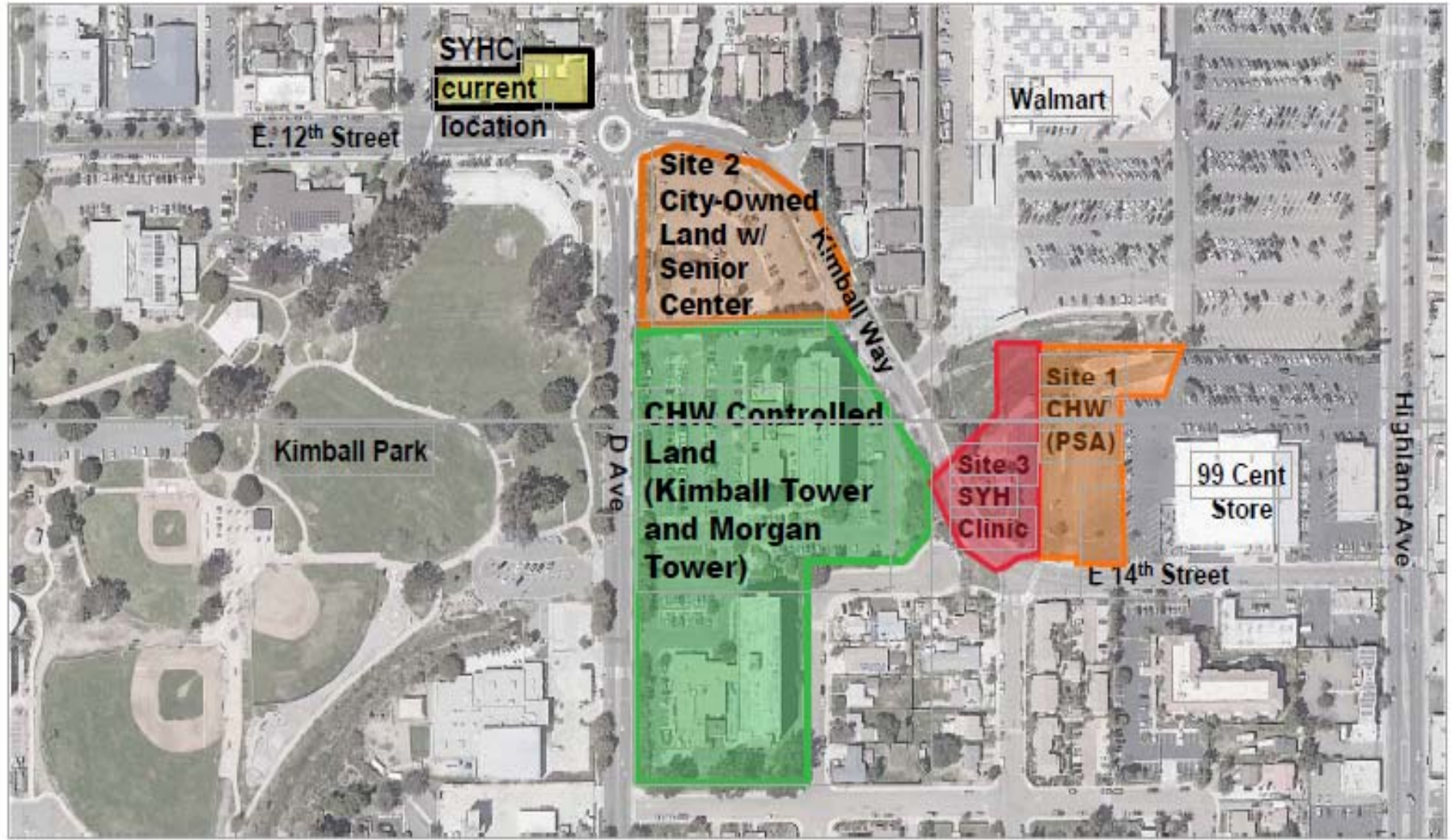
Kimball Highland Master Plan: Concept

- New health care connected with neighborhood
 - Federally qualified health clinic owned and operated by strong health care provider already working in National City
 - New PACE center for seniors who are at risk of being in nursing homes, enabling them to remain in their own home and thrive
- New City Senior Center – 8,800 sf state of the art to replace the existing City Senior Center (same location)
- New affordable homes for all ages - 145 apartments for residents with incomes ranging from 30% to 70% of AMI -



New Affordable Apartments and New City Senior Center

Kimball Highland Master Plan



New Apartments on Sites 1 and 2; New City Senior Center on Site 2



Kimball Highland Master Plan

New Affordable Apartments

- **New Affordable Apartments** – 145 new affordable apartments for all ages – families, seniors, disabled persons
 - 12 Studio
 - 30 1 bedroom / 1 bathroom
 - 64 2 bedroom / 1 bathroom
 - 39 3 bedroom / 2 bathroom
- **Income Ranges for Apartments**
 - 15 apartments at 30% AMI
 - 15 apartments at 50% AMI
 - 88 apartments at 60% AMI
 - 25 apartments at 70% AMI
 - 2 Manager Units
- Apartment communities have their own spaces for resident gatherings, resident services, next generation success
- CHW to provide resident services (same as Paradise Creek)
- Plans subject to city's entitlement and permit process



Kimball Highland Master Plan

New Affordable Apartments

- 145 new affordable homes apartments total on two sites
- Homes located on Sites 1, 2
 - Homes at Site 1 are adjacent to SYH health facilities
 - Homes at Site 2 are adjacent to new City Senior Center
- Resident amenity spaces
 - Parking separate from health center and separate from new Senior Center
 - Community Room and computer room
 - On-site management leasing office
 - Play areas



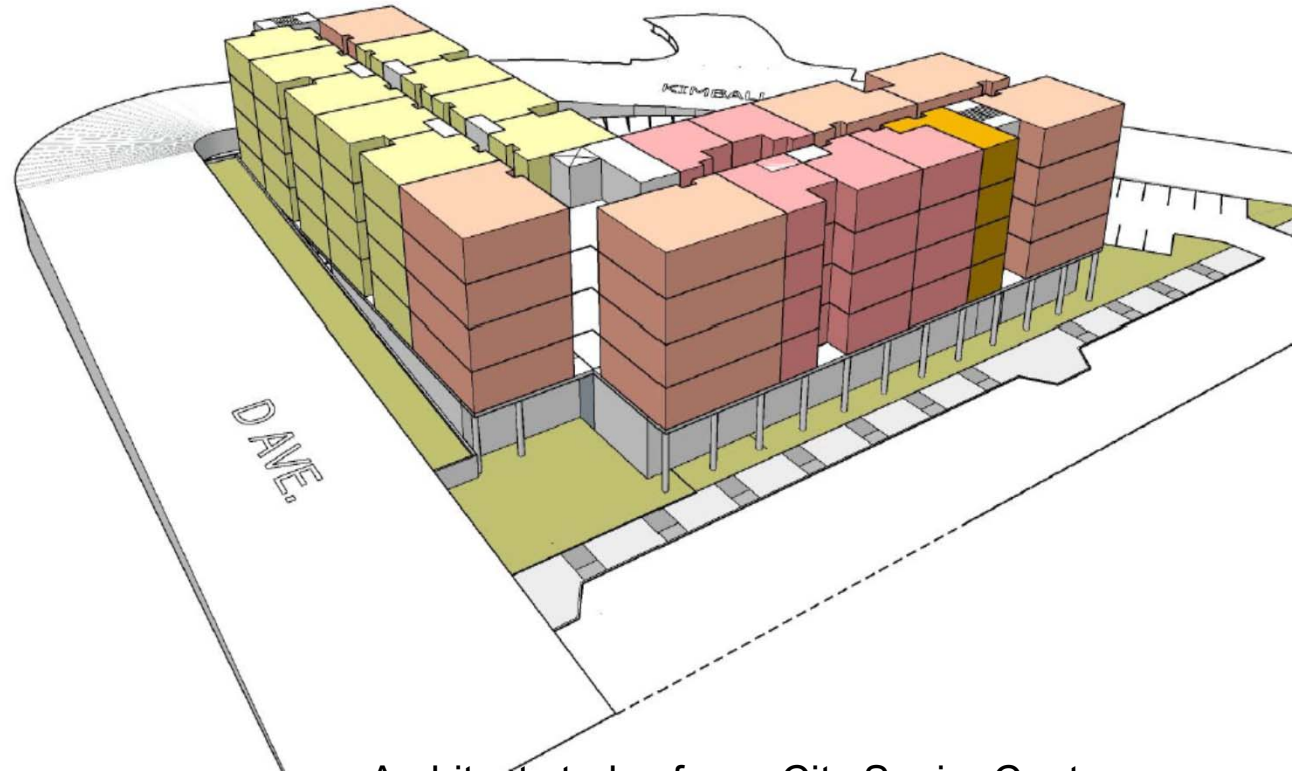
Architect rendering for Sites 1 and 3 – new apartments on Site 1, adjacent to SYH Clinic and PACE center on Site 3



Kimball Highland Master Plan

New City Senior Center

- 8,800 square foot new City Senior Center at same location as current
- Turnkey – city specs, furnished and ready for use
- Ground floor of new apartments at Site 2
- Near Kimball and Morgan Towers, walking area to Highland Avenue retail

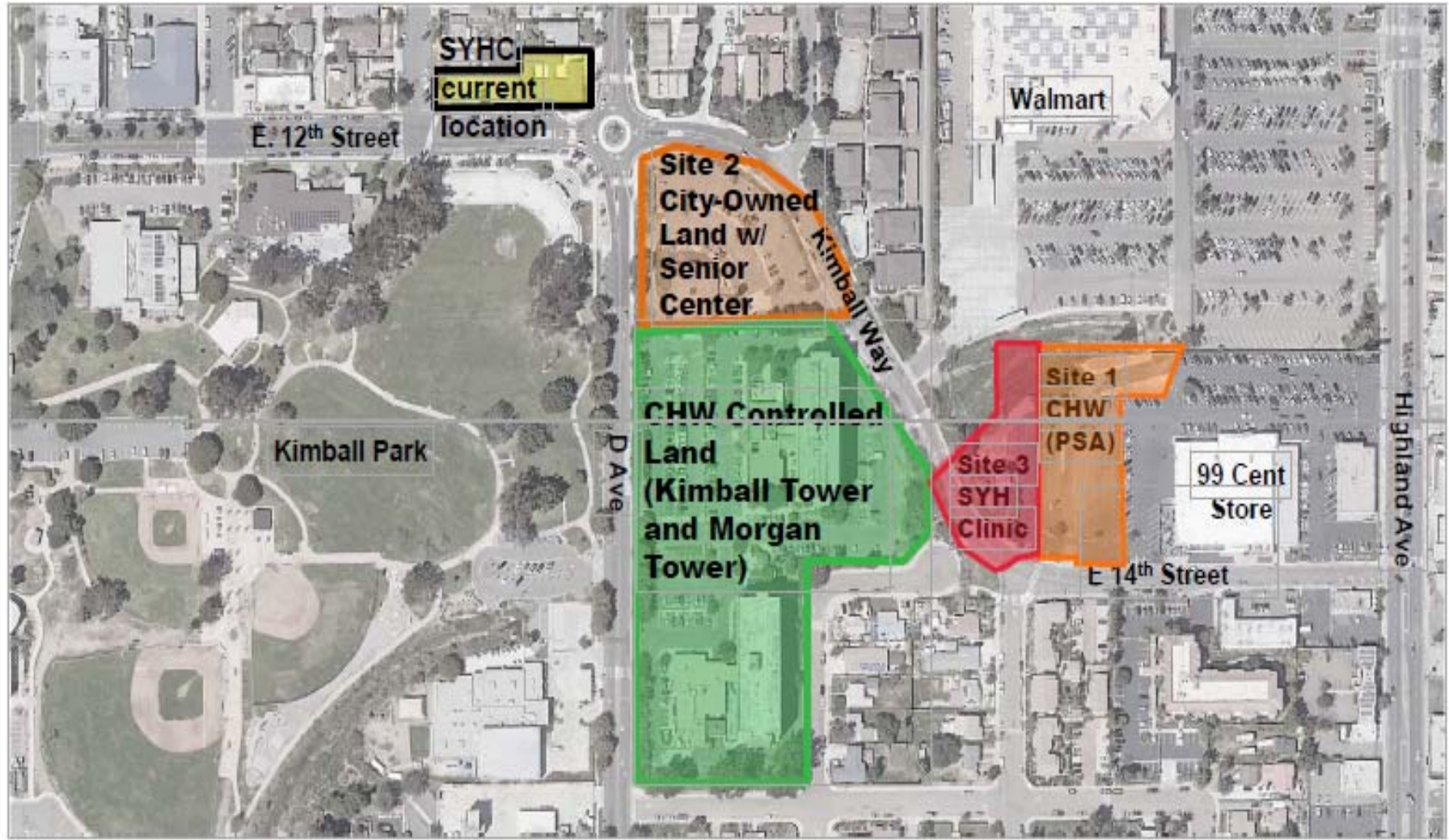


Architect study of new City Senior Center space with apartment homes on Site 2, adjacent to Kimball Tower parking, with alle walking path to Highland Avenue retail



New Health Clinic and New PACE Center

Kimball Highland Master Plan



Health Facilities on Site 3

Kimball Highland Master Plan- SYHealth in National City

COVID-19 DATA SOURCE:
The San Diego Union-Tribune

UPDATED:
September 15, 2020

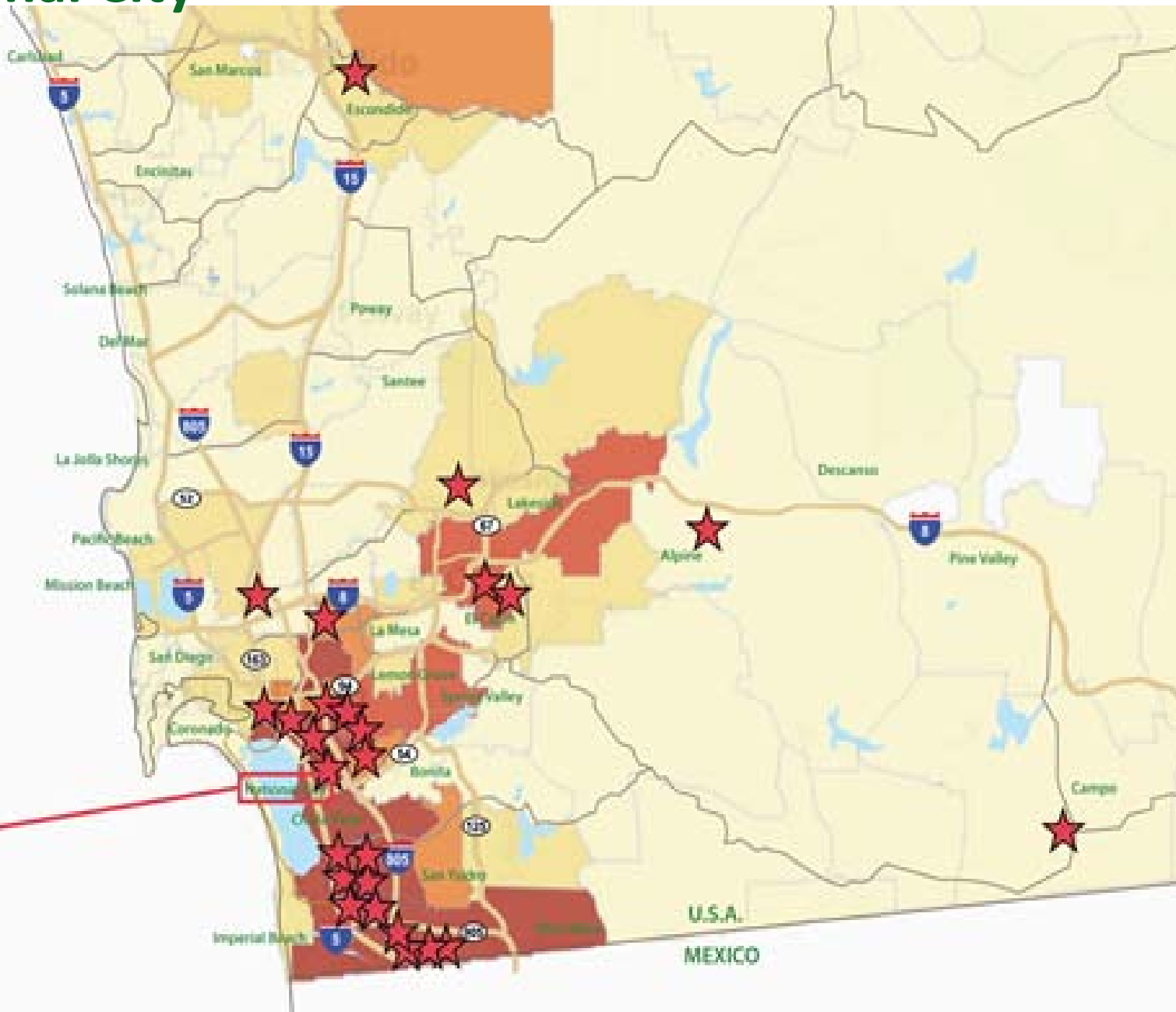
COVID-19 cases:

- 1 - 299
- 300 - 599
- 600 - 899
- 900 - 1199
- 1200 or more

★ SYHEALTH CLINIC

3 Clinics in National City

- National City Family Clinic, est. 1982
- Paradise Hills Family Clinic, est. 2009
- South Bay Health & Dental Clinic, est. 2018





Kimball Highland Master Plan

SYHealth FQHC/ SD PACE

■ Healthcare Needs/ Trends

- In the next 10 years, per County forecast, National City will experience a **36%** growth of seniors 50+ yrs. vs **17%** growth countywide
- Seniors living in poverty in National City is **17%** vs **9%** Countywide. Seniors in National City were particularly likely to live in households with below-poverty incomes.

■ SYHealth Response – New National City Health Center

- A 40,000 square ft. state-of-the-art facility where 20,000 square feet will be dedicated to a Program of All-Inclusive Care for the Elderly (PACE) Project and 20,000 square feet dedicated to a federally qualified health center (FQHC) or community health center focused on the health care needs of low-income, Medi-Cal and uninsured residents living in the community.
- Services provided from the FQHC, or community health center, will include medical, dental and behavioral health plus diagnostic laboratory, social and support services, transportation services, eligibility assistance and referrals to specialty New National City Health Center (FQHC) will be a 20,000 sq ft state-of-the-art facility on top of our new SD PACE- National City program/ SD PACE clinic.
- In FQHC, expanded access to care for oral healthcare as we will increase from 6 dental exam rooms to 9 exam rooms in new facility; 20 medical exam rooms and new Behavioral Health Services Dept.

San Diego PACE

Program of All-Inclusive Care for the Elderly



At San Diego PACE, our mission is to ensure seniors get the care they need to lead healthy, happy and independent lives.

The San Diego PACE team is dedicated to supporting seniors and help them age safely at home. Family caregivers trust us to take care of their loved ones and deliver vital health care services in the home as they return to work and provide for their family.

Providing Compassionate Care for Older Adults



Call: (619) 205-4585 • www.sdpace.org

Kimball Highland Master Plan

Health Facilities

Attachment No. 2



In order to qualify for SD PACE, patients must be:

- 55 years of age or older
- Living in a PACE-covered zip code/service area -(San Diego PACE covers 90 zip codes)
- Certified by the State of CA as needing a level of care equal to nursing home services
- Able to live safely and independently in the community with the help of PACE services

NOTE: A participant can dis-enroll from PACE at any time



Kimball Highland Master Plan

Benefits of SD PACE Program/ PACE Clinic

Attachment No. 2



- Many of our seniors age with several chronic illnesses such as dementia, diabetes, asthma, hypertension, and as a result, require monthly chronic care management. SD PACE allows us to take care of all of their health visits including dental and behavioral health through our on-site clinic.
- SD PACE supports our sandwich generation- caregivers who take care of their older (parents) and younger (children) loved ones—SD PACE provides respite care.
- Some caregivers leave the workforce to care for disabled loved one. SD PACE allows a caregiver to work while they entrust us to pick up their loved one from home and provide their socialization, medicine, therapy and meals at our SD PACE center while they work during the day.

Kimball Highland Master Plan

Health Facilities



Architect rendering of PACE entrance on Kimball Way

Parking - 207 spaces necessary for the health facilities separate from apartment parking



Disposition and Development Agreement (DDA) and Community Benefits

Kimball Highland Master Plan

Exclusive Negotiation Agreement (ENA)

- City Council approval of Exclusive Negotiation Agreement (ENA) on November 19, 2019
- Per ENA Requirements, the Team successfully completed:
 - Due Diligence
 - Development of Conceptual Development Program
 - Submittal of Financing Program
 - Negotiation of Disposition and Development Agreement (DDA)

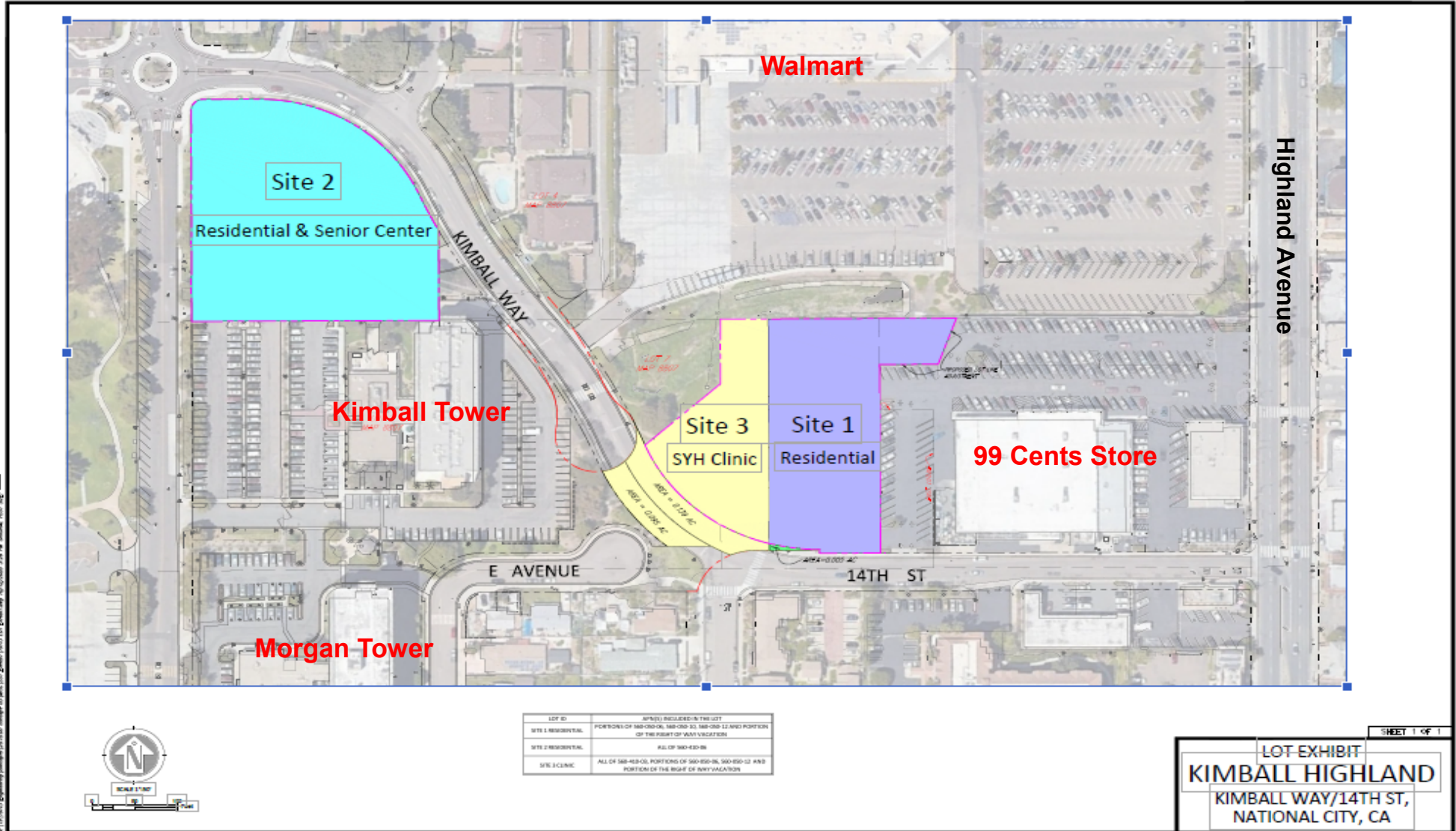


Kimball Highland Master Plan

Disposition and Development Agreement (DDA)

- Parties same as ENA:
 - **CHW:** Master Developer for Entitlements; Develop/Own 145 affordable apartments and new City Senior Center
 - **SYH:** Develop and own Health Clinic and PACE center
- Term of DDA: Finance closing for each housing site and health clinics required by Dec 2023, but Executive Director may extend to Dec 2025 if not in default

Kimball Highland Master Plan Disposition and Development Agreement (DDA)



Kimball Highland Master Plan

Disposition and Development Agreement (DDA)

- Three land sites for Phase I:
 - Site 1 : CHW in escrow to purchase from private party, portion will be sold to SYH as part of Site 3. Use of remaining portion: Affordable apartments.
 - Site 2: City-owned site, CHW will have 65 year ground lease and pay city (through loan) value of the land. Use: New Senior Center, affordable apartments.
 - Site 3: Portion of Kimball Way will be vacated, City will sell portion of vacated Right of Way (ROW) to SYH for construction of the health facilities; site includes also portion that CHW is acquiring from private owner and will sell SYH Use: Health Clinic and PACE Center (approximately 40,000 sf of health facilities).

Kimball Highland Master Plan

Disposition and Development Agreement (DDA)

- **City Loan: Housing, City Senior Center (Sites 1 and 2)**
 - City Loan to CHW for apartments and new City Senior Center: \$10,475,000. Upon evidence to Executive Director of higher costs, loan may increase up to \$11,662,000.
 - Loan Term: 55 years, 3% interest, repayable from 50% of residual receipts cash flow
 - Low income housing tax credits (either 4% or 9%)
 - Project also pays city annual monitoring fee of \$30,000
- **City Ground Lease: Senior Center and Housing (Site 2)**
 - 65 year term (necessary for low income housing tax credit investors)
 - CHW to pay “rent” equal to the assessed value. Documented as a loan, and paid to city from residual receipts
 - CHW to lease the new Senior Center space of 8,800 sf to the city for 65 years at \$1/year rent NNN. New Senior Center is turn key development
 - No city ground lease for Site 1, since CHW will own the land

Kimball Highland Master Plan

Disposition and Development Agreement (DDA)

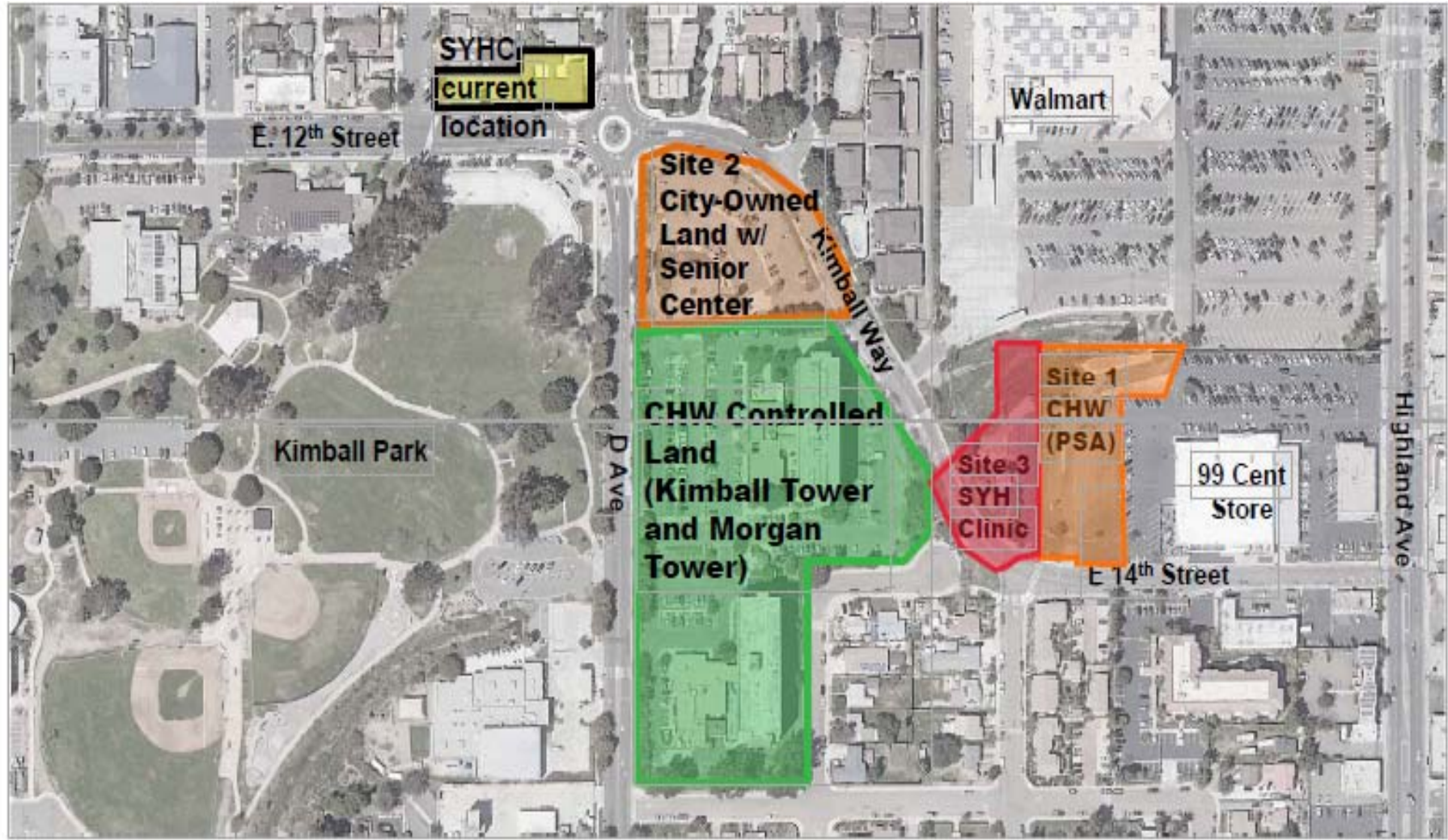
- Finance of Health Clinic and PACE Center
 - Clinic and PACE Center privately financed by SYH
 - SYH is experienced in and will again use New Market Tax Credits (NMTC) and other financing
 - **No City loan or subsidy** for the health facilities
 - City to sell land on portion of vacated street Right of Way (Kimball Way) to SYH at fair market value based on appraisal

Kimball Highland Master Plan

Disposition and Development Agreement (DDA)

- Construction Labor Benefits: DDA requires prevailing wages for construction for Apartments and Senior Center
 - Worker protections
 - Lender protections regarding payment and performance bonds
 - Workforce enhancement provisions – construction career training through mentorship, opportunities for apprenticeships
 - Good faith efforts to facilitate, encourage and assist an established apprentice program to commence, progress
 - Local hire- good faith efforts by the general contractor for those persons and businesses doing business or residing in National City including outreach for contracts, etc.

Kimball Highland Master Plan



Feasibility Study for Market Rate Homes on Potential Sites

Kimball Highland Master Plan

Disposition and Development Agreement (DDA)

Market Rate Housing Feasibility Analysis Requirement:

- DDA requires a feasibility study provided to city by CHW within 1 year of DDA
- Study to review potential sites for market rate homes
- Potential sites identified in DDA include the following sites:
 - Site on D Street currently owned by SYH (clinic)
 - Portion of parking area of Kimball Tower facing Kimball Park
 - Portion of parking area of Morgan Tower facing Kimball Park

Kimball Highland Master Plan

Community Benefits: Strong Neighborhood

- Infill development, reuse of portion of current parking lot (western portion of 99 Cents store site)
- New state of the art City Senior Center – updated, renewed, maintain current central location
- Central location near Kimball Park, ties to Highland Avenue retail and transit corridor
- Intergenerational neighborhood– new apartments for all ages (“family”) near existing senior towers and City Senior Center.
- Traffic calming with closure of portion of Kimball Way
- Centralize health care in new, state of the art facilities owned and operated by local, successful community member (SYH). New PACE Center

Kimball Highland Master Plan

Community Benefits: Strong Economy

- Jobs in Downtown National City:
 - New, permanent, health care jobs – SYH will have over 250 jobs at the clinic and PACE center
 - 200 are *new well paying jobs* in the heart of National City
- City Loan to Project Leverages Private Investment 10:1
 - Private Investment from the Master Plan (housing, health, and senior center) leverages \$110 million of private investment from affordable housing and health care facilities.
 - City investment of loan leverages 10 times private investment within the city for health and housing
- Construction Worker Wages and Protections
- Market Rate Home Feasibility analysis



**SAN YSIDRO
HEALTH**



Thank You!

DISPOSITION AND DEVELOPMENT AGREEMENT

By and Among the

COMMUNITY DEVELOPMENT COMMISSION-

HOUSING AUTHORITY OF THE CITY OF NATIONAL CITY,

SAN YSIDRO HEALTH,

and

COMMUNITY HOUSINGWORKS

(Kimball Highland Master Plan)

**DISPOSITION AND DEVELOPMENT AGREEMENT
(Kimball Highland Master Plan)**

THIS DISPOSITION AND DEVELOPMENT AGREEMENT (“Agreement”) is dated as of the 20th day of October, 2020 by and among the Community Development Commission-Housing Authority of the City of National City (“CDC-HA”), Centro De Salud De La Comunidad De San Ysidro, Inc., dba San Ysidro Health (the “Health Center Developer”), and Community HousingWorks, a California nonprofit public benefit corporation (the “Affordable Housing Developer”).

RECITALS

A. The Affordable Housing Developer has entered into that certain Purchase and Sale Agreement for Site 1 and intends to transfer Site 1 to its affiliate (“Site 1 Owner”). The Site 1 Owner shall construct the Phase 1 Project, as defined below, on Site 1.

B. The CDC-HA owns Site 2 and the CDC-HA desires to ground lease Site 2 to the Affordable Housing Developer’s affiliate (“Site 2 Owner”) and the Affordable Housing Developer desires for its affiliate, the Site 2 Owner, to lease Site 2 from CDC-HA pursuant to the Ground Lease, as defined below. The Site 2 Owner shall construct the Phase 2 Project on Site 2. Provided, however, it is anticipated that Site 1 Owner and Site 2 Owner will be the same entity and that the Phase 1 Project and the Phase 2 Project will be one and the same project.

C. The CDC-HA owns that certain Public Right of Way located at Kimball Way as shown on the Parcel Map (“Kimball Public Right of Way”). The CDC-HA desires to sell fee simple title to the Kimball Public Right of Way to the Health Center Developer pursuant to Health and Safety Code Section 34312.3(b), as set forth herein. The Affordable Housing Developer entered into that certain Purchase and Sale Agreement with Patricia L. Peterson, Trustee of the L.O. Lindemulder Trust No. 1, and Patricia L. Peterson, and Mary M. Peterson, Co-Trustee of the Peterson Family Trust B dated July 1, 1980 (collectively, “Seller”) pursuant to which the Affordable Housing Developer intends to acquire that certain real property identified as APNs 560-410-03, 560-050-06, 560-050-12 and 505-050-10 on the Parcel Map (collectively, the “Peterson Property”). Prior to or concurrently with the closing of Affordable Housing Developer’s acquisition of the Peterson Property from Seller, the Affordable Housing Developer desires to sell fee simple title to that certain real property and improvements identified as all of APN 560-410-03, and portions of APN 560-050-06 and 560-050-12 to Health Center Developer contingent upon the successful negotiation and execution of a purchase and sales agreement between the two parties. The Kimball Public Right of Way and APN 560-410-03, and the portions of APN 560-050-06 and 560-050-12 are defined herein collectively as Site 3. The Health Center Developer shall construct the Phase 3 Project, as defined below, on Site 3.

D. The CDC-HA shall provide subordinate mortgage loans in the aggregate amount of up to the CDC-HA Loan Amount to Site 1 Owner and/or Site 2 Owner to finance the acquisition, construction and development of the Phase 1 Project, and the Phase 2 Project, as applicable. Provided, however, it is anticipated that Site 1 Owner and Site 2 Owner will be the same entity and that the Phase 1 Project and the Phase 2 Project will be one and the same project.

E. The CDC-HA, Affordable Housing Developer and Health Center Developer are all of the parties to that certain Exclusive Negotiation Agreement (D Avenue: Mixed-Use Master Plan) by and among Housing Authority, Developer and Health Center Developer, dated as of November 19, 2019 (as amended, the “ENA”). This Agreement supersedes the ENA in its entirety.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, CDC-HA, Health Center Developer and Affordable Housing Developer hereby agree as follows:

100. Definitions.

“Affordable Housing Developer” means Community HousingWorks. Where the term Affordable Housing Developer is used herein, such term shall include any permitted nominee, assignee or successor in interest as herein provided.

“Affordable Units” means collectively, the one hundred and forty-five (145) rental dwelling units in the Phase 1 Project and Phase 2 Project, whose occupancy, for a period of fifty-five years after the Closing, shall be restricted to Extremely Low Income Households, Very Low Income Households, and Low Income Households and whose monthly rental rates are restricted to the Maximum Rents pursuant to, and as set forth in more detail in, the Declaration. In addition, there will be one (1) manager’s unit in the Phase 1 Project and one (1) manager’s unit in the Phase 2 Project; provided, however, it is agreed to and understood by the parties that final unit counts for each of Phase 1 Project and Phase 2 Project shall be determined based on the requirements of the available financing sources and the Final Project Budget, each as approved by the Executive Director of the CDC-HA in its reasonable discretion.

“Agreement” means this Disposition and Development Agreement among CDC-HA, Health Center Developer and Affordable Housing Developer.

“Area Median Income” shall mean the area median income defined by the Department of Housing and Urban Development (HUD), and published by the California Tax Credit Allocation Committee (TCAC), as the then current area median income for the San Diego-Carlsbad Metropolitan Statistical Area, established periodically by HUD and published in the Federal Register, as adjusted for family size. In the event HUD and/or TCAC ceases to publish an established area median income as aforesaid, CDC-HA may, in its sole discretion, use any other reasonably comparable method of computing area median income.

“CDC-HA” means the Community Development Commission-Housing Authority of the City of National City.

“CDC-HA Loan Amount” means the amount of the loan from the CDC-HA to Site 1 Owner and/or Site 2 Owner to finance the acquisition, construction and development of the Phase 1 Project, and the Phase 2 Project. The baseline aggregate CDC-HA Loan Amount is up to \$10,475,000.00; provided, however, the aggregate CDC-HA Loan Amount may be increased to \$11,662,000.00 upon delivery by the Affordable Housing Developer to the CDC-HA of evidence

which is sufficient to demonstrate that the other financing sources for the Phase 1 Project and the Phase 2 Project are insufficient to construct the Phase 1 Project and the Phase 2 Project, as determined in the sole discretion of the Executive Director of the CDC-HA. Notwithstanding the foregoing, the Affordable Housing Developer intends to sell a portion of Site 1 to the Health Center Developer. All proceeds from any sale of any portion of the Peterson Property, Site 1 and any adjoining rights of way shall immediately be used to pay down the CDC-HA Loan Amount.

“City” means the City of National City, a California municipal corporation.

“Closing” means with respect to each of the Phase 1 Project, the Phase 2 Project and the Phase 3 Project, the close of Escrow for the financing for acquisition and construction of the Phase 1 Project, the Phase 2 Project and the Phase 3 Project respectively; provided, however, the parties hereto agree and acknowledge that the Closing for the Phase 1 Project, the Closing for the Phase 2 Project, and the Closing for the Phase 3 Project may, but do not need to occur concurrently, and may incur independent of each other.

“Closing Deadline for the Phase 1 Project” means December 31, 2023; provided, however, in the event the Affordable Housing Developer is not then in default under this Agreement, the Closing Deadline for the Phase 1 Project may be extended at the election of the Affordable Housing Developer in its sole discretion to December 31, 2025.

“Closing Deadline for the Phase 2 Project” means December 31, 2023; provided, however, in the event the Affordable Housing Developer is not then in default under this Agreement, the Closing Deadline for the Phase 2 Project may be extended at the election of Affordable Housing Developer in its sole discretion to December 31, 2025.

“Closing Deadline for the Phase 3 Project” means December 31, 2023; provided, however, in the event the Health Center Developer is not then in default under this Agreement, the Closing Deadline for the Phase 3 Project may be extended at the election of the Health Center Developer in its sole discretion to December 31, 2025.

“Construction Deed of Trust” means the deed of trust recorded against Site 1 and/or Site 2, as applicable, for purposes of obtaining senior construction financing for the Phase 1 Project and the Phase 2 Project respectively. The Construction Deed of Trust relating to Phase 2 Project shall be recorded against the Site 2 Owner’s leasehold interest in Site 2 only. Recordation of any deed of trust, mortgage or other instrument against the fee interest on Site 2 shall be a default under this Agreement, the Ground Lease, the Site 2 Declaration and the Developer Deed of Trust on Site 2.

“Declaration” shall mean each of the two (2) declarations of covenants, conditions and restrictions in forms agreed to by the CDC-HA and the Site 1 Owner or Site 2 Owner, as applicable, to be executed by the Site 1 Owner and recorded against Site 1 or by the Site 2 Owner and recorded against the Site 2 Owner’s leasehold interest on Site 2, as applicable, at the Closings for each of the Phase 1 Project and the Phase 2 Project. Provided, however, it is anticipated that the Phase 1 Project and the Phase 2 Project will be one and the same project. In such event there shall be only one (1) Declaration.

“Default” means the failure of a party to perform any action or covenant required by this Agreement within the time periods provided herein following notice and opportunity to cure, as set forth in Section 501 hereof.

“Developer Deed of Trust” means each of the two (2) subordinate deeds of trust, in forms agreed to by the CDC-HA and the Site 1 Owner or Site 2 Owner, as applicable, to be executed by the Site 1 Owner and recorded against Site 1 or by the Site 2 Owner and recorded against the Site 2 Owner’s leasehold interest on Site 2, as applicable, at the Closings for each of the Phase 1 Project and the Phase 2 Project. Provided, however, it is anticipated that the Phase 1 Project and the Phase 2 Project will be one and the same project. In such event there shall be only one (1) Developer Deed of Trust. Provided all conditions of this Agreement are satisfied by the Closing Deadline for the Phase 1 Project or the Closing Deadline for the Phase 2 Project, as applicable, which may or may not occur concurrently, each Affordable Housing Developer Deed of Trust shall be subordinated to the Construction Deed of Trust and Permanent Deed of Trust. Any such subordination shall be in a form acceptable to the CDC-HA in its reasonable discretion. Additionally, the Affordable Housing Developer Deed of Trust securing Site 1 and the Affordable Housing Developer Deed of Trust securing Site 2 shall not be crossed collateralized or crossed defaulted without the consent of any senior lender and any tax credit investor limited partner of Owner. Nothing contained in this definition shall be deemed or construed as applicable to Site 3, more specifically identified as the Phase 3 Project, which shall be owned, developed and operated by Health Center Developer pursuant the fee simple transfer under the Health Center Purchase Agreement).

“Environmental Indemnity” shall mean each of the two (2) unsecured environmental indemnity agreements (one for the Phase 1 Project and another for the Phase 2 Project), in forms agreed to by the CDC-HA and the Site 1 Owner or Site 2 Owner, as applicable, to be executed by the CDC-HA and the Site 1 Owner or Site 2 Owner, as applicable, at the Closings for each of the Phase 1 Project and the Phase 2 Project. Provided, however, it is anticipated that the Phase 1 Project and the Phase 2 Project will be one and the same project. In such event there shall be only one (1) Environmental Indemnity.

“Escrow” means the escrow depository and disbursement services to be performed by Escrow Agent pursuant to the provisions of this Agreement.

“Escrow Agent” means Stewart Title Company or another title insurance company mutually selected by the parties hereto.

“Escrow Instructions” shall mean each of the: (i) escrow instructions (one for Site 1 and another for Site 2) to be executed by the CDC-HA and the Site 1 Owner or Site 2 Owner, as applicable, at the Closings for each of the Phase 1 Project and the Phase 2 Project (provided, however, it is anticipated that the Phase 1 Project and the Phase 2 Project will be one and the same project. In such event there shall be only one (1) set of Escrow Instructions governing both the Phase 1 and Phase 2 Project); or (ii) escrow instructions to be executed by the CDC-HA and the Health Center Developer at the Closing for the Phase 3 Project.

“Extremely Low Income Household” means persons and families whose income does not exceed thirty percent (30%) of the then current Area Median Income, provided that such persons or families meet the additional requirements set forth in the Declaration.

“Final Project Budget” has the meaning set forth in Section 305.2.

“Governmental Requirements” means all laws, ordinances, statutes, codes, rules, regulations, orders and decrees of the United States, the state, the county, the City, or any other political subdivision in which the Property is located, and of any other political subdivision, agency or instrumentality exercising jurisdiction over CDC-HA, Affordable Housing Developer or the Property.

“Ground Lease” means the 65-year ground lease for Site 2, in a form agreed to by the CDC-HA and the Site 2 Owner, to be executed by Site 2 Owner and recorded against Site 2, at the Closing for the Phase 2 Project.

“Hazardous Materials” means any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority, the State of California or the United State Government. Provided, however, the term “Hazardous Materials” shall not include substances typically used in the ordinary course of developing, operating and maintaining apartment complexes in California, or used in the ordinary course of the operation of healthcare facilities, or small amounts of chemicals, cleaning agents and the like commonly employed in routine household uses in a manner typical of occupants in other similar properties, provided that such substances are used in compliance with applicable laws.

“Initial Project Budget” means the proforma budget attached hereto as Exhibit B and as further set forth in Section 305.1.

“Leasehold” means the ground lease interest in Site 2 created by the Ground Lease.

“Low Income Household” means persons and families whose income does not exceed eighty percent (80%) of the then current Area Median Income, provided that such persons or families meet the additional requirements set forth in the Declaration.

“Master Plan” shall mean the Phase 1 Project, the Phase 2 Project, the Phase 3 Project and such other additional roads, right of way, or improvements within the planned development contemplated under this Agreement.

“Maximum Rents” shall mean the maximum amount of consideration, of any kind whatsoever, that the Affordable Housing Developer may receive for any Affordable Unit, which monthly amount shall not exceed the product of one twelfth (1/12) of (i) thirty percent (30%) times thirty percent (30%) of the then Area Median Income as adjusted for household size appropriate for the unit with respect to the Extremely Low Income Units, (ii) thirty percent (30%) of fifty percent (50%) of the then Area Median Income as adjusted for household size appropriate for the unit with respect to the Very Low Income Units, (iii) thirty percent (30%) of sixty percent (60%) of the then Area Median Income as adjusted for household size appropriate for the unit with respect

to the Low Income Units, or (iv) thirty percent (30%) of eighty percent (80%) of the then Area Median Income as adjusted for household size appropriate for the unit with respect to the Low Income Unit. Maximum Rents and associated Area Median Income levels may be adjusted pursuant to the requirements of project financing sources.

“Owner” shall mean Site 1 Owner, Site 2 Owner or Health Center Developer, as applicable.

“Permanent Deed of Trust” means the deed of trust recorded against Site 1 or Site 2, as applicable, for purposes of obtaining senior permanent financing for the Phase 1 Project or the Phase 2 Project respectively. The Permanent Deed of Trust relating to the Phase 2 Project shall be recorded against the Affordable Housing Developer’s leasehold interest on Site 2 only. Recordation of any deed of trust, mortgage or other instrument securing or evidencing the fee interest in Site 2 shall be a default under this Agreement, the Ground Lease, the Site 2 Declaration and the Developer Deed of Trust on Site 2.

“Permitted Transfer” is defined in Section 603.2, below.

“Phase 1 Project” means an approximately 85-unit affordable housing project, parking for the affordable housing project and off-site improvements to be constructed on Site 1 by the Site 1 Owner; notwithstanding the foregoing, the parties acknowledge and agree that final unit count at Phase 1 Project may be adjusted by the Affordable Housing Developer, with the written consent of the Executive Director of the CDC-HA, based on the requirements of the available financing sources and financial feasibility. Provided, however, it is anticipated that the Phase 1 Project and the Phase 2 Project will be one and the same project.

“Phase 1 Project Deed of Trust” means the Developer Deed of Trust to be recorded against Site 1. Provided, however, it is anticipated that the Phase 1 Project and the Phase 2 Project will be one and the same project. In such event there shall be only one (1) Developer Deed of Trust which will constitute both the Phase 1 Project Deed of Trust and the Phase 2 Project Deed of Trust.

“Phase 1 Project Note” means the promissory note in a form agreed to by the Affordable Housing Developer and CDC-HA, to be executed by the Affordable Housing Developer at the Closing for the Phase 1 Project, evidencing the loan from CDC-HA to the Affordable Housing Developer. Provided, however, it is anticipated that the Phase 1 Project and the Phase 2 Project will be one and the same project. In such event there shall be only one (1) promissory note which will constitute both the Phase 1 Project Note and the Phase 2 Project Note.

“Phase 2 Project” mean an approximately 60-unit affordable housing project, Senior Center, and parking to be constructed on the leasehold interest in Site 2 by the Site 2 Owner; notwithstanding the foregoing, the parties acknowledge and agree that final unit count at Phase 2 Project may be adjusted by the Affordable Housing Developer, with the written consent of the Executive Director of the CDC-HA, based on the requirements of the available financing sources and financial feasibility. Provided, however, it is anticipated that the Phase 1 Project and the Phase 2 Project will be one and the same project.

“Phase 2 Project Deed of Trust” means the Developer Deed of Trust to be recorded against Site 2. Provided, however, it is anticipated that the Phase 2 Project and the Phase 2 Project will be one and the same project. In such event there shall be only one (1) Developer Deed of Trust which will constitute both the Phase 1 Project Deed of Trust and the Phase 2 Project Deed of Trust.

“Phase 2 Project Note” means the promissory note in a form agreed to by the Affordable Housing Developer and CDC-HA, to be executed by the Affordable Housing Developer at the Closing for the Phase 2 Project evidencing the loan from CDC-HA to the Affordable Housing Developer. Provided, however, it is anticipated that the Phase 1 Project and the Phase 2 Project will be one and the same project. In such event there shall be only one (1) promissory note which will constitute both the Phase 1 Project Note and the Phase 2 Project Note.

“Phase 3 Project” means the Program of All-Inclusive Care for the Elderly Clinic and Federally Qualified Health Center to be developed by Health Center Developer on Health Center Site, parking for the Program of All-Inclusive Care for the Elderly Clinic and Federally Qualified Health Center, the street vacation and creation of a cul-de-sac at Kimball Way all to be constructed on Site 3.

“Project Budget” means the Phase 1 Initial Project Budget or Final Project Budget or the Phase 2 Initial Project Budget or Final Project Budget, as applicable. Provided, however, it is anticipated that the Phase 1 Project and the Phase 2 Project will be one and the same project. In such event there shall be only one (1) Project Budget.

“Project Design and Plan” means the design and plan for each of Phase 1 Project, Phase 2 Project or Phase 3 Project, as applicable, which shall set forth the design, plan and construction work, including without limitation, landscaping, flatwork and similar work, to be done with respect to the Phase 1 Project, Phase 2 Project or the Phase 3 Project respectively, each of which shall be subject to the approval of the Executive Director of the CDC-HA, which approval shall not be unreasonably withheld, conditioned or delayed. Provided, however, it is anticipated that the Phase 1 Project and the Phase 2 Project will be one and the same project. In such event there shall be one (1) Project Design and Plan which will constitute the design and plan for both the Phase 1 Project and the Phase 2 Project.

“Security Agreement” shall mean each of the two (2) security agreements (one for the Phase 1 Project and another for the Phase 2 Project), in forms agreed to by the CDC-HA and the Site 1 Owner or Site 2 Owner, as applicable, to be executed by the CDC-HA and the Site 1 Owner or Site 2 Owner, as applicable, at the Closings for each of the Phase 1 Project and the Phase 2 Project. Provided, however, it is anticipated that the Phase 1 Project and the Phase 2 Project will be one and the same project. In such event there shall be only one (1) Security Agreement which will constitute the security agreement for both the Phase 1 Project and the Phase 2 Project.

“Senior Center” shall mean a commercial space located at the Phase 2 Project, which shall be approximately 8,800 square feet, and constructed, furnished and equipped as reasonably necessary for turnkey operation, with complete fit and finish, including all necessities to make it usable as a senior center, including without limitation, complete flooring, restrooms, paint, HVAC, electrical, demising walls and doors, hardware, lighting, and plumbing, constructed pursuant to a design approved by the CDC-HA, which shall be used by CDC-HA as a Senior Center for the community consistent with the requirements of IRC Section 42(d)(4)(C) pertaining to community service facility.

“Senior Center Lease” shall mean that certain Commercial Lease to be entered into by and between the Affordable Housing Developer and the City relating to the Senior Center, which shall be a triple net lease for a term of 65 years for a rent equal to \$1.00 per year.

“Site 1” means that certain real property described as 560-050-06, 560-050-12 and 560-050-10 and shown on the Parcel Map attached hereto as Exhibit A, upon which the Site 1 Owner shall construct the Phase 1 Project.

“Site 1 Owner” shall mean owner of Site 1, which Site 1 Owner shall be a California limited partnership, whose sole general partner shall be a California limited liability company that is wholly owned by the Affordable Housing Developer.

“Site 2” means that certain real property described as APN 560-410-06 and shown on the Parcel Map attached hereto as Exhibit A, which the CDC-HA intends to lease to the Site 2 Owner, upon which the Site 2 Owner shall construct the Phase 2 Project.

“Site 2 Owner” shall mean owner of Site 2, which Site 2 Owner shall be a California limited partnership, whose sole general partner shall be a California limited liability company that is wholly owned by the Affordable Housing Developer.

“Site 3” means the real property upon which the Health Center Developer shall construct the Phase 3 Project, which shall include the Kimball Public Right of Way, that certain real property described as all of APN 560-410-03, and portions of APN 560-050-06 and 560-050-12 shown on the Parcel Map attached hereto as Exhibit A.

“TCAC Lease Rider” means the then current form of lease rider prepared by the California Tax Credit Allocation Committee at the time the Site 2 Owner enters into the Ground Lease relating to Site 2.

“Very Low Income Household” means persons and families whose income does not exceed fifty percent (50%) of the then current Area Median Income, provided that such persons or families meet the additional requirements set forth in the Declaration.

200. Transfer of the Property.

201. Ground Lease and Fee Acquisition Terms.

201.1 Phase 1 Project. The Affordable Housing Developer shall transfer Site 1 to Site 1 Owner and shall cause the Site 1 Owner to construct the Phase 1 Project on Site 1.

201.2 Phase 2 Project. Subject to all of the terms and conditions of this Agreement and the Ground Lease, the CDC-HA shall ground lease Site 2 to the Site 2 Owner pursuant to the terms of the Ground Lease. The rent payable by the Affordable Housing or the Site 2 Owner, as applicable, to the CDC-HA shall be the leasehold value as determined by an appraisal satisfactory to the CDC-HA within 120 days of execution of this Agreement, which amount shall be paid as a single, capitalized rent payment at the Closing for Site 2. The Affordable Housing Developer shall cause the Site 2 Owner to construct the Phase 2 Project and the Senior Center on Site 2.

201.3 Phase 3 Project.

(a) The Affordable Housing Developer shall acquire the Peterson Property and shall transfer all of APN 560-410-03, and portions of APN 560-050-06 and 560-050-12 to Health Center Developer. The CDC-HA shall transfer the Kimball Public Right of Way.

(b) Subject to all of the terms and conditions of this Agreement, the CDC-HA shall sell the Kimball Public Right of Way to Health Center Developer, and Health Center Developer shall purchase the Kimball Public Right of Way from the CDC-HA at the Closing for the Phase 3 Project. The purchase price for the Kimball Public Right of Way shall be as determined by an appraisal satisfactory to the Health Center Developer and CDC-HA prior to the transfer of the Kimball Public Right of Way from the CDC-HA to the Health Center Developer. The Kimball Public Right of Way shall be conveyed to the Health Center Developer in an “as is” physical and environmental condition, with no warranty, express or implied, by the CDC-HA as to the condition of any existing improvements, the soil, its geology, the presence of known or unknown faults or Hazardous Materials or toxic substances, and it shall be the sole responsibility of the Health Center Developer at its expense to investigate and determine the physical and environmental conditions.

(1) Health Center Developer and the CDC-HA shall open an escrow (“Escrow”) with Escrow Agent to facilitate the Closing and conveyance of the Kimball Public Right of Way from the CDC-HA to the Health Center Developer. The parties will execute escrow instructions prior to the Closing, which shall provide for the order of recordation, distribution of original documents and other provisions customarily contained in escrow instructions. Health Center Developer shall pay all fees, charges, and costs which arise from Escrow, including without limitation the premiums for the any title policies, as well as all documentary transfer taxes, if any, due with respect to Health Center Developer’s acquisition of the Kimball Public Right of Way

(2) Closing Conditions for the Benefit of the CDC-HA. The CDC-HA’s obligation to transfer the Kimball Public Right of Way to the Health Center Developer is conditioned upon satisfaction (or waiver) of each and all of the conditions set forth in this Section on or before the Closing. Any such waiver shall be effective only if the same is (i) expressly

waived in writing signed by the CDC-HA or by email from the CDC-HA, and (ii) delivered or emailed to the Health Center Developer and Escrow Agent. In the event that one or more of the conditions set forth in this Section are not satisfied or expressly waived on or before the Closing, the CDC-HA (provided the CDC-HA is not in default hereunder) may unilaterally terminate this Agreement by mailing or emailing notice of conditional termination to the Health Center Developer and Escrow Agent. After receipt of such notice of conditional termination, the Health Center Developer shall have five (5) business days to cure any non-satisfaction of a condition or other default specified in the notice of conditional termination. If such matter is unsatisfied or cured prior to the expiration of such five (5) day period, then the Closing shall proceed and the CDC-HA waives any right to damages or compensation with respect to the unsatisfied condition. If such matter remains unsatisfied or the default remains uncured after the expiration of such five (5) day period, then this Agreement shall terminate at the close of business on such fifth (5th) day. Any such termination of this Agreement shall not release the Health Center Developer from liability under this Agreement.

(a) No Default. Health Center Developer is not in default in any of its obligations under the terms of this Agreement.

(b) Funds and Documents. The deposit by the Health Center Developer into Escrow of all funds and other documents and instruments required by this Agreement or by the Escrow Agent.

(c) Street Vacation. The City has vacated the Kimball Public Right of Way.

(3) Closing Conditions for the Benefit of the Health Center Developer. The Health Center Developer's obligation to close on the Kimball Public Right of Way is conditioned upon satisfaction (or waiver) of each and all of the conditions set forth in this Section on or before the Closing. Any such waiver shall be effective only if the same is (i) expressly waived in writing signed by the Health Center Developer or by email from the Health Center Developer, and (ii) delivered or emailed to the CDC-HA and Escrow Agent. In the event that one or more of the conditions set forth in this Section are not satisfied or expressly waived on or before the Closing, the Health Center Developer (provided the Health Center Developer is not in default hereunder) may unilaterally terminate this Agreement by mailing or emailing notice of conditional termination to the CDC-HA and Escrow Agent. After receipt of such notice of conditional termination, the CDC-HA shall have five (5) business days to cure any non-satisfaction of a condition or other default specified in the notice of conditional termination. If such matter is unsatisfied or cured prior to the expiration of such five (5) day period, then the Closing shall proceed and the Health Center Developer waives any right to damages or compensation with respect to the unsatisfied condition. If such matter remains unsatisfied or the default remains uncured after the expiration of such five (5) day period, then this Agreement shall terminate at the close of business on such fifth (5th) day. Any such termination of this Agreement shall not release the CDC-HA from liability under this Agreement.

- (a) No Default. The CDC-HA is not in default in any of its obligations under the terms of this Agreement.
- (b) Grant Deed. The CDC-HA has deposited the duly executed and acknowledged Grant Deed into Escrow.
- (c) Additional Documents. The deposit by the CDC-HA into Escrow of all other documents and instruments reasonably required by the Escrow Agent.
- (d) Purchase and Sales Agreement. The Health Center Developer has agreed to the purchase price and terms and conditions for the sale and transfer of Site 3.
- (e) Financing. The Health Center Developer has obtained approval of the terms and conditions of this Agreement from its Board of Trustees, has obtained financing terms that are satisfactory to the Board of Trustees and has obtained the consent of California Bank & Trust to incur new debt.

202. Financing of Phase 1 Project, Phase 2 Project and Phase 3 Project; Lease of Senior Center.

202.1 Acquisition and Construction Loan for Phase 1 Project and Phase 2 Project. The Affordable Housing Developer intends to finance the acquisition and construction of the Phase 1 Project and Phase 2 Project as a single-phase project. CDC-HA has agreed to provide the Site 1 Owner and Site 2 Owner (which may be the same person) an acquisition and construction loan for the Phase 1 Project and the Phase 2 Project which in the aggregate equal the CDC-HA Loan Amount, which loan shall be evidenced by the Phase 1 Project Note and the Phase 2 Project Note (which will be combined into a single promissory note in the event the Phase 1 Project and Phase 2 Project are owned, constructed and financed as a single project, if so combined, the "Project Promissory Note"). The Phase 1 Project Note and the Phase 2 Project Note will be secured by the Phase 1 Deed of Trust, the Phase 2 Deed of Trust which will be combined into a single deed of trust in the event the Phase 1 Project and Phase 2 Project are owned, constructed and financed as a single project) and such other documents as required by CDC-HA in its reasonable discretion to document and secure such loan. In the event the Affordable Housing Developer is unable to develop the Phase 1 Project and Phase 2 Project as a single phase project and must separately finance the acquisition and construction of the Phase 1 Project and the Phase 2 Project, then the Affordable Housing Developer may separate the Project Promissory Note into the Phase 1 Project Note and the Phase 2 Project Note (which combined shall not exceed the CDC-HA Loan Amount), to be secured by the Phase 1 Deed of Trust and Phase 2 Deed of Trust, respectively. The original principal amounts of such Phase 1 Project Note and the Phase 2 Project Note shall be subject to the approval of the Executive Director of the CDC-HA. The Project Promissory Note shall be for a term of 55 years from the Closing, shall bear simple interest rate of 3% and shall be repayable from 50% of the aggregate annual cash flow from the Phase 1 Project and Phase 2 Project (after payment of partnership management fee of \$25,000, asset management fee of \$12,500 and any deferred developer fee, the amount of any deferred developer fee shall be subject to the approval of the Executive Director of the CDC-HA) and shared with any other residual receipts lenders which are approved by the Executive Director of the CDC-HA. In the event the Phase 1 Project

and Phase 2 Project are separately financed, then each of the Phase 1 Project Note and Phase 2 Project Note shall be for a term of 55 years from the Closing, shall bear interest rate of 3% and shall be repayable from 50% of the annual cash flow from each of the Phase 1 Project or Phase 2 Project, as applicable (after payment of partnership management fee of \$20,000 in each of Phase 1 Project or Phase 2 Project, as applicable), asset management fee of \$7,500 (in each of Phase 1 Project and Phase 2 Project, as applicable) and any deferred developer fee, the amount of any deferred developer fee shall be subject to the approval of the Executive Director of the CDC-HA (in each of Phase 1 Project or Phase 2 Project, as applicable) and shared with any other residual receipts lenders which are approved by the Executive Director of the CDC-HA. The Project Promissory Note or the Phase 1 Project Note and the Phase 2 Project Note, as applicable, and Phase 1 Deed of Trust and Phase 2 Deed of Trust shall be subordinated to the Construction Deed of Trust and Permanent Deed of Trust. The Affordable Housing Developer shall have the right to refinance the senior construction or permanent loan, provided that the refinanced senior construction or permanent loan shall not (i) increase the stated rate of interest, (ii) decrease the term; (iii) increase the principal amount of the indebtedness to which the Phase 1 Project Deed of Trust or the Phase 2 Project Deed of Trust will be subordinate; and (iv) the Affordable Housing Developer (or the Site 1 Owner or Site 2 Owner, as applicable) does not receive any cash as a result of the refinancing. In such event, the Project Promissory Note, or Phase 1 Project Note and Phase 2 Project Note, the Phase 1 Project Deed of Trust and the Phase 2 Project Deed of Trust shall be subordinated to such refinanced senior construction or permanent loan, provided that the Executive Director of the CDC-HA has reasonably approved the same. Any cost savings as determined by the accountant for the Phase 1 Project and the Phase 2 Project shall be used to first pay off project costs (including any deferred developer fee which is approved by the Executive Director of the CDC-HA) for the Phase 1 Project and the Phase 2 Project, and then to be shared fifty percent (50%) to the Affordable Housing Developer and the other fifty percent (50%) to the CDC-HA and other soft lenders, which are approved by the Executive Director of the CDC-HA, in proportion to the original principal balance of their loans.

202.2 Senior Center Located at Site 2. Following the construction completion of the Phase 2 Project by the Affordable Housing Developer, including without limitation, completion of construction, furnishing and equipping the Senior Center, as set forth in the definition of "Senior Center, as set forth above, the Affordable Housing Developer shall lease the Senior Center located within the Phase 2 Project to the City pursuant to the Senior Center Lease.

202.3 Financing of the Acquisition and Construction, Operation and Maintenance of the Health Care Center. The parties hereto acknowledge and agree that the financing of the acquisition and construction and operation and maintenance of the Phase 3 Project shall be the sole responsibility of the Health Center Developer. Notwithstanding the foregoing, CDC-HA, the Affordable Housing Developer and Health Center Developer acknowledge and agree that the Phase 3 Project is an integral part of the Master Plan contemplated under this Agreement and that the parties hereto will work cooperatively in the design and planning of each of the Phase 1 Project, the Phase 2 Project and Phase 3 Project.

203. Escrow.

203.1 Phase 1 Project. Prior to the Closing Deadline for the Phase 1 Project, the Affordable Housing Developer shall open the Escrow with Escrow Agent to facilitate the Closing for the Phase 1 Project, the loan evidenced by the Phase 1 Project Note and recordation of the various encumbrances on the Phase 1 Project. The parties will execute the Escrow Instructions prior to the Closing for the Phase 1 Project, which shall provide for the order of recordation, distribution of original documents and other provisions customarily contained in escrow instructions. The Affordable Housing Developer shall pay all fees, charges, and costs which arise from Escrow, as well as all documentary transfer taxes due with respect to the Affordable Housing Developer's acquisition of the Site 1.

203.2 Phase 2 Project. Prior to the Closing Deadline for the Phase 2 Project, the Affordable Housing Developer and the CDC-HA shall open the Escrow with Escrow Agent to facilitate the Closing for the Phase 2 Project and the Ground Lease of Site 2 to the Affordable Housing Developer and recordation of the various encumbrances on the Leasehold. The parties will execute the Escrow Instructions prior to the Closing for the Phase 2 Project, which shall provide for the order of recordation, distribution of original documents and other provisions customarily contained in escrow instructions. The Affordable Housing Developer shall pay all fees, charges, and costs which arise from Escrow, as well as all documentary transfer taxes due with respect to the Affordable Housing Developer's acquisition of the Leasehold.

203.3 Phase 3 Project. Prior to the Closing Deadline for the Phase 3 Project, the Health Center Developer, CDC-HA and the Affordable Housing Developer shall open the Escrow with Escrow Agent to facilitate the Closing for the Phase 3 Project and recordation of the various encumbrances on the Phase 3 Project. The parties will execute the Escrow Instructions prior to the Closing for the Phase 3 Project, which shall provide for the transfer of fee title by CDC-HA to the Kimball Public Right of way to Health Center Developer, the transfer of fee title by the Affordable Housing Developer of the Health Center Site, order of recordation, distribution of original documents and other provisions customarily contained in escrow instructions. The Health Center Developer shall pay all fees, charges, and costs which arise from Escrow, as well as all documentary transfer taxes due with respect to the Health Center Developer's acquisition of the Kimball Public Right of Way and the Health Center Site.

204. Conditions to Closing.

204.1 Closing Conditions in Favor of Both Affordable Housing Developer and CDC-HA. The Closing for the Phase 1 Project and the Closing for the Phase 2 Project are each individually conditioned upon satisfaction (or waiver) of each and all of the conditions set forth in this Section 204.1 on or before the Closing Deadline for the Phase 1 Project or the Closing Deadline for the Phase 2 Project, as applicable. In the event that one or more of the conditions set forth in this Section 204.1, are not satisfied with respect to the Phase 1 Project on or before the Closing Deadline for the Phase 1 Project, then this Agreement shall be terminated with respect to the Phase 1 Project, unless the CDC-HA, the Affordable Housing Developer waive satisfaction of such condition or conditions in writing, in which event the Closing for the Phase 1 Project, shall

proceed and the parties waive any right to damages or compensation with respect to the unsatisfied condition. In the event the Closing for the Phase 1 Project has occurred (or would occur concurrently with the Closing for the Phase 2 Project), and then one or more of the conditions set forth in this Section 204.1, are not satisfied with respect to the Phase 2 Project on or before the Closing Deadline for the Phase 2 Project, then this Agreement shall be terminated with respect to the Phase 2 Project, unless the CDC-HA and the Affordable Housing Developer waive satisfaction of such condition or conditions in writing, in which event the Closing for the Phase 2 Project, shall proceed and both parties waive any right to damages or compensation with respect to the unsatisfied condition, subject to any extensions which may be agreed upon pursuant to Section 602 herein. To the extent (i) all closing conditions have been met with respect to the Phase 1 Project, and the parties have closed on the Phase 1 Project, the failure to meet closing conditions on the Phase 2 Project shall not be grounds for a termination of this Agreement with respect to the Phase 1 Project or any other Agreement by and among Affordable Housing Developer, National City and/or CDC-HA regarding the Phase 1 Project; and (ii) all closing conditions have been met with respect to the Phase 2 Project, and the parties have closed on the Phase 2 Project, the failure to meet closing conditions on the Phase 1 Project shall not be grounds for a termination of this Agreement with respect to the Phase 2 Project or any other Agreement by and among Affordable Housing Developer, National City and/or CDC-HA regarding the Phase 2 Project. It is expressly understood and agreed to that Phase 1 Project and Phase 2 Project may (i) close concurrently, (ii) close as a single phase project if financing permits, or (iii) commence independent of each other and closing for each of Phase 1 Project and Phase 2 Project may occur separately during the term of this Agreement.

(a) Project Design and Plan. Developer shall have obtained approval from the CDC-HA of the Project Design and Plan for the Phase 1 Project or the Phase 2 Project, as applicable.

(b) TCAC Award.

(1) Phase 1 Project. The Affordable Housing Developer shall have obtained an allocation or reservation of either 4% or 9% low income housing tax credits from the California Tax Credit Allocation Committee for the Phase 1 Project and if 4% low income housing tax credits, an accompanying allocation of tax exempt bonds from the California Debt Limit Allocation Committee for the Phase 1 Project. It is expressly understood and agreed that the Affordable Housing Developer may need to apply for either 4% or 9% through multiple rounds during the term of this Agreement.

(2) Phase 2 Project. The Affordable Housing Developer shall have obtained an allocation or reservation of either 4% or 9% low income housing tax credits from the California Tax Credit Allocation Committee for the Phase 2 Project and if 4% low income housing tax credits, an accompanying allocation of tax exempt bonds from the California Debt Limit Allocation Committee for the Phase 2 Project. It is expressly understood and agreed that the Affordable Housing Developer may need to apply for either 4% or 9% through multiple rounds during the term of this Agreement.

(c) Performance and Payment Bond. The Affordable Housing Affordable shall have caused its contractor to post security in the form of a performance and payment bond for each of the Phase 1 Project and Phase 2 Project in an amount and in a form acceptable to the CDC-HA in its reasonable discretion, to assure the completion of the Project Design and Plan. Each performance and payment bond shall insure that construction completion based on the Project Design and Plan with respect to each of Phase 1 Project or Phase 2 Project, as applicable, is timely accomplished, free and clear of mechanic's liens, stop notices and other encumbrances, concerning the provision of material, labor and supplies. Upon a failure of by the Affordable Housing Developer to timely perform its requirements under the terms of this Agreement, the CDC-HA may resort to the performance and payment bond to ensure performance of this Agreement, by either requiring the bonding company, or its designees, to comply with the terms of this Agreement, or at the election of the CDC-HA, by requiring the bonding company to pay all costs necessary for the CDC-HA, to take over and complete the construction as contemplated under the Project Design and Plan at the cost and expense of the bonding company.

(d) Construction Contract. The construction contract for the Phase 1 Project or the Phase 2 Project, as applicable, acceptable to the CDC-HA, shall have been executed by the Affordable Housing Developer and the general contractor who has been selected by the Affordable Housing Developer to do the work. The general contractor and the construction contract for each of Phase 1 Project and Phase 2 Project shall be subject to the approval of CDC-HA, which approval shall not be unreasonably withheld, conditioned or delayed.

(e) Entitlements. The Affordable Housing Developer shall have secured any and all land use and other entitlements, permits and approvals which may be required for completion of the Project Design and Plan for the Phase 1 Project or the Phase 2 Project, as applicable (the "Entitlements"). The Master Developer shall have paid any and all applicable fees (including, without limitation, communities facility district fees and public facilities fees imposed by the City or any other governmental agency having jurisdiction with respect to the same) (collectively, the "City and Permit Fees"), or shall pay such fees concurrently with Closing for the Phase 1 Project or the Phase 2 Project, as applicable. The CDC-HA shall not be responsible in any way for, the processing of Developer's building permits or other permit applications with the City. The execution of this Agreement does not constitute the granting of or a commitment to obtain any required land use permits, entitlements or approvals.

(f) Title Policies. Escrow Agent is prepared and irrevocably obligated to cause to be issued: (i) a title policy insuring the Affordable Housing Developer's interest in the Phase 1 Project or the Affordable Housing Developer's interest in the Phase 2 Project, as applicable; and (ii) a title policy insuring the CDC-HA's interest in the Phase 1 Project Deed of Trust for the Phase 1 Project or the Phase 2 Project Deed of Trust for the Phase 2 Project, as applicable.

(g) Forms of Documents. The CDC-HA and the Affordable Housing Developer have agreed (or will agree prior to Closing of the Phase 1 Project or the Closing of the Phase 2 Project, as applicable) to the forms of the Ground Lease, Declaration, Phase 1 Project Note, Phase 1 Project Deed of Trust, Phase 2 Project Note, Phase 2 Project Deed of Trust, Security Agreement, Environmental Indemnity and all other documents reasonably necessary to complete the Closing for the Phase 1 Project or the Phase 2 Project, as applicable.

(h) Financing. Concurrently with the Closing for the Phase 1 Project or Closing for the Phase 2 Project, as applicable, the Affordable Housing Developer shall have obtained all financing and lender approvals necessary to acquire Phase 1 Project or the Phase 2 Project, as applicable, and complete the applicable Project Design and Plan.

204.2 Closing Conditions for the Benefit of the CDC-HA. The CDC-HA's obligation to Close on each of the Phase 1 Project and the Phase 2 Project are conditioned upon satisfaction (or waiver) of each and all of the conditions set forth in this Section 204.2 on or before the Closing Deadline for the Phase 1 Project or the Closing Deadline for the Phase 2 Project, as applicable. Any such waiver shall be effective only if the same is (i) expressly waived in writing signed by the CDC-HA or by email from the CDC-HA, and (ii) delivered or emailed to the Developer and Escrow Agent. In the event that one or more of the conditions set forth in this Section 204.2 are not satisfied or expressly waived on or before the Closing Deadline for the Phase 1 Project, the CDC-HA (provided the CDC-HA is not in default hereunder) may unilaterally terminate this Agreement by mailing or emailing notice of conditional termination to the Affordable Housing Developer and Escrow Agent with respect to the Phase 1 Project. In the event the Closing for the Phase 1 Project has occurred, and if one or more of the conditions set forth in this Section 204.2 are not satisfied or expressly waived on or before the Closing Deadline for the Phase 2 Project, the CDC-HA (provided the CDC-HA is not in default hereunder) may unilaterally terminate this Agreement with respect to the Phase 2 Project by mailing or emailing notice of conditional termination to the Affordable Housing Developer and Escrow Agent. After receipt of any such notice of conditional termination, the Phase 1 Project or the Phase 2 Project, as applicable, shall have ten (10) business days to cure any non-satisfaction of a condition or other default specified in the notice of conditional termination. If such matter is satisfied or cured prior to the expiration of such ten (10) day period, then the Closing for the Phase 1 Project or the Closing for the Phase 2 Project, as applicable, shall proceed and the CDC-HA shall be deemed to have waived any right to damages or compensation with respect to the unsatisfied condition. If such matter remains unsatisfied or the default remains uncured after the expiration of such ten (10) day period with respect to the Phase 1 Project, then this Agreement shall terminate at the close of business on such tenth (10th) day with respect to the Phase 1 Project. In the event any such matter remains unsatisfied or the default remains uncured after the expiration of such ten (10) day period with respect to the Phase 2 Project, then this Agreement shall terminate with respect to the Phase 2 Project at the close of business on such tenth (10th) day. Any such termination of this Agreement shall not release the Affordable Housing Developer from liability under this Agreement.

(a) No Default. The Affordable Housing Developer is not in default in any of its obligations under the terms of this Agreement and all representations and warranties made by the same to the CDC-HA contained herein shall be true and correct in all material respects.

(b) Insurance. The Affordable Housing Developer shall have provided proof of insurance as required by the CDC-HA.

(c) Attorneys' and Experts' Fees. The Affordable Housing Developer has paid prior to or will pay concurrently with the Closing for the Phase 1 Project or the Closing for the Phase 2 Project, as applicable, all consultants', experts' and attorneys' fees incurred by the CDC-HA with respect to the same.

(d) Deposit of Documents. The Affordable Housing Developer has duly executed and (where necessary) caused to be notarized the Ground Lease, Declaration, Phase 1 Project Note, Phase 1 Deed of Trust, Phase 2 Project Note, Phase 2 Deed of Trust, Security Agreement, Environmental Indemnity and all other documents reasonably required by the CDC-HA or reasonably necessary to complete the Closing for the Phase 1 Project or the Phase 2 Project, as applicable, and has deposited the same into Escrow.

(e) Additional Documents. The deposit by the Affordable Housing Developer into Escrow of all other documents and instruments reasonably required by Escrow.

204.3 Closing Conditions for the Benefit of the Affordable Housing Developer.

The Affordable Housing Developer's obligation to Close on each of the Phase 1 Project and the Phase 2 Project are conditioned upon satisfaction (or waiver) of each and all of the conditions set forth in this Section 204.3 on or before the Closing Deadline for the Phase 1 Project or the Closing Deadline for the Phase 2 Project, as applicable. Any such waiver shall be effective only if the same is (i) expressly waived in writing signed by, or by email from, the Affordable Housing Developer, and (ii) delivered or emailed to the CDC-HA and Escrow Agent. In the event that one or more of the conditions set forth in this Section 204.3 are not satisfied or expressly waived on or before the Closing Deadline for the Phase 1 Project, the Affordable Housing Developer (provided the Phase 1 Project is not in default hereunder) may unilaterally terminate this Agreement by mailing or emailing notice of conditional termination to the CDC-HA and Escrow Agent with respect to the Phase 1 Project. In the event one or more of the conditions set forth in this Section 204.3 are not satisfied or expressly waived on or before the Closing Deadline for the Phase 2 Project, the Affordable Housing Developer (provided the Affordable Housing Developer is not in default hereunder) may unilaterally terminate this Agreement with respect to the Phase 2 Project by mailing or emailing notice of conditional termination to the CDC-HA and Escrow Agent. After receipt of such notice of conditional termination, the CDC-HA shall have ten (10) business days to cure any non-satisfaction of a condition or other default specified in the notice of conditional termination. If such matter is satisfied or cured prior to the expiration of such ten (10) day period, then the Closing for the Phase 1 Project or the Closing for the Phase 2 Project, as applicable, shall proceed and the Affordable Housing Developer waives any right to damages or compensation with

respect to the unsatisfied condition. If such matter remains unsatisfied or the default remains uncured after the expiration of such ten (10) day period with respect to the Phase 1 Project, then this Agreement shall terminate at the close of business on such ten (10th) day with respect to Phase 1 Project. In the event any such matter remains unsatisfied or the default remains uncured after the expiration of such ten (10) day period with respect to the Phase 2 Project, then this Agreement shall terminate with respect to the Phase 2 Project at the close of business on such tenth (10th) day. Any such termination of this Agreement shall not release the CDC-HA from liability under this Agreement.

(a) No Default. The CDC-HA is not in default in any of its obligations under the terms of this Agreement and all representations and warranties of the CDC-HA contained herein shall be true and correct in all material respects.

(b) Deposit of Documents. The CDC-HA has duly executed and (where necessary) caused to be notarized the Ground Lease, Declaration, Phase 1 Project Deed of Trust, Phase 2 Project Deed of Trust, Security Agreement, Environmental Indemnity and all other documents reasonably required by the CDC-HA or reasonably necessary to complete the Closing for the Phase 1 Project or the Phase 2 Project, as applicable, and has deposited the same into Escrow.

(c) Additional Documents. The deposit by the CDC-HA into Escrow of all other documents and instruments reasonably required by Escrow.

205. Financing Plan. It is anticipated that the Phase 1 Project and the Phase 2 Project will be financed by 4% or 9% low income housing tax credits (either as a single project or separate project), senior construction and permanent loan by a private lender and the Project 1 Note and Project 2 Note. Notwithstanding the foregoing, the Affordable Housing Developer shall have the right to propose an alternative financing plan subject to the approval of the Executive Director of the CDC-HA, provided, no secured loan, deed of trust, or encumbrance, except for the Construction Deed of Trust and Permanent Deed of Trust shall be placed upon any portion of the Phase 1 Project or Phase 2 Project, whether by refinancing or otherwise, without first obtaining the express written consent of the Executive Director of the CDC-HA, which consent shall not be unreasonably delayed, conditioned or withheld. Further, any refinancing or subsequent encumbrance shall be subject to the Executive Director of the CDC-HA's reasonable approval, and CDC-HA shall be provided American Land Title Association ("ALTA") title insurance policy or endorsements acceptable to the CDC-HA, at the cost and expense of Affordable Housing Developer. Failure to obtain such written consent shall be a Default hereunder and such unconsented to financing or refinancing shall be void. Except for Permitted Transfers and refinancing allowed by this Section 205, if Affordable Housing Developer refinances the Phase 1 Project or Phase 2 Project without previously obtaining the CDC-HA's prior written consent, the CDC-HA shall receive one hundred percent (100%) of the net amount of the refinancing. With regard to any alternative financing plan, so long as the alternative financing plan will not result in an increase in the size of the Project 1 Note or Project 2 Note, any approval relating to the alternative financing may be approved by the Executive Director of CDC-HA administratively.

206. Default. Notwithstanding Section 501, below, or anything contained herein to the contrary, after the Closings for each of the Phase 1 Project and the Phase 2 Project, in the event of any Default, beyond any applicable cure period, in the performance of any of the terms, covenants and conditions contained in: (i) this Agreement (subject to a 30 days cure period); (ii) any document or instrument executed by the Affordable Housing Developer in conjunction with this Agreement; (iii) any prior or junior note secured by an encumbrance on the Phase 1 Project or the Phase 2 Project, as applicable, or any portions of such leaseholds; (iv) any note or deed of trust given in conjunction herewith; (v) in the event of the filing of a bankruptcy proceeding by the Affordable Housing Developer; or (vi) in the event of the filing of a bankruptcy against the Affordable Housing Developer which is not dismissed within ninety (90) days of filing, then (a) all sums owing by the Affordable Housing Developer, to the CDC-HA with respect to the Phase 1 Project or Phase 2 Project, respectively, shall at the option of CDC-HA immediately become due and payable; (b) the CDC-HA shall have the right to foreclosure under the applicable Phase 1 Project Deed of Trust or Phase 2 Project Deed of Trust; and (c) CDC-HA shall be released from any and all obligations to Affordable Housing Developer under the terms of this Agreement to the Affordable Housing Project with respect to Phase 1 Project or Phase 2 Project that is then in Default. These remedies shall be in addition to any and all other rights and remedies available to CDC-HA, either at law or in equity. Further, default interest shall accrue on the principal balance of the Phase 1 Project Note or Phase 2 Project Note, as applicable, from the date of the Phase 1 Project Note or Phase 2 Project, as applicable, at the rate of ten percent (10%) simple interest per annum or the maximum rate than allowed by law, whichever is less. Notwithstanding anything to the contrary set forth in this Agreement, in all instances hereunder, but only if the Phase 1 Project and the Phase 2 Project are constructed, owned and financed as separate developments, then, all rights, duties and obligations of the owner of the Phase 1 Project shall be the rights, duties and obligations solely of the owner of the Phase 1 Project (and not of the owner of the Phase 2 Project), and all rights, duties and obligations of the Phase 2 Project hereunder with respect to the Phase 2 Project, shall be the rights, duties and obligations solely of the owner of the Phase 2 Project (and not of the owner of the Phase 1 Project), it being the intent of the parties hereto that the rights, duties and obligations of the owner of the Phase 1 Project and the rights, duties and obligations of the Phase 2 Project shall not be cross-defaulted if built as separate, stand-alone projects.

207. Representations and Warranties.

207.1 CDC-HA Representations and Warranties. CDC-HA represents and warrants to Affordable Housing Developer and Health Center Developer that the CDC-HA is a public body, corporate and politic, existing pursuant to the California Community Redevelopment Law (California Health and Safety Code Section 33000), which has been authorized to transact business pursuant to action of the City. CDC-HA has full right, power and lawful authority to take all actions and undertake all obligations required of the CDC-HA under this Agreement.

207.2 Affordable Housing Developer's Representations and Warranties. The Affordable Housing Developer represents and warrants to CDC-HA and Health Center Developer as follows:

(a) Authority. The Affordable Housing Developer is a California nonprofit public benefit corporation. The persons executing this Agreement on behalf of

the Affordable Housing Developer have all necessary authority to execute this Agreement on behalf of Affordable Housing Developer, and this Agreement is a binding obligation of Affordable Housing Developer. Copies of the Articles of Incorporation and Bylaws of the Affordable Housing Developer will be delivered to CDC-HA five (5) business days prior to final approval of the Agreement and within five (5) business days of each Closing. These copies will be true, complete and fully-executed copies of the originals, as amended to the date of this Agreement. The Affordable Housing Developer has and will have full right, power and lawful authority to enter into the Ground Lease and undertake all obligations as provided in this Agreement.

(b) No Conflict. Affordable Housing Developer'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 Affordable Housing Developer is a party or by which it is bound.

(c) No Bankruptcy. Affordable Housing Developer is not the subject of a bankruptcy proceeding.

(d) Rent and Occupancy Restrictions. Affordable Housing Developer shall at all times after the Closing during the 55-year term comply with the requirements of the Declaration.

207.3 Health Center Developer's Representations and Warranties. The Health Center Developer represents and warrants to CDC-HA and the Affordable Housing Developer as follows:

(a) Authority. The Health Center Developer is a California nonprofit public benefit corporation. The persons executing this Agreement on behalf of the Health Center Developer have all necessary authority to execute this Agreement on behalf of Health Center Developer, and this Agreement is a binding obligation of Health Center Developer. Copies of the Articles of Incorporation and Bylaws of the Health Center Developer will be delivered to CDC-HA and Affordable Housing Developer five (5) business days prior to final approval of the Agreement and within five (5) business days of each Closing of which Health Center Developer is a party. These copies will be true, complete and fully-executed copies of the originals, as amended to the date of this Agreement. The Health Center Developer has and will have full right, power and lawful authority to enter into the Public Right of Way Purchase Agreement, the Health Center Purchase Agreement and undertake all obligations as provided in this Agreement.

(b) No Conflict. Health Center Developer'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 Health Center Developer is a party or by which it is bound.

(e) No Bankruptcy. Health Center Developer is not the subject of a bankruptcy proceeding.

208. Studies and Reports. Prior to the Closing, representatives of Affordable Housing Developer shall have the right of access to all portions of the Property for the purpose of obtaining data and making surveys and tests necessary to carry out this Agreement. Any preliminary work undertaken on the Property by Affordable Housing Developer prior to the Closing shall be done at the sole risk and expense of Affordable Housing Developer. Any preliminary work shall be undertaken only after securing all necessary permits from the appropriate governmental agencies.

209. Condition of the Property.

209.1 “As-Is,” “Where-Is”. The CDC-HA has not investigated and makes no representations or warranties whatsoever regarding the condition of any of Site 1, Site 2 or Site 3. Affordable Housing Developer hereby agrees to take Leasehold title to the Site 2 and Health Center Developer agrees to take fee title to Public Right of Way “as-is.” Leasehold title to Site 2 and fee title to the Public Right of Way shall be conveyed to the Affordable Housing Developer and Health Center Developer, respectively, in an “as-is” physical and environmental condition, with no warranty, express or implied, by the CDC-HA as to the condition of any existing improvements, the soil, its geology, the presence of known or unknown faults or Hazardous Materials or toxic substances, and it shall be the sole responsibility of the Affordable Housing Developer or Health Center Developer, as applicable, at each of their own expense to investigate and determine the physical and environmental conditions of Site 2 and the Public Right of Way, as applicable. Each of the Affordable Housing Developer and Health Center Developer shall have the right to engage its own environmental consultant (the “Environmental Consultant”) and other consultants to make such investigations of the Property as the Affordable Housing Developer or Health Center Developer, as applicable, deems necessary, including any soils, geotechnical and other testing of the Property, and the CDC-HA shall promptly be provided a copy of all reports and test results provided to the Affordable Housing Developer or the Health Center Developer by the Environmental Consultant (collectively, the “Environmental Reports”). Each of Affordable Housing Developer and Health Center Developer shall reasonably approve or disapprove of the physical and environmental condition of Site 2 or the Public Right of Way, as applicable, no later than forty-five (45) days from the date from the date this Agreement is executed by the CDC-HA, provided that each of the Affordable Housing Developer and Health Center Developer shall have the right to terminate this Agreement during such forty-five (45) days period based upon the environmental condition of Site 2 or the Public Right of Way. The Affordable Housing Developer’s or Health Center Developer’s failure, as applicable, to deliver written notice of its termination within such time limit shall be deemed approval of the physical and environmental condition of the Site 2 or the Public Right of Way, as applicable, and as a waiver of Affordable Housing Developer’s or Health Center Developer’s right to object to the physical and environmental condition of the Site 2 or Public Right of Way, as applicable. If the Affordable Housing Developer or Health Center Developer approves or is deemed to approve the physical and environmental condition of the Site 2 or the Public Right of Way, as applicable, then, as among Affordable Housing Developer, Health Center Developer, City and CDC-HA, it shall be the sole responsibility and obligation of the Affordable Housing Developer or Health Center Developer, as applicable, to take such action as may be necessary to place the physical and environmental conditions of the Site 2 or Public Right of Way, in a condition entirely suitable for the purposes set forth in this Agreement.

209.2 Affordable Housing Developer Precautions After Closing. From and after the Closing for the Phase 1 Project and the Closing for the Phase 2 Project, respectively, Affordable Housing Developer shall take all necessary precautions to prevent the release in, on or under the Phase 1 Project and the Phase 2 Project of any Hazardous Materials. Such precautions shall include compliance with all Governmental Requirements with respect to Hazardous Materials. In addition, Affordable Housing Developer shall install and utilize such equipment and implement and adhere to such procedures as are consistent with commercially reasonable standards as respects the disclosure, storage, use, removal and disposal of Hazardous Materials.

209.3 Health Center Developer Precautions After Closing. From and after the Closing for the Phase 3 Project, Health Center Developer shall take all necessary precautions to prevent the release in, on or under the Phase 3 Project of any Hazardous Materials. Such precautions shall include compliance with all Governmental Requirements with respect to Hazardous Materials. In addition, Affordable Housing Developer shall install and utilize such equipment and implement and adhere to such procedures as are consistent with commercially reasonable standards as respects the disclosure, storage, use, removal and disposal of Hazardous Materials.

209.4 Required Disclosures After Closing of Phase 1 Project or Phase 2 Project. From and after the Closing for the Phase 1 Project and the Closing for the Phase 2 Project, respectively, Affordable Housing Developer shall notify CDC-HA, and provide the CDC-HA with a copy or copies, of all environmental permits, disclosures, applications, entitlements or inquiries relating to the Phase 1 Project and the Phase 2 Project, including notices of violation, notices to comply, citations, inquiries, clean-up or abatement orders, cease and desist orders, reports filed pursuant to self-reporting requirements and reports filed or applications made pursuant to any Governmental Requirements relating to Hazardous Materials and underground tanks. Affordable Housing Developer shall report to the CDC-HA, as soon as possible after each incident, any unusual or potentially important incidents with respect to the environmental condition of the Phase 1 Project or the Phase 2 Project. In the event of a release of any Hazardous Materials into the environment, Affordable Housing Developer shall, as soon as possible after the release, deliver to the CDC-HA a copy of any and all reports relating thereto and copies of all correspondence with governmental agencies relating to the release. Upon request, Affordable Housing Developer shall deliver to the CDC-HA a copy or copies of any and all other environmental entitlements or inquiries relating to or affecting the Phase 1 Project or the Phase 2 Project including, but not limited to, all permit applications, permits and reports including, without limitation, those reports and other matters which may be characterized as confidential.

209.5 Required Disclosures After Closing of Phase 3 Project. From and after the Closing for the Phase 3 Project, Health Center Developer shall notify CDC-HA, and provide the CDC-HA with a copy or copies, of all environmental permits, disclosures, applications, entitlements or inquiries relating to the Phase 3 Project, including notices of violation, notices to comply, citations, inquiries, clean-up or abatement orders, cease and desist orders, reports filed pursuant to self-reporting requirements and reports filed or applications made pursuant to any Governmental Requirements relating to Hazardous Materials and underground tanks. Health Center Developer shall report to the CDC-HA, as soon as possible after each incident, any unusual

or potentially important incidents with respect to the environmental condition of the Phase 3 Project. In the event of a release of any Hazardous Materials into the environment, Health Center Developer shall, as soon as possible after the release, deliver to the CDC-HA a copy of any and all reports relating thereto and copies of all correspondence with governmental agencies relating to the release. Upon request, Health Center Developer shall deliver to the CDC-HA a copy or copies of any and all other environmental entitlements or inquiries relating to or affecting the Phase 3 Project including, but not limited to, all permit applications, permits and reports including, without limitation, those reports and other matters which may be characterized as confidential.

210. Affordable Housing Developer Indemnity. From and after the Closing for the Phase 1 Project and the Closing for the Phase 2 Project, respectively, the owner of the Phase 1 Project and the owner of the Phase 2 Project, respectively, agrees to indemnify, defend and hold CDC-HA harmless from and against any claim, action, suit, proceeding, loss, cost, damage, liability, deficiency, fine, penalty, punitive damage, or expense (including, without limitation, attorneys' fees), resulting from, arising out of, or based upon any of the following: (i) the presence, release, use, generation, discharge, storage or disposal of any Hazardous Materials on, under, in or about, or the transportation of any such Hazardous Materials to or from, the Phase 1 Project or the Phase 2 Project, or (ii) the violation, or alleged violation, of any statute, ordinance, order, rule, regulation, permit, judgment or license relating to the use, generation, release, discharge, storage, disposal or transportation of Hazardous Materials on, under, in or about, to or from, the Phase 1 Project or the Phase 2 Project. This indemnity shall include, without limitation, any damage, liability, fine, penalty, parallel indemnity after closing cost or expense arising from or out of any claim, action, suit or proceeding for personal injury (including sickness, disease or death), tangible or intangible property damage, compensation for lost wages, business income, profits or other economic loss, damage to the natural resource or the environment, nuisance, contamination, leak, spill, release or other adverse effect on the environment. Provided, however, that this indemnity shall be limited to claims, actions, suits, proceedings, losses, costs, damages, liabilities, deficiencies, fines, penalties, punitive damages, or expenses due to conditions first occurring from and after the Closing for the Phase 1 Project and the Closing for the Phase 2 Project, respectively. This indemnity does not include any condition arising solely as a result of the negligence or willful misconduct of the CDC-HA or its employees, agents, representatives, successors or assigns. This Section 210 shall apply with respect to the owner of the Phase 1 Project only with respect to the Phase 1 Project and shall apply with respect to the owner of the Phase 2 Project only with respect to the Phase 2 Project, i.e., the owner of the Phase 1 Project shall not have any obligations or liability with respect to the Phase 2 Project and the owner of the Phase 2 Project shall not have any obligations or liability with respect to the Phase 1 Project.

211. Health Center Developer Indemnity. From and after the Closing for the Phase 3 Project, Health Center Developer agrees to indemnify, defend and hold CDC-HA harmless from and against any claim, action, suit, proceeding, loss, cost, damage, liability, deficiency, fine, penalty, punitive damage, or expense (including, without limitation, attorneys' fees), resulting from, arising out of, or based upon any of the following: (i) the presence, release, use, generation, discharge, storage or disposal of any Hazardous Materials on, under, in or about, or the transportation of any such Hazardous Materials to or from, the Phase 3 Project, or (ii) the violation, or alleged violation, of any statute, ordinance, order, rule, regulation, permit, judgment or license relating to the use, generation, release, discharge, storage, disposal or transportation of Hazardous

Materials on, under, in or about, to or from, the Phase 3 Project. This indemnity shall include, without limitation, any damage, liability, fine, penalty, parallel indemnity after closing cost or expense arising from or out of any claim, action, suit or proceeding for personal injury (including sickness, disease or death), tangible or intangible property damage, compensation for lost wages, business income, profits or other economic loss, damage to the natural resource or the environment, nuisance, contamination, leak, spill, release or other adverse effect on the environment. Provided, however, that this indemnity shall be limited to claims, actions, suits, proceedings, losses, costs, damages, liabilities, deficiencies, fines, penalties, punitive damages, or expenses due to conditions first occurring from and after the Closing for the Phase 3 Project.

300. Scope of Construction.

301. CDC-HA Review and Approval of the Project Design and Plan. Affordable Housing Developer shall prepare and submit a Project Design and Plan for each of the Phase 1 Project and the Phase 2 Project to the CDC-HA for review and approval. The CDC-HA shall have the right to review and approve or disapprove all aspects of the Project Design and Plan for each of the Phase 1 Project and the Phase 2 Project. Affordable Housing Developer acknowledges and agrees that the CDC-HA is entitled to approve or disapprove the Project's Design and Plan for each of the Phase 1 Project and the Phase 2 Project in order to satisfy the CDC-HA's obligation to promote a high level of design which will impact the surrounding development, and to provide an environment for the social, economic and psychological growth and well-being of the citizens of the City, including but not limited to the residents of the Phase 1 Project and the Phase 2 Project. Notwithstanding the foregoing, CDC-HA understands and agrees that the final unit count in each of Phase 1 Project and Phase 2 Project shall be subject to change based on Affordable Housing Developer's based on the requirements of the available financing sources and financial feasibility.

302. Standards for Disapproval. The CDC-HA shall have the right to disapprove in its reasonable discretion any of the Project Design and Plan for each of the Phase 1 Project and the Phase 2 Project, as set forth in Section 300, above, including without limitation if the same do not conform to this Agreement or are otherwise incomplete. In the event the Project Design and Plan for either the Phase 1 Project and the Phase 2 Project is not approved, the CDC-HA shall state in writing provided to the Affordable Housing Developer the reasons for disapproval. Affordable Housing Developer, upon receipt of notice of disapproval from the CDC-HA, shall meet and confer regarding such portions and resubmit the revised Project Design and Plan to the CDC-HA for approval. The CDC-HA and Affordable Housing Developer agree to work together in good faith to resolve any disagreements and disputes regarding the Project Design and Plan. Neither Affordable Housing Developer, shall be entitled to any monetary damages or compensation as a result of the CDC-HA's disapproval or failure to approve or disapprove any Project Design and Plan.

303. Revisions. If Affordable Developer desires to propose any revisions to the CDC-HA-approved Project Design and Plan after approval, the Affordable Housing Developer shall submit such proposed changes to the CDC-HA. If the Project Design and Plan, as modified by the proposed changes, generally and substantially conforms to the requirements of the Project Design and Plan and this Agreement, the CDC-HA shall review the proposed changes and notify Affordable Housing Developer in writing within thirty (30) days after submission to the CDC-HA

whether the proposed change is approved or disapproved. The CDC-HA's Executive Director is authorized to approve changes to the Project Design and Plan. Provided, however, the CDC-HA shall have no obligation to approve any change from the basic use of the Property for anything other than a multifamily, affordable housing project.

304. Defects in Plans. The CDC-HA shall not be responsible or liable in any way, either to Affordable Housing Developer or to any third parties, for any defects in the Project Design and Plan, or for any structural or other defects in any work done according to the approved Project Design and Plan, or for any delays caused by the review and approval processes established by this Section 300. Affordable Housing Developer shall hold harmless and indemnify CDC-HA, the City and their officers, employees, agents and representatives from and against any and all claims, demands and suits for damages to property or injuries to persons arising out of or in any way relating to the Property, including without limitation any defects in the Project Design and Plan, violation of any laws, and for defects in any work done according to the approved Project Design and Plan or for defects in work performed by Affordable Housing Developer or any contractor or subcontractor of Affordable Housing Developer.

305. Land Use Approvals. Before commencement of the work or any works of improvement at the Property as contemplated under the Project Design and Plan, Affordable Housing Developer shall, at Affordable Housing Developer's sole expense, secure or cause to be secured any and all land use and other entitlements, permits and approvals which may be required for the Project Design Work and Plan by the City or any other governmental agency affected by such construction or work. Neither CDC-HA, nor the City shall be responsible in any way for, the processing of Developer's building permits or other permit applications with the City and the execution of this Agreement does not constitute the granting of or a commitment to obtain any required land use permits, entitlements or approvals.

306. Deadline for Completion of Construction. The construction of the Phase 1 Project and the Phase 2 Project shall be completed substantially in accordance with the Project's Design and Plan not later than twenty-six (26) months from the Closing for the Phase 1 Project or the Closing for the Phase 2 Project, as applicable. Failure to complete all of work contemplated under the Project Design and Plan for the Phase 1 Project or the Project Design and Plan for the Phase 2 Project, as applicable, shall, inter alia, be a default by the then owner of the Phase 1 Project or the Phase 2 Project respectively, entitling the CDC-HA to exercise all of its rights and remedies, including without limitation foreclosure of the Phase 1 Project Deed of Trust or Phase 2 Project Deed of Trust, as applicable.

306. Cost of Project. All costs of the Phase 1 Project and Phase 2 Project whatsoever shall be borne by Affordable Housing Developer, including without limitation the cost of planning, the payment of any required prevailing wages, if any, designing, developing and constructing the Phase 1 Project and the Phase 2 Project in accordance with the applicable Project's Design and Plan.

306.1 Project Budget. The Affordable Housing Developer has submitted the Initial Project Budget to CDC-HA. The Project Budget summarizes the current estimates of the sources and uses of funds for the complete development of each of the Phase 1 Project and the

Phase 2 Project. By its execution of this Agreement, CDC-HA has given its approval to the Initial Project Budget. While the Initial Project Budget has been prepared based on the best, good faith estimate of the Affordable Housing Developer of the costs which are likely to be incurred for the development of the Phase 1 Project and the Phase 2 Project, the parties recognize that events and circumstances not currently contemplated, some of which are outside of the control of the parties, could result in changes in the costs of developing one or both Projects, necessitating changes in the Project Budget. Changes in the Project Design and Plan could also be made during any public hearing or approval process which results in increased costs for the Project not contemplated in the Project Budget. Changes in costs could be occasioned by conditions found in the field which were not anticipated as of the date of execution of this Agreement, including changes (and delays which result from changes) as a result of onsite inspections. Due to the impact of other, competing demands for staff time, inspections themselves might be delayed.

306.2 Because of the specialized nature of the funding for the Project Design and Plan, unanticipated material changes could constitute a challenge to the Project completion and may cause additional costs to the Project unanticipated in the Initial Project Budget. Should the Affordable Housing Developer become aware of any such material fact or circumstance which will result in a material increase in the Project Design and Plan (a cost or costs will constitute a “material increase” if (i) alone or cumulatively, such costs result in increased expenses in excess of \$100,000, but which expenses might be absorbed out of contingency funds; or (ii) alone or cumulatively, such costs result in an increase for a Phase in excess of \$250,000 which cannot be paid from sources of funds identified in the Project Budget), the Affordable Housing Developer shall give written notice to CDC-HA, which notice shall identify the material change or changes, shall itemize the costs which the Affordable Housing Developer anticipates will result therefrom and shall request that CDC-HA take one or more of the following actions:

- i. Agree to the transfer of amounts between line items within each Project Budget. At the request of Affordable Housing Developer, and subject to the approval of CDC-HA, which will not be unreasonably withheld, conditioned or delayed, funds reflected in one line item of a Project Budget which are unexpended at the substantial completion of the work delineated therein may be transferred to the account and line item for contingencies, or, with the consent of CDC-HA, not to be unreasonably withheld, transferred directly to another account of another line item in the Project Budget.

ii. Approve modifications to the Project Design and Plan reasonably necessary or required to deal with such changed circumstances and material increases. Such modifications might include phasing or deferral of Project amenities until additional funding is available or secured, downsizing or eliminating Project design items or amenities, etc. All financing for the Project Design and Plan shall be subject to the review and approval of the CDC-HA, which review and approval shall, not be unreasonably withheld, conditioned or delayed. The CDC-HA shall respond within fifteen (15) days of Affordable Housing Developer's submission of any proposed financing. Affordable Housing Developer will be responsible for maximizing use of leveraged financing sources from other community development funding sources as available. The CDC-HA's approvals of any such modifications shall not be unreasonably withheld, conditioned or delayed.

iii. Agree to allow the Affordable Housing Developer to obtain additional funding sufficient to pay such material increases. Such funding sources might, upon approval by CDC-HA, include CDC-HA support for applications for additional and/or new funding from additional or new governmental or private funding programs established for low and moderate income housing.

Once the CDC-HA and the Affordable Housing Developer have agreed upon a final sources and uses for the Project Design and Plan, then the parties shall replace the Initial Project Budget with a final approved project budget (the "Final Project Budget"), which shall include development sources and uses and an operating budget.

307. Insurance Requirements. Affordable Housing Developer and each Owner, except for Health Center Developer, shall take out and maintain during the terms of each of the Declarations and shall cause its contractor and subcontractors to take out and maintain until completion, a comprehensive general liability policy in the amount of not less than \$4,000,000 and not less than \$2,000,000 in a single occurrence; provided that the use of umbrella/excess liability policies to achieve such limits will be acceptable, and a comprehensive automobile liability policy in the amount of \$1,000,000 combined single limit, or such other policy limits as the CDC-HA may approve at its discretion, including contractual liability, as shall protect Affordable Housing Developer, City and CDC-HA from claims for such damages. Such policy or policies shall be written on an occurrence form. Affordable Housing Developer and each Owner shall also furnish or cause to be furnished to the CDC-HA evidence satisfactory to the CDC-HA that Affordable Housing Developer and each Owner, and any contractor with whom it has contracted for the performance of work on the Property or otherwise pursuant to this Agreement, carries workers' compensation insurance as required by law. Affordable Housing Developer and each Owner shall furnish a certificate of insurance countersigned by an authorized agent of the insurance carrier on a form approved by the CDC-HA setting forth the general provisions of the insurance coverage. This countersigned certificate shall name the City and CDC-HA and their respective officers, agents, and employees as additionally insured parties under the policy, and the certificate shall be accompanied by a duly executed endorsement evidencing such additional insured status. The certificate and endorsement by the insurance carrier shall contain a statement of obligation on the part of the carrier to notify the City and CDC-HA of any material change, cancellation or

termination of the coverage at least thirty (30) days in advance of the effective date of any such material change, cancellation or termination. Coverage provided hereunder by Affordable Housing Developer or each Owner shall be primary insurance and not be contributing with any insurance maintained by the City of CDC-HA, and the policy shall contain such an endorsement. The insurance policy or the endorsement shall contain a waiver of subrogation for the benefit of the City and CDC-HA. The required certificates shall be furnished by Affordable Housing Developer and each Owner prior to the Closing for the Phase 1 Project and the Closing for the Phase 2 Project, as applicable.

308. Indemnities.

(a) Affordable Housing. The Affordable Housing Developer and each Owner, except for Health Center Developer, shall be responsible for all injuries to persons and/or all damages to real or personal property of the City, CDC-HA or others, caused by or resulting from the negligence and/or breach of this Agreement, by each Owner, the Affordable Housing Developer and their employees, subcontractors and/or their agents during the term of this Agreement. The Affordable Housing Developer and each Owner, except for Health Center Developer, shall defend and hold harmless and indemnify the City, CDC-HA and all of their officers and employees from all costs, damages, judgments, expenses and claims to any third party resulting from the negligence and/or breach of this Agreement, by the Owner, Affordable Housing Developer and their directors, officers, partners, members, employees, subcontractors and/or their agents and assigns or any employee, director, officer, partners or member of Affordable Housing Developer or either Owner, arising out of the development of Site 1, and Site 2 and/or the breach of this Agreement, except those arising from the sole negligence or willful misconduct of the City or CDC-HA. Provided, the Phase 1 Project and the Phase 2 Project are constructed, owned and financed as separate developments, then this Section 308 shall apply with respect to the Phase 1 Owner only with respect to the Phase 1 Project and shall apply with respect to the Phase 2 Owner only with respect to the Phase 2 Project, i.e., the Phase 1 Owner shall not have any obligations or liability with respect to the Phase 2 Project and the Phase 2 Owner shall not have any obligations or liability with respect to Phase 1 Project.

(b) Phase 3. The Health Center Developer shall be responsible for all injuries to persons and/or all damages to real or personal property of the City, CDC-HA or others, caused by or resulting from the negligence and/or breach of this Agreement, by the Health Center Developer and its employees, subcontractors and/or agents during the term of this Agreement. The Health Center Developer shall defend and hold harmless and indemnify the City, CDC-HA and all of their officers and employees from all costs, damages, judgments, expenses and claims to any third party resulting from the negligence and/or breach of this Agreement, by the Health Center Developer and its directors, officers, partners, members, employees, subcontractors and/or their agents and assigns or any employee, director, officer, partners or member of Health Center Developer, arising out of the development of Site 3 and/or the breach of this Agreement, except those arising from the sole negligence or willful misconduct of the City or CDC-HA.

309. Rights of Access. The Affordable Housing Developer and each Owner, except for Health Center Developer, agrees to allow the CDC-HA and its representatives to access the Property to review and inspect its activities under this Agreement as the CDC-HA shall require upon reasonable advance notice of no less than 48 hours. The CDC-HA shall monitor the Affordable Housing Developer's and each Owner's, except for Health Center Developer, activities without liability for said inspection and review.

310. Compliance With Laws.

(a) Prevailing Wage and Other Labor Standards. The Affordable Housing Developer, Site 1 Owner, and Site 2 Owner each represents and warrants that during the term of this Agreement that it will pay not less than the minimum compensation set forth in the Federal Davis Bacon wage requirements, and shall comply with all State prevailing wage requirements to the extent State prevailing wage requirements are applicable to the work. The Affordable Housing Developer and each Owner shall carry out the design and completion of the Scope of Development in conformity with all applicable laws, including all applicable state labor standards, the City zoning and development standards, building, plumbing, mechanical and electrical codes, and all other provisions of the Title 24 of the California Code of Regulations, and all applicable disabled and handicapped access requirements, including without limitation the Americans With Disabilities Act, 42 U.S.C. Section 12101, et seq., Government Code Section 4450, et seq., Government Code Section 11135, et seq., and the Unruh Civil Rights Act, Civil Code Section 51, et seq. The Affordable Housing Developer and each Owner hereby agrees to carry out development, construction and operation of the Property, including, without limitation, any and all public works (as defined by applicable law), in conformity with all applicable local, state and federal laws, including, without limitation, all applicable federal and state labor laws, including, without limitation, any requirement to pay State prevailing wages. The Affordable Housing Developer, Site 1 Owner, and Site 2 Owner shall pay not less than the minimum compensation set forth in the Federal Davis Bacon wages, regardless of whether the same would be legally required, but for this sentence. The Affordable Housing Developer and each Owner hereby expressly acknowledges and agrees that neither the City nor the CDC-HA has ever previously affirmatively represented to such Owner, Affordable Housing Developer or any of their contractor(s) in writing or otherwise, in a call for bids or otherwise, that the work to be covered by the bid or contract is or is not a "public work," as defined in Section 1720 of the Labor Code. The Affordable Housing Developer and each Owner hereby agrees that such party shall have the obligation to provide any and all disclosures, representations, statements, rebidding, and/or identifications which may be required by Labor Code Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law. The Affordable Housing Developer and each Owner hereby agrees that such Owner shall have the obligation to provide and maintain any and all bonds to secure the payment of contractors (including the payment of wages to workers performing any public work) which may be required by the Civil Code, Labor Code Section 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law. The Affordable Housing Developer and each Owner hereby agrees that such party shall have the obligation, at such party's sole cost, risk and expense, to obligate any party as may be required by Labor Code Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law. The Affordable Housing Developer and each Owner shall

indemnify, protect, defend and hold harmless the City, the CDC-HA and their respective officers, employees, contractors and agents, with counsel reasonably acceptable to the City and the CDC-HA, from and against any and all loss, liability, damage, claim, cost, expense, and/or “increased costs” (including labor costs, penalties, reasonable attorneys’ fees, court and litigation costs, and fees of expert witnesses) which, in connection with the completion of the Scope of Development, including, without limitation, any and all public works (as defined by applicable law), results or arises in any way from any of the following: (i) the noncompliance by the Affordable Housing Developer or such Owner of any applicable local, state and/or federal law, including, without limitation, any applicable federal and/or state labor laws (including, without limitation, if applicable, the requirement to pay state prevailing wages); (ii) the implementation of Sections 1726 and 1781 of the Labor Code, as the same maybe enacted, adopted or amended from time to time, or any other similar law; (iii) failure by the Affordable Housing Developer or such Owner to provide any required disclosure, representation, statement, rebidding and/or identification which may be required by Labor Code Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law; (iv) failure by the Affordable Housing Developer or such Owner to provide and maintain any and all bonds to secure the payment of contractors (including the payment of wages to workers performing any public work) which may be required by the Civil Code, Labor Code Section 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law; and/or (v) failure by the Affordable Housing Developer or such Owner to obligate any party as may be required by Labor Code Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law. It is agreed by the parties that, in connection with the development, construction and operation of the Property, including, without limitation, any public work (as defined by applicable law), the Affordable Housing Developer and each Owner shall bear all risks of payment or non-payment of state prevailing wages and/or the implementation of Labor Code Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, and/or any other provision of law. “Increased costs” as used in this Section shall have the meaning ascribed to it in Labor Code Section 1781, as the same may be enacted, adopted or amended from time to time. The foregoing indemnity shall survive termination of this Agreement. Provided, the Phase 1 Project and the Phase 2 Project are constructed, owned and financed as separate developments, then this Section 309 shall apply with respect to the Owner of Phase 1 Project only with respect to the Phase 1 Project and shall apply with respect to the Owner Phase 2 Project only with respect to the Phase 2 Project. Notwithstanding anything to the contrary herein, in no event shall this Section 310(a) be construed to require Health Care Developer and Phase 3 Project to pay comply with Federal David Bacon wage requirements or State prevailing wage requirements, provided such prevailing wage requirements do not otherwise apply to the Phase 3 Project.

(b) Workforce Enhancement Initiative. The purpose of this Section 310(b) relating to Workforce Enhancement Initiatives is to set forth guidance so that all construction work relating to Phase 1 Project and Phase 2 Project pursuant to this Agreement may proceed continuously and without interruption, thereby assuring the timely and cost-effective completion of the Phase 1 Project and Phase 2 Project, and to support the efforts of CDC-HA to strive to implement a form of construction career training through mentorship and opportunities for targeted workers and local apprenticeship and pre-apprentice programs to the extent there is workforce interest and is financially feasible for the Affordable Housing Developer with respect to the Phase 1 Project and

Phase 2 Project intended under this Agreement. For avoidance of doubt, this Section shall not apply to the Health Center Developer and the Phase 3 Project.

(i) Management Rights. The Affordable Housing Developer and its General Contractor retain the full and exclusive authority for the management of its operations, as set forth in this Section, unless expressly limited or required by a specific Section of this Section. The Contractor shall direct the workforce at its sole prerogative, including but not limited to the hiring, promotion, transfer, layoff, discipline or discharge for just cause of its employees; the selection of foremen and general foremen; the assignment and schedule of work; the promulgation of reasonable work rules; and, the requirement of overtime work, the determination of when it will be worked, and the number and identity of employees engaged in such work. No rules, customs, or practices which limit or restrict productivity, efficiency or the individual and/or joint working efforts of employees shall be permitted or observed.

(ii) Wages. Affordable Housing Developer acknowledges and agrees Phase 1 Project and Phase 2 Project shall pay Davis-Bacon Wages in accordance with Section 309(a) of this Agreement.

(iii) Apprentices. The parties recognize the need to maintain continuing support of the programs designed to develop adequate numbers of competent workers in the construction industry, the obligation to capitalize on the availability of the local work force, and the opportunities to provide continuing work under the construction program. To these ends, the parties will use good faith efforts to facilitate, encourage, and assist an established apprenticeship program to commence and progress in labor/management apprenticeship and/or training programs during the course of construction on the Phase 1 Project and Phase 2 Project.

(iv) Local Hires. The Affordable Housing Developer will use good faith efforts in causing its General Contractor to ensure that individuals and firms located in or owned in substantial part by persons residing in the area of the City of National City are used whenever possible, so long as the individual or firm is qualified to perform such work, and competitive in price. Such efforts (to the extent feasible and permitted by law) shall include, but shall not be limited to: (i) including such firms, when qualified, on solicitation mailing lists; (ii) encouraging their participation through direct solicitation of proposals whenever they are a potential source; (iii) dividing total subcontract requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by such firms; and (iv) establishing delivery schedules, where the requirement permits, which encourages participation by such firms.

(v) Limits. This Section shall apply and be limited to the construction work relating to the Phase 1 Project and Phase 2 Project to be performed by the General Contractor selected and engaged by the Affordable Housing Developer. A copy of this Section shall be provided to the General Contractor to set forth guidance in hiring and other related labor practices.

(vi) Items specifically excluded from the scope of this Section include the following:

a. This Section 309(b) does not apply to the work of non-manual employees, including, but not limited to, superintendents, supervisors, staff engineers, timekeepers, mail carriers, clerks, office workers, messengers, guards, safety personnel, emergency medical and first aid technicians, and other professional, engineering, consultants, administrative, supervisory, executive and management employees;

b. The Section 309(b) shall not apply to state inspectors or other public employees, post-construction tenant improvements, emergency work, non-construction support services, creation and installation of art work, future maintenance, and architectural, engineering, surveying or inspection services;

c. This Section 309(b) shall serve as guidance for work intended to be covered on or after the Effective Date of this Agreement, and is not intended to, and shall not govern, the construction of any project other than the Phase 1 Project and Phase 2 Project under this Agreement;

d. Off-site maintenance of leased equipment and on-site supervision of such work;

e. Off-site laboratory work for testing;

f. Work performed by employees of an Original Equipment Manufacturer (“OEM”) or vendor on the OEM’s or vendor’s equipment, if required by the warranty agreement between the OEM or vendor and the Primary Employer or Owner in order to maintain the warranty or guarantee on such equipment, and provided that the warranty agreement is the OEM’s or vendor’s standard warranty agreement for such equipment and is consistent with industry practice;

g. All work related to the delivery, unloading, moving and installation of the Affordable Housing Developer’s individual, unattached pieces of furniture, furnishings, equipment or supplies;

h. All hauling from and delivery to the Phase 1 Project and Phase 2 Project and deliveries of all materials required to complete the Phase 1 Project and Phase 2 Project, except that the hauling/delivery of soil, sand, gravel, aggregate, rocks, concrete, asphalt, excavation materials, fill material and construction debris;

i. The delivery, placement, servicing and removal of all temporary toilets, site fencing, storage units, temporary offices and trash/recycling dumpsters, or any other equipment or materials needed for the operation of the construction oversight.

311. Nondiscrimination in Employment. Affordable Housing Developer and each Owner certifies and agrees that all persons employed or applying for employment by it, its affiliates, subsidiaries, or holding companies, and all subcontractors, bidders and vendors, are and will be treated equally by it without regard to, or because of race, color, religion, ancestry, national origin, sex, age, pregnancy, childbirth or related medical condition, medical condition (cancer related) or physical or mental disability, and in compliance with Title VII of the Civil Rights Act

of 1964, 42 U.S.C. Section 2000, et seq., the Federal Equal Pay Act of 1963, 29 U.S.C. Section 206(d), the Age Discrimination in Employment Act of 1967, 29 U.S.C. Section 621, et seq., the Immigration Reform and Control Act of 1986, 8 U.S.C. Section 1324b, et seq., 42 U.S.C. Section 1981, the California Fair Employment and Housing Act, Cal. Government Code Section 12900, et seq., the California Equal Pay Law, Cal. Labor Code Section 1197.5, Cal. Government Code Section 11135, the Americans with Disabilities Act, 42 U.S.C. Section 12101, et seq., and all other anti-discrimination laws and regulations of the United States and the State of California as they now exist or may hereafter be amended. Affordable Housing Developer and each Owner shall allow representatives of the CDC-HA access to its employment records related to this Agreement during regular business hours to verify compliance with these provisions when so requested by the CDC-HA.

312. Taxes and Assessments. After each Closing, the respective Owner shall pay prior to delinquency all ad valorem real estate taxes and assessments on Site 1, Site 2, and Site 3, respectively. Each Owner shall remove or have removed any levy or attachment made after the Closing on the Phase 1 Project, Phase 2 Project or the Phase 3 Project, respectively, or any part thereof, or assure the satisfaction thereof within a reasonable time.

313. Liens and Stop Notices. Each Owner shall not allow to be placed on Site 1 or Site 2, as applicable, any part thereof any lien or stop notice. If a claim of a lien or stop notice is given or recorded affecting Site 1 or Site 2, as applicable, the Owner of such property shall, within thirty (30) days of such recording or service or within five (5) days of the CDC-HA's demand, whichever last occurs:

- (a) pay and discharge the same;
- (b) effect the release thereof by recording and delivering to the CDC-HA a surety bond in sufficient form and amount as approved by the CDC-HA in its sole discretion; or
- (c) provide the CDC-HA with other assurance which the CDC-HA deems, in its sole discretion, to be satisfactory for the payment of such lien or bonded stop notice and for the full and continuous protection of the CDC-HA from the effect of such lien or bonded stop notice.

314. Financing of the Project.

314.1 No Encumbrances Except Mortgages or Deeds of Trust. Except for Site 3, Mortgages and deeds of trust may be permitted only with the CDC-HA's prior written approval, and only for the purpose of securing loans of funds to be used for financing the Project Design and Plan work, and any other purposes deemed necessary and appropriate by the CDC-HA in connection with development under this Agreement. The Affordable Housing Developer and each Owner, except for Health Center Developer, shall notify the CDC-HA in advance of the execution or recordation of any mortgage or deed of trust. The Affordable Housing Developer and each Owner, except for Health Center Developer, shall not enter into any mortgage or deed of trust for financing without the prior written approval of the CDC-HA, which approval the CDC-HA agrees

to give if any such mortgage or deed of trust for financing is given to a responsible financing lending institution or person or entity, as determined by the CDC-HA in its reasonable discretion.

314.2 Right of CDC-HA to Cure Mortgage or Deed of Trust Default. In the event of a mortgage or deed of trust default or breach by the Affordable Housing Developer or an Owner other than Health Center Developer, the Affordable Housing Developer or such other Owner, as applicable, shall immediately deliver to the CDC-HA a copy of any mortgage holder's notice of default. The CDC-HA shall have the right but not the obligation to cure the default. In such event, the CDC-HA shall be entitled to reimbursement from the Affordable Housing Developer or the applicable Owner of all costs and expenses incurred by the CDC-HA in curing such default, including without limitation attorneys' fees.

315. Developer Fee. It is acknowledged and agreed that the Affordable Housing Developer may receive a developer fee as approved by the Executive Director of the CDC-HA up to the maximum allowed by the California Tax Credit Allocation Committee, and shall not be required to defer any such developer fee so long as there are sufficient financing sources to fund the construction of each of the Phase 1 Project or Phase 2 Project as contemplated by the Project Design and Plan.

316. Occupancy Monitoring and Inspection Fees; Records and Reports. Each year during the terms of each of the Declarations, the applicable Owner of Site 1 and Site 2 shall pay to the CDC-HA a flat annual fee of \$30,000. Each such Owner, except for Health Center Developer, shall supply CDC-HA, annually, on May 31st, of each year during the term of this Agreement, for the immediately prior calendar year, with such records and reports as are required and are requested by the CDC-HA to aid it in complying with its reporting and record keeping requirements. The records and reports include, but are not limited to the following:

- (a) Amount of funds expended pursuant to this Agreement;
- (b) Eligible tenant information, including yearly income verifications;
- (c) On-site inspection results;
- (d) Housing payments charged to tenants;
- (e) Affirmative marketing records;
- (f) Insurance policies and notices;
- (g) Equal Employment Opportunity and Fair Housing records;
- (h) Labor costs and records;
- (i) Audited income and expense statement, balance sheet and statement of cash flows for the Developer;

- (j) Federal and State income tax returns for the calendar year, ending on the preceding December 31st;
- (k) Annual budget of reserves for repair and replacement;
- (l) Annual certification and representation regarding status of all loans, encumbrances and taxes;
- (m) Such other and further information and records as the CDC-HA shall reasonably request in writing from the Developer.

317. Flood Insurance. The Affordable Housing Developer and each Owner represents, warrants, and certifies, pursuant to 24 CFR §92.358, that none of the Property is located within a Flood Plain or Flood Hazard Zone or Area, as indicated on a FEMA Map; or that the Property is located within a community participating in the National Flood Insurance Program and the Affordable Housing Developer or each Owner, as applicable, agrees to purchase and maintain flood insurance for the duration of the term of this Agreement.

318. Accessibility Standards. The Affordable Housing Developer and each Owner each represents and warrants that it will comply with all federal, state and local requirements and regulations concerning access to the units by the disabled and handicapped persons.

319. Study of Potential Sites for Future Market Rate Housing. Affordable Housing Developer agrees to study the feasibility of a future market-rate housing development (the “Market Rate Feasibility Analysis”) at one of the following sites: (i) 1136 D Avenue, or (ii) 1415 D Avenue, or (iii) 1317 D Avenue. Affordable Housing Developer will complete the study and submit a report detailing the feasibility analysis within one year of execution of this Agreement. The parties to this Agreement acknowledge and agree that the outcome of the Market Rate Feasibility Analysis shall in no event affect CDC-HA’s funding commitment with respect to Phase 1 Project or Phase 2 Project under this Agreement. The Affordable Housing Developer is not required to provide a market-rate housing development as a condition for CDC-HA’s (a) commitment or funding of the Phase 1 Project or Phase 2 Project, (b) Ground Lease of Site 2, or (c) sale of the Kimball Public Right of Way.

400. Covenants and Restrictions.

401. Affordable Units. Developer covenants and agrees for itself, its successors, assigns, and every successor in interest to Site 1 and Site 2, or any part thereof, that upon the Closing and thereafter, Developer shall comply with the applicable Declaration for the period of time specified herein. The obligation of the CDC-HA to close on Escrow is conditioned upon the execution, and recordation of the Declaration against Site 1 and Site 2. The Declarations shall, in the aggregate, contain housing payment and income level restrictions for not less than 15 Extremely Low Income Households, 15 Very Low Income Households, 88 Low Income Households and 25 80% AMI households. In addition, the Declarations shall, in the aggregate, require not less than 12 studio Affordable Units, 30 one-bedroom Affordable Units, 64 two-bedroom Affordable Units, and 39

three-bedroom Affordable Units. The requirements set forth herein may be changed only with the written consent of the Executive Director of the CDC-HA.

402. Maintenance Covenants. Each Owner represents and warrants with respect to itself and its own Project that after completion of Scope of Development, Phase 1 Project, Phase 2 Project, Phase 3 Project and all of the Affordable Units, as applicable, shall continually be maintained in a decent, safe and sanitary condition, and in good repair as described in 24 C.F.R. §5.703, and in a manner which satisfies the Uniform Physical Conditions Standards promulgated by the Department of Housing and Urban Development (24 C.F.R. §5.705), as such standards are interpreted and enforced by the CDC-HA under its normal policies and procedures. The Affordable Housing Developer and each Owner warrants that all construction work shall meet or exceed the applicable local codes and construction standards, including zoning and building codes of the City of National City as well as the provisions of the Model Energy Code published by the Council of American Building Officials. The Affordable Housing Developer and each Owner hereby consents to periodic inspection by the CDC-HA's designated inspectors and/or designees during regular business hours and upon reasonable advance notice of no less than 48 hours, including the Code Enforcement Agents of the City, to assure compliance with all applicable zoning, building codes, regulations and property standards.

403. Obligation to Refrain from Discrimination.

403.1 State and Federal Requirements. The Affordable Housing Developer and each Owner Developer shall, at all times during the term of this Agreement, comply with all of the affirmative marketing procedures adopted by the CDC-HA. The Affordable Housing Developer and each Owner Developer shall maintain records to verify compliance with the applicable affirmative marketing procedures and compliance. Such records are subject to inspection by the CDC-HA during regular business hours upon five (5) days written notice.

403.2 Additional Requirements. The Affordable Housing Developer and each Owner hereby agrees to comply with the Title VII of the Civil Rights Act of 1964, as amended, the California Fair Employment Practices Act, and any other applicable Federal and State laws and regulations.

403.3 Fair Housing Laws. All activities carried out by the Affordable Housing Developer, any Owner and/or their agents shall be in accordance with the requirements of the Federal Fair Housing Act. The Fair Housing Amendments Act of 1988 became effective on March 12, 1989. The Fair Housing Amendments Act of 1988 and Title VIII of the Civil Rights Act of 1968, taken together, constitute the Fair Housing Act. The Fair Housing Act provides protection against the following discriminatory housing practices if they are based on race, sex, religion, color, handicap, familial status, or national origin: denying or refusing to rent housing, denying or refusing to sell housing, treating differently applicants for housing, treating residents differently in connection with terms and conditions, advertising a discriminatory housing preference or limitation, providing false information about the availability of housing, harassing, coercing or intimidating people from enjoying or exercising their rights under the Fair Housing Act, blockbusting for profit, persuading owner to sell or rent housing by telling them that people of a particular race, religion, etc. are moving into the neighborhood, imposing different terms for loans

for purchasing, constructing, improving, repairing, or maintaining a home, or loans secured by housing; denying use or participation in real estate services, e.g., brokers' organizations, multiple listing services, etc. The Fair Housing Act gives HUD the authority to hold administrative hearings unless one of the parties elects to have the case heard in U.S. District Court and to issue subpoenas. Both civil and criminal penalties are provided. The Fair Housing Act also provides protection for people with disabilities and proscribes those conditions under which senior citizen housing is exempt from the prohibitions based on familial status. The following State of California Laws also govern housing discrimination and shall be complied with by Developer: Fair Employment and Housing Act, Unruh Civil Rights Act of 1959, Ralph Civil Rights Act of 1976, and Civil Code Section 54.1.

405. Nondiscrimination Covenants. The Affordable Housing Developer and each Owner covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of, any person or group of persons on the basis of race, color, creed, religion, sex, sexual orientation, marital status, national origin, ancestry, familial status, source of income or disability of any person in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, nor shall any of them or any person claiming under or through it establish or permit any such practice or practices of discrimination 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, with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Property. The foregoing covenants shall run with the land. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(a) Deeds. In deeds: "The grantee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, religion, sex, sexual orientation, disability, medical condition, familial status, source of income, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land herein conveyed. The foregoing covenants shall run with the land."

(b) Leases. In leases: "The lessee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, and this lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or group of persons, on account of race, color, religion, sex, sexual orientation, disability, medical condition, familial status, source of income, marital status, national origin or ancestry in the leasing, subleasing, renting, transferring, use, occupancy, tenure or enjoyment of the land herein leased, nor shall lessee itself, or any person claiming under or through it, establish or permit such practice or practices of discrimination or segregation with reference to the selection,

location, number, use or occupancy of tenants, lessees, sublessees, subtenants or vendees in the land herein leased.”

(c) Contracts. In contracts for the rental, lease or sale of the Phase 1 Project, Phase 2 Project or the Phase 3 Project: “There shall be no discrimination against or segregation of any person or group of persons on account of race, color, religion, sex, sexual orientation, disability, medical condition, familial status, source of income, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land, nor shall the transferee 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, subtenants, sublessees or vendees of the land.”

406. Effect of Violation of the Terms and Provisions of this Agreement. The CDC-HA is deemed the beneficiary of the terms and provisions of this Agreement and of the covenants running with the land, for and in its own right and for the purposes of protecting the interests of the community and other parties, public or private, in whose favor and for whose benefit this Agreement and the covenants running with the land have been provided, without regard to whether the CDC-HA has been, remains or is an owner of any land or interest therein in the Property. The CDC-HA shall have the right, if this Agreement or its 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 this Agreement and covenants may be entitled.

500. Defaults and Remedies. Provided, the Phase 1 Project and the Phase 2 Project are constructed, owned and financed as separate developments, then this Section 500, including without limitation the subsections set forth below, shall apply to the Owner of Phase 1 Project only with respect to the Phase 1 Project and shall apply to the Owner of Phase 2 Project only with respect to the Phase 2 Project, i.e., the Owner of Phase 1 Project shall not have any obligations or liability with respect to the Phase 2 Project and the Owner of Phase 2 Project shall not have any obligations or liability with respect to Phase 1 Project.

501. Default Generally. Subject to Section 603.2 of this Agreement, failure by the CDC-HA, Affordable Housing Developer or any Owner to perform any action or covenant required by this Agreement within the time periods provided herein following notice and failure to cure as described hereafter, constitutes a “Default” under this Agreement. A party claiming a Default shall give written notice of Default to the other party specifying the alleged Default. Except as otherwise expressly provided in this Agreement, the claimant shall not institute any proceeding against any other party, and the other party shall not be in Default if: (i) such alleged Default is cured thirty (30) days from receipt of such written notice; or (ii) if the alleged Default is such that it is not capable of being cured within thirty (30) days, but corrective action is initiated within thirty (30) days and the allegedly defaulting party diligently and in good faith works to effect a cure as soon as possible.

501.1 Notwithstanding anything to the contrary contained in this Agreement, after any Closing, then prior to any action to enforce this Agreement by the CDC-HA, with respect to the phase which was the subject of such Closing, then provided the applicable Owner’s limited

partner has delivered written notice of such limited partner's address for notice, the CDC-HA shall give such Owner's limited partner (the "Tax Credit Partner") notice and opportunity to cure for a period of not less than (a) fifteen (15) days if a monetary default, and (b) thirty (30) days if a nonmonetary default; provided, however, if in order to cure such a default, Tax Credit Partner reasonably determines that it must remove the general partner of such Owner, Tax Credit Partner shall so notify CDC-HA and so long as Tax Credit Partner is diligently and continuously attempting to so remove such general partner, Tax Credit Partner shall have until the date thirty (30) days after the effective date of the removal of the general partner or general partners to cure such default but in no event more than one (1) year.

502. Institution of Legal Actions. In addition to any other rights or remedies and subject to the restrictions otherwise set forth in this Agreement, any party may institute an action at law or equity to seek specific performance of the terms of this Agreement, or to cure, correct or remedy any Default, to recover damages for any Default, or to obtain any other remedy consistent with the purpose of this Agreement. Such legal actions must be instituted in the County of San Diego, State of California, downtown branch, or in the District of the United States District Court in the County of San Diego.

503. Entry and Vesting of Title in CDC-HA Prior to Completion of Construction.

503.1 Right of Reentry. In addition to all other rights and remedies the CDC-HA may have at law or in equity, the CDC-HA has the right, at its election, to enter and take possession of Site 1 or Site 2, as applicable, and all improvements thereon, and terminate and revest the fee interest in the Property or the Leasehold in the CDC-HA, as applicable, if after the applicable Closing, the applicable Owner:

- (a) fails to start the Scope of Development work as required by this Agreement for a period of thirty (30) days after written notice thereof from CDC-HA; or
- (b) abandons or substantially suspends the Scope of Development work required by this Agreement for a period of thirty (30) days after written notice thereof from CDC-HA, subject to any extensions which may be agreed upon pursuant to Section 602 herein; or
- (c) transfers or suffers any involuntary transfer of Site 1 or Site 2, as applicable, or any part thereof in violation of contrary to the provisions of this Agreement.

503.2 Limitations on Right of Entry. Such right to enter and vest shall be subject to and be limited by and shall not defeat, render invalid or limit any mortgage or deed of trust permitted by this Agreement that is senior to the Phase 1 Project Deed of Trust or Phase 2 Project Deed of Trust, as applicable.

503.3 Termination of Right of Entry. The CDC-HA's right to enter and take possession of the Site 1 or Site 2, as applicable, and all improvements thereon, and terminate and revest same in the CDC-HA, shall terminate upon the timely completion of the Scope of Development work for the Phase 1 Project or Phase 2 Project, as applicable.

504. Rights and Remedies are Cumulative. Except as otherwise expressly stated in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by any party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

505. Inaction Not a Waiver of Default. Any failures or delays by any 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 right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies shall govern the interpretation and enforcement of this Agreement.

506. Default Relating to Phase 3 Project. For avoidance of doubt, the Scope of Development for the Health Center and financing for such Scope of Development shall be the sole responsibility of Health Center Developer. In all events, the Affordable Housing Developer and each Owner shall not be liable or responsible for any default on the part of the Health Center Developer under this Agreement or any other agreement relating to the development of the Health Center between Health Center Developer and CDC-HC.

600. General Provisions.

601. Notices, Demands and Communications Between the Parties. All notices under this Agreement shall be in writing and sent (a) by certified or registered U.S. mail, return receipt requested, (b) overnight by a nationally recognized overnight courier such as UPS Overnight or FedEx, or (c) by personal delivery. All notices shall be effective upon receipt (or refusal to accept delivery). All notices shall be delivered to the following addresses or such other addresses as changed by any party from time to time by written notice to the other parties hereto.

To CDC-HA: Community Development Commission-
Housing Authority of the City of National City
1243 National City Boulevard
National City, CA 91950
Attention: Executive Director

To Affordable c/o Community HousingWorks
Housing 3111 Camino del Rio North, Suite 800
Developer San Diego, CA 92108
and Owner: Attention: President and CEO

And with a copy to:

Downs Pham & Kuei LLP
235 Montgomery Street, 30th Floor
San Francisco, CA 94010
Attention: Irene C. Kuei

To Health Center Developer: San Ysidro Health
 1601 Precision Park Lane
 San Diego, CA 92173
 Attention: President & CEO

And with a copy to:

Wingert, Grebing, Brubaker & Juskie, LLP
 600 W. Broadway, 12th Floor
 San Diego, CA 92101
 Attention: Stephen C. Grebing, Esq.

602. Enforced Delay; Extension of Times of Performance. In addition to specific provisions of this Agreement, performance by any party hereunder shall not be deemed to be in Default, and all performance and other dates specified in this Agreement shall be extended, where delays or Defaults are due to: war; insurrection; strikes; lockouts; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; pandemics; quarantine restrictions; freight embargoes; lack of transportation; governmental restrictions or priority; litigation; unusually severe weather; acts or omissions of the other party; or any other causes beyond the control and without the fault of the party claiming an extension of time to perform. Notwithstanding anything to the contrary in this Agreement, an extension of time for any such cause shall be for the period of the delay and shall commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party within five (5) days of the commencement of the cause. Times of performance under this Agreement may also be extended in writing by the mutual agreement of Executive Director of the CDC-HA and Affordable Housing Developer.

603. Transfers of Interest in Property or Agreement.

603.1 Prohibition. The qualifications and identity of Affordable Housing Developer and each Owner are of particular concern to the CDC-HA. It is because of those qualifications and identity that the CDC-HA has entered into this Agreement with Affordable Housing Developer and Health Center Developer. During the term of this Agreement, the terms of the Declaration, and during the terms of the Ground Lease, no voluntary or involuntary successor in interest of Affordable Housing Developer or any Owner shall acquire any rights or powers under this Agreement, nor shall Affordable Housing Developer or any Owner, except for Health Center Developer, make any total or partial sale, transfer, conveyance, assignment, subdivision, refinancing or lease of the whole or any part of the Property, except for Site 3, or the improvements thereon without prior written approval of the CDC-HA, except as expressly set forth herein. Any proposed total or partial sale, transfer, conveyance, assignment, subdivision, refinancing or lease of the whole or any part of the Property, except for Site 3, or the improvements thereon, other than those permitted in Section 603.2, will entitle CDC-HA to its right of reentry and reversion as set forth in Section 505 hereof. For the reasons cited above, Affordable Housing Developer and each Owner, except for Health Center Developer, represents and agrees for itself, each partner and any successor in interest to itself that without the prior written approval of the CDC-HA, there shall be

no significant change in the ownership of Affordable Housing Developer or any Owner, except for Health Center Developer, or in the relative proportions thereof, or with respect to the identity of the parties in control of Affordable Housing Developer or any Owner, except for Health Center Developer, or the degree thereof, by any method or means; provided, however, that a change in one or more constituent partners of Site 1 Owner or Site 2 Owner is permitted so long as Affordable Housing Developer remains in control of the day to day matters of one of the general partners of Owner. Affordable Housing Developer and each Owner, except for Health Center Developer, shall promptly notify the CDC-HA of any and all changes whatsoever in the identity of the parties in control of the same or the degree thereof, of which it or any of its officers have been notified or otherwise have knowledge or information. Any change (voluntary or involuntary) in the composition, management or control of Affordable Housing Developer or any Owner, except for Health Center Developer, shall be a Default, except as otherwise permitted hereunder.

603.2 Permitted Transfers. Notwithstanding any other provision of this Agreement to the contrary, the CDC-HA approval of an assignment of this Agreement or conveyance of Site 1 or Site 2 or the improvements thereon, or any part thereof, will be granted in connection with any of the following, subject to the CDC-HA and the applicable party executing appropriate documents of transfer which contain any exceptions or reservation of rights permitted under this Agreement (each a “Permitted Transfer”):

- (a) the leasing of one or more Affordable Units to an occupant in compliance with the Declaration;
- (b) transfer of up to a Ninety-Nine and Ninety-Nine Hundredths Percent (99.99%) limited interest in the Site 1 Owner or Site 2 Owner to a tax credit investor partner in connection with a tax credit syndication;
- (c) transfer by the tax credit investor partner of the Site 1 Owner or Site 2 Owner of such tax credit investor partner’s interest to an entity in which the tax credit investor partner or its affiliate manages and controls, directly or indirectly, the management decisions of such entity in connection with the tax credit syndication;
- (d) The conveyance or dedication of any portion of the Property to the City or other appropriate governmental agency, or the granting of easements or permits to facilitate completion of the Scope of Development.
- (e) Any conveyance for financing purposes (subject to such financing being specifically allowed under this Agreement), including the grant of a deed of trust to secure the funds necessary for completion of the Scope of Development.
- (f) any transfer directly resulting from the foreclosure of a deed of trust permitted under subsection (e), above; or
- (g) in the event all of general partners of any Owner are removed by the investor limited partner of such Owner for cause following default under such Owner’s partnership agreement, the CDC-HA hereby approves the transfer of the general partners’

interests to a 501(c)(3) tax exempt nonprofit corporation and/or an affiliate of the investor limited partner of such Owner selected by the investor limited partner of such Owner and approved by the CDC-HA, which approval shall not be unreasonably withheld, conditioned or delayed; or

(h) Either (i) the exercise by a 501(c)(3) tax exempt nonprofit corporation affiliate of Affordable Housing Developer of its option and right of first refusal to be granted by Site 1 Owner upon the closing of the tax credit syndication for Phase 1, or (ii) the exercise by a 501(c)(3) tax exempt nonprofit corporation affiliate of Affordable Housing Developer of its option and right of first refusal to be granted by Site 2 Owner upon the closing of the tax credit syndication for Phase 2.

603.3 Successors and Assigns. All of the terms, covenants and conditions of this Agreement shall be binding upon Affordable Housing Developer, each Owner, except for Health Center Developer, and each of their permitted successors and assigns. Whenever the term “Affordable Housing Developer,” “Affordable Housing Developer” or “Owner” is used in this Agreement, such term shall include any other permitted successors and assigns as herein provided, except for Health Center Developer.

603.4 Assignment by the CDC-HA. The CDC-HA may assign or transfer this Agreement in its entirety, or any of its rights or obligations hereunder.

604. Non-Liability of Officials and Employees.

604.1 CDC-HA. No member, official or employee of the City or CDC-HA shall be personally liable to Affordable Housing Developer, any Owner, or any successor in interest, in the event of any Default or breach of this Agreement or for any amount which may become due to Affordable Housing Developer, any Owner or any of their successors, or on any obligations under the terms of this Agreement.

604.2 Affordable Housing Developer and Owners. No member, directors, official or employee of the Affordable Housing Development or any Owner shall be personally liable to the City or CDC-HA, or any successor in interest, in the event of any Default or breach of this Agreement or for any amount which may become due to the City or CDC-HA or its successors, or on any obligations under the terms of this Agreement.

605. Relationship Among the CDC-HA, Affordable Housing Developer and Each Owner. It is hereby acknowledged that the relationship among the CDC-HA, Affordable Housing Developer and each Owner is that of independent contractors and not that of a partnership or joint venture and that the CDC-HA, Affordable Housing Developer and each Owner shall not be deemed or construed for any purpose to be the agent of the other. The Affordable Housing Developer, Site 1 Owner and Site 2 Owner each agrees to indemnify, hold harmless and defend the CDC-HA and Health Center Developer from any claim made against the CDC-HA or Health Center Developer arising from a claimed relationship of partnership or joint venture among the CDC-HA, Health Center Developer, Affordable Housing Developer or Owner. The Health Center Developer agrees to indemnify, hold harmless and defend the CDC-HA and Affordable Housing

Developer from any claim made against the CDC-HA or Affordable Housing Developer arising from a claimed relationship of partnership or joint venture among the CDC-HA, Health Center Developer, Affordable Housing Developer or Owner.

606. CDC-HA Approvals and Actions. Whenever a reference is made herein to an action or approval to be undertaken by the CDC-HA, the Executive Director of the CDC-HA or his or her designee is authorized to act on behalf of the CDC-HA unless specifically provided otherwise or the context should require otherwise.

607. Counterparts. This Agreement may be signed in multiple counterparts which, when signed by all parties, shall constitute a binding agreement.

608. Integration. This Agreement contains the entire understanding between the parties relating to the subject matter of this Agreement. All prior or contemporaneous agreements, understandings, representations and statements, oral and written, are merged in this Agreement and shall be of no further force or effect. Each party is entering this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material. All exhibits referred to in this Agreement are hereby incorporated in this Agreement by this reference, regardless of whether or not the exhibits are actually attached to this Agreement. The Recitals to this Agreement are hereby incorporated in this Agreement by this reference.

609. No Real Estate Brokerage Commissions. The CDC-HA, Health Center Developer and Affordable Housing Developer each represent and warrant to the others that no broker or finder is entitled to any commission or finder's fee in connection with Site 2 or the Kimball Public Right of Way. The parties agree to defend and hold harmless the other party from any claim to any such commission or fee from any broker, agent or finder with respect to this Agreement which is payable by such party.

610. Attorneys' Fees. The parties agree that the prevailing party in litigation for the breach and/or interpretation and/or enforcement of the terms of this Agreement shall be entitled to their expert witness fees, if any, as part of their costs of suit, and reasonable attorneys' fees as may be awarded by the court, pursuant to California Code of Civil Procedure ("CCP") Section 1033.5 and any other applicable provisions of California law, including, without limitation, the provisions of CCP Section 998.

611. Titles and Captions. Titles and captions are for convenience of reference only and do not define, describe or limit the scope or the intent of this Agreement or of any of its terms. References to section numbers are to sections in this Agreement, unless expressly stated otherwise.

612. Interpretation. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall be deemed to include the others where and when the context so dictates. The word "including" shall be construed as if followed by the words "without limitation." This Agreement shall be interpreted as though prepared jointly by both parties.

613. No Waiver. A waiver by any party of a breach of any of the covenants, conditions or agreements under this Agreement to be performed by the other party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions of this Agreement.

614. Modifications. Any amendment, alteration, change or modification of or to this Agreement, in order to become effective, shall be made in writing and in each instance signed on behalf of each party (any amendment, alteration, change or modification of this Agreement on behalf of the CDC-HA, including without limitation changes to the economic terms of this Agreement and its exhibits, shall be made on behalf of the CDC-HA by the Executive Director of the CDC-HA in such Executive Director's sole discretion).

615. 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.

616. Computation of Time. The time in which any act is to be done under this Agreement is computed by excluding the first day (such as the day escrow opens), and including the last day, unless the last day is a holiday or Saturday or Sunday, and then that day is also excluded. The term "holiday" shall mean all holidays as specified in Section 6700 and 6701 of the California Government Code. If any act is to be done by a particular time during a day, that time shall be Pacific Time Zone time.

617. Legal Advice. Each party represents and warrants to the other the following: they have carefully read this Agreement, and in signing this Agreement, they do so with full knowledge of any right which they may have; they have received independent legal advice from their respective legal counsel as to the matters set forth in this Agreement, or have knowingly chosen not to consult legal counsel as to the matters set forth in this Agreement; and, they have freely signed this Agreement without any reliance upon any agreement, promise, statement or representation by or on behalf of the other parties, or their respective agents, employees, or attorneys, except as specifically set forth in this Agreement, and without duress or coercion, whether economic or otherwise.

618. Time of Essence. Time is expressly made of the essence with respect to the performance by the CDC-HA, Health Center Developer and Affordable Housing Developer of each and every obligation and condition of this Agreement.

619. Cooperation. Each party agrees to cooperate with the other in this transaction and, in that regard, to sign any and all documents which may be reasonably necessary, helpful, or appropriate to carry out the purposes and intent of this Agreement including, but not limited to, releases or additional agreements.

620. Conflicts of Interest. No member, official or employee of the City or the CDC-HA shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member,

official or employee participate in any decision relating to the Agreement which affects his personal interests or the interests of any corporation, partnership or association in which he is directly or indirectly interested.

621. Exhibits and Recitals Incorporated. All exhibits referred to in this Agreement are hereby incorporated in this Agreement by this reference, regardless of whether or not the exhibits are actually attached to this Agreement. The recitals to this Agreement are hereby incorporated in this Agreement by this reference.

622. Applicable Law. The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

623. Authority to Sign. All individuals signing this Agreement for a party which is a corporation, limited liability company, partnership or other legal entity, or signing under a power of attorney, or as a trustee, guardian, conservator, or in any other legal capacity, covenant to the CDC-HA that they have the necessary capacity and authority to act for, sign and bind the respective entity or principal on whose behalf they are signing.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above.

CDC-HA:

Community Development Commission-Housing Authority of the City of National City

By: _____
Brad Raulston, Executive Director

APPROVED AS TO FORM:

Angil P Morris-Jones, City Attorney
CDC-HA General Counsel

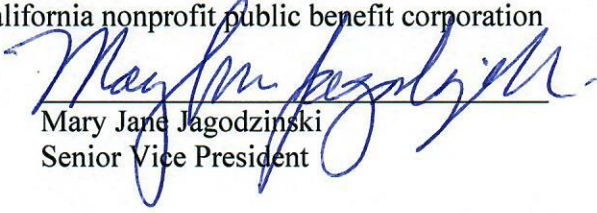
By: _____

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

AFFORDABLE HOUSING DEVELOPER:

Community Housing Works,
a California nonprofit public benefit corporation

By:

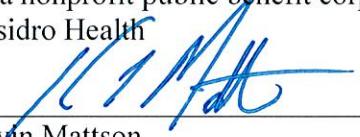

Mary Jane Jagodzinski
Senior Vice President

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

HEALTH CENTER DEVELOPER:

Centro De Salud De La Comunidad De San Ysidro, Inc.,
a California nonprofit public benefit corporation,
dba San Ysidro Health

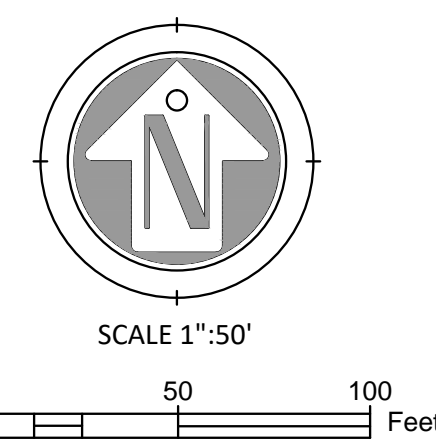
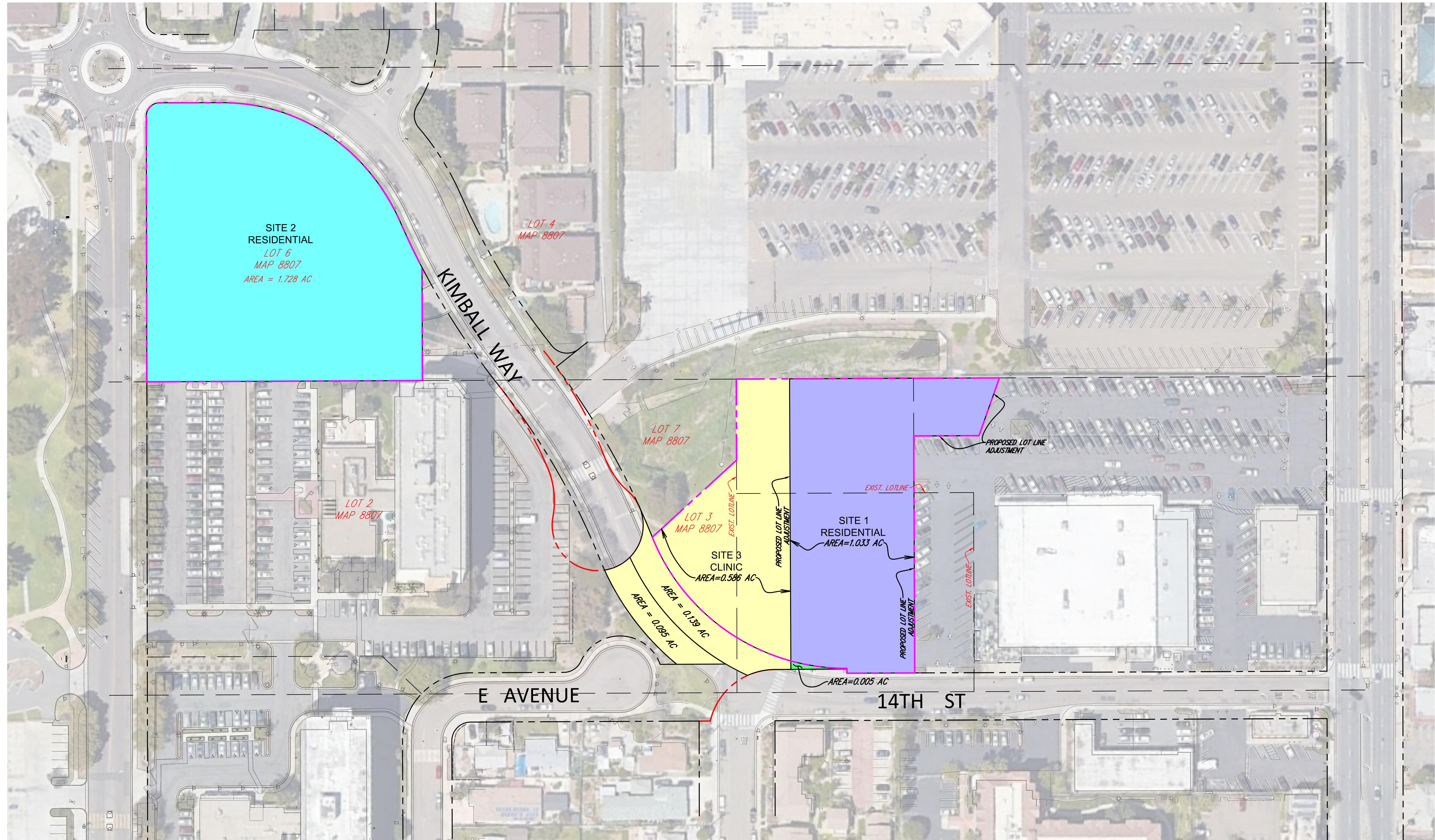
By:



Kevin Mattson
President & CEO

EXHIBIT A
PARCEL MAP

K:\19\1913\Engineering\concepts\2010.00_concept\01\MISC\LOT_EXHIBIT\1913 LOT_EXHIBIT.dwg 10/12/2020 3:26 PM ORIGINAL PLOT SIZE: -----



LOT ID	APN(S) INCLUDED IN THE LOT
SITE 1 RESIDENTIAL	PORTIONS OF 560-050-06, 560-050-10, 560-050-12 AND PORTION OF THE RIGHT OF WAY VACATION
SITE 2 RESIDENTIAL	ALL OF 560-410-06
SITE 3 CLINIC	ALL OF 560-410-03, PORTIONS OF 560-050-06, 560-050-12 AND PORTION OF THE RIGHT OF WAY VACATION

SHEET 1 OF 1

LOT EXHIBIT
KIMBALL HIGHLAND
 KIMBALL WAY/14TH ST,
 NATIONAL CITY, CA

EXHIBIT B
INITIAL PROJECT BUDGET

TABLE 1

**PROJECT DESCRIPTION
KIMBALL HIGHLANDS MASTER PLAN
CITY OF NATIONAL CITY**

	SITE ONE 1320 Highland Parking Lot			SITE TWO 1221 D Avenue			TOTAL		
I. Site Area	1.6 Acres	Zoned: MXD-2		1.8 Acres	Zoned: RM-3		3.4 Acres		
II. Gross Building Area									
Net Residential Area	71,850 SF	74%		54,100 SF	74%		125,950 SF	74%	
Common Area (1)	6,981 SF	7%		5,902 SF	8%		12,883 SF	8%	
Circulation (1)	<u>18,871</u> SF	<u>19%</u>		<u>12,640</u> SF	<u>17%</u>		<u>31,511</u> SF	<u>18%</u>	
Residential Gross Building Area	97,702 SF	100%		72,642 SF	100%		170,344 SF	100%	
Add: Senior Center	<u>0</u> SF			<u>8,834</u> SF			<u>8,834</u> SF		
Total Gross Building Area	97,702 SF			81,476 SF			179,178 SF		
III. Construction Type/ Number of Stories	Type V - 4 stories over Type I - 4 stories			Type V - 3 stories over Type I - 1 story			--		
IV. Unit Mix	Number of Units		Average Unit Size (1)	Number of Units		Average Unit Size (1)	Number of Units		Average Unit Size (1)
Studio	12 Units	14%	470 SF	0 Units	0%	470 SF	12 Units	8%	470 SF
One Bedroom	20 Units	24%	650 SF	10 Units	17%	650 SF	30 Units	21%	650 SF
Two Bedroom	29 Units	34%	850 SF	35 Units	58%	850 SF	64 Units	44%	850 SF
Three Bedroom	<u>24</u> Units	<u>28%</u>	<u>1,190</u> SF	<u>15</u> Units	<u>25%</u>	<u>1,190</u> SF	<u>39</u> Units	<u>27%</u>	<u>1,190</u> SF
Number of Units	85 Units	100%	845 SF	60 Units	100%	902 SF	145 Units	100%	869 SF
V. Density	53 Units/Acre			33 Units/Acre			43 Units/Acre		
VI. Affordability Mix									
Units @ 30% of AMI	10 Units	12%		5 Units	8%		15 Units	10%	
Units @ 50% of AMI	9 Units	11%		6 Units	10%		15 Units	10%	
Units @ 60% of AMI	50 Units	59%		38 Units	63%		88 Units	61%	
Units @ 70% of AMI	15 Units	18%		10 Units	17%		25 Units	17%	
Manager Unit	<u>1</u> Unit	<u>1%</u>		<u>1</u> Unit	<u>2%</u>		<u>2</u> Units	<u>1%</u>	
Total/Average	85 Units	100%		60 Units	100%		145 Units	100%	
Average Affordability	57% AMI (Excl. Manager Unit)			58% AMI (Excl. Manager Unit)			58% AMI (Excl. Manager Unit)		
VII. Parking (1)	Structured - 4 Levels			Surface and Tuck-Under					
Residential	90 Spaces	1.1 Spaces/Unit		66 Spaces (2)	1.1 Spaces/Unit		156 Spaces	1.1 Spaces/Unit	
Senior Center	<u>0</u> Spaces	--		<u>20</u> Spaces	2.3 Spaces/1,000 SF		<u>20</u> Spaces	2.3 Spaces/1,000 SF	
Total	90 Spaces	330 SF/Space		86 Spaces			176 Spaces		

(1) Per Developer correspondence dated 9/3/20.

(2) Includes 17 tuck-under spaces for residential use.

TABLE 2

**ESTIMATED DEVELOPMENT COSTS
KIMBALL HIGHLANDS MASTER PLAN
CITY OF NATIONAL CITY**

	<u>Totals</u>	<u>Per Unit</u>	<u>Comments</u>
I. Direct Costs (1)(2)			
Off-Site Improvements (3)(4)	\$1,198,860	\$8,268	\$8 Per SF Site
Relocation (Cell Tower) (3)	\$890,000	\$6,138	Allowance
On-Site Improvements (5)	\$3,888,117	\$26,815	\$26 Per SF Site
Geotechnical Mitigation	\$2,698,072	\$18,607	\$18 Per SF Site
Parking	\$4,424,918	\$30,517	\$25,142 Per Space
Shell Construction - Residential	\$32,365,000	\$223,207	\$190 Per SF - Residential
Shell Construction - Senior Center	\$2,050,592	\$14,142	\$232 Per SF - Senior Center
FF&E	\$220,000	\$1,517	Allowance
Escalation	\$2,347,000	\$16,186	4.9% of Directs - Excl. FF&E
Contingency	<u>\$3,255,000</u>	<u>\$22,448</u>	6.5% of Directs
Subtotal Direct Costs	\$53,337,559	\$367,845	\$298 Per SF GBA
Add: Prevailing Wage Impact	<u>\$8,112,000</u>	<u>\$55,945</u>	15.3% of Directs - Excl. FF&E
Total Direct Costs	\$61,449,559	\$423,790	\$343 Per SF GBA
II. Indirect Costs			
Architecture & Engineering	\$3,746,720	\$25,839	7.0% of Directs (8)
Permits & Fees (3)	\$2,159,838	\$14,895	\$12 Per SF GBA
Legal & Accounting	\$377,900	\$2,606	0.7% of Directs (8)
Taxes & Insurance	\$799,939	\$5,517	1.5% of Directs (8)
Developer Fee	\$9,671,000	\$66,697	18.1% of Directs (8)
Construction Management	\$212,000	\$1,462	0.4% of Directs (8)
Marketing/Lease-Up	\$199,700	\$1,377	Allowance
Contingency	<u>\$375,067</u>	<u>\$2,587</u>	2.2% of Indirects
Total Indirect Costs	\$17,542,164	\$120,980	28.5% of Directs
III. Financing Costs			
Loan Fees	\$1,258,000	\$8,676	2.0% of Directs
Predevelopment Loan Interest	\$247,140	\$1,704	0.4% of Directs
Interest During Construction/Lease-up	\$3,156,000	\$21,766	5.1% of Directs
Accrued Interest on Soft Debt	\$457,060	\$3,152	0.7% of Directs
Title/Recording/Escrow	\$65,000	\$448	0.1% of Directs
TCAC/Syndication Fees	\$312,490	\$2,155	0.5% of Directs
Operating Lease-Up/Reserves	<u>\$709,939</u>	<u>\$4,896</u>	1.2% of Directs
Total Financing Costs	\$6,205,629	\$42,797	10.1% of Directs
IV. Total Costs - Excl. Acquisition	\$85,197,000	\$587,566	\$475 Per SF GBA
V. Land Acquisition Costs - Site One (7)	\$2,860,000	\$19,724	\$41 Per SF - Site One
VI. Capitalized Ground Lease - Site Two (6)	\$3,215,000	\$22,172	\$41 Per SF - Site Two
VII. Grand Total Costs	\$91,272,000	\$629,462	\$509 Per SF GBA

(1) Assumes payment of prevailing wages.

(2) Includes pro rata share of general conditions, contractor overhead and profit, and contractor insurance.

(3) Estimate; not verified by KMA or City.

(4) Includes costs for sewer realignment.

(5) Includes costs for additional grading and soils export.

(6) Acquisition costs for Site One per Purchase and Sale Agreement dated 11/18/19 and subsequent Amendments.

(7) Actual acquisition costs for Site Two pending appraisal.

(8) Direct costs excluding prevailing wages.

TABLE 3

**NET OPERATING INCOME
KIMBALL HIGHLANDS MASTER PLAN
CITY OF NATIONAL CITY**

		# of Units	\$/Month (1)	Total Annual
I. Gross Scheduled Income				
Studio	@ 30% AMI	3	\$581	\$20,916
Studio	@ 50% AMI	1	\$986	\$11,832
Studio	@ 60% AMI	5	\$1,188	\$71,280
Studio	@ 70% AMI	3	\$1,390	\$50,040

One Bedroom	@ 30% AMI	3	\$615	\$22,140
One Bedroom	@ 50% AMI	3	\$1,049	\$37,764
One Bedroom	@ 60% AMI	18	\$1,265	\$273,240
One Bedroom	@ 70% AMI	6	\$1,482	\$106,704

Two Bedroom	@ 30% AMI	6	\$736	\$52,992
Two Bedroom	@ 50% AMI	7	\$1,256	\$105,504
Two Bedroom	@ 60% AMI	39	\$1,516	\$709,488
Two Bedroom	@ 70% AMI	10	\$1,776	\$213,120
Two Bedroom	@ Manager	2	\$0	\$0

Three Bedroom	@ 30% AMI	3	\$846	\$30,456
Three Bedroom	@ 50% AMI	4	\$1,446	\$69,408
Three Bedroom	@ 60% AMI	26	\$1,747	\$545,064
Three Bedroom	@ 70% AMI	6	\$2,047	\$147,384

Total/Average		145	\$1,418	\$2,467,332

Add: Other Income		\$8 /Unit/Month		<u>\$13,920</u>
Total Gross Scheduled Income (GSI)				\$2,481,252
II. Effective Gross Income (EGI)				
(Less) Vacancy		5.0% of GSI		<u>(\$124,063)</u>
Total Effective Gross Income (EGI)				\$2,357,189
III. Operating Expenses				
(Less) Operating Expenses		\$5,400 /Unit/Year		(\$783,000)
(Less) Tenant Services (2)		\$0 /Unit/Year		\$0
(Less) Property Taxes/Assessments (3)		\$69 /Unit/Year		(\$10,000)
(Less) Replacement Reserves		\$300 /Unit/Year		(\$43,500)
(Less) CalHFA Monitoring Fees		\$52 /Unit/Year		(\$7,500)
(Less) City Housing Authority Monitoring Fees		<u>\$201 /Unit/Year</u>		<u>(\$29,000)</u>
Total Expenses		\$6,021 /Unit/Year		(\$873,000)
		37.0% of EGI		
IV. Net Operating Income				\$1,484,189
V. (Less) Payment for City's Land Loan		0.93% of City Land Loan		(\$30,000)
VI. (Less) Payment for Housing Authority's Cash Loan		0.29% of City Cash Loan		(\$30,000)
VII. NOI after Debt Service for Local Public Loans				\$1,424,189

(1) Reflects 2020 Tax Credit Allocation Committee (TCAC) rents net of monthly utility allowance of \$25 for studio, \$34 for one-bedroom, \$44 for two-bedroom units, and \$55 for three-bedroom units. Utility profile consists of electric heat,

(2) See Table 5.

(3) Assumes that the project will qualify for tax-exempt status.

TABLE 4

**FINANCING DEFICIT
KIMBALL HIGHLANDS MASTER PLAN
CITY OF NATIONAL CITY**

I. Sources of Funds	<u>Total</u>	<u>Per Unit</u>
Supportable Permanent Loan (1)	\$22,599,000	\$156,000
Tax Credit Equity Investment - Federal (2)	\$30,176,000	\$208,000
Tax Credit Equity Investment - State (2)	\$10,279,000	\$71,000
Deferred Developer Fee (3)	\$0	\$0
General Partner Equity Contribution (3)	\$7,471,000	\$52,000
CalHFA Mixed-Income Program (MIP) Loan (4)	\$6,400,000	\$44,000
Accrued Interest on Soft Debt	\$457,000	\$3,000
CDLAC/TCAC Refunds on Deposits	<u>\$200,000</u>	<u>\$1,000</u>
Total Sources of Funds	\$77,582,000	\$535,000
II. (Less) Development Costs - Excl. Acquisition	<u>(\$85,197,000)</u>	<u>(\$588,000)</u>
III. Residual Land Value	<u>(\$7,615,000)</u>	<u>(\$53,000)</u>
IV. (Less) Land Acquisition Costs - Site One	(\$2,860,000)	(\$20,000)
V. (Less) Capitalized Ground Lease Payment - Site Two	(\$3,215,000)	(\$22,000)
VI. Financing Deficit	<u>(\$13,690,000)</u>	<u>(\$94,000)</u>
VII. Proposed City Sources of Funds		
Ground Lease Note	\$3,215,000	\$22,000
Residual Receipts Cash Loan	<u>\$10,475,000</u>	<u>\$72,000</u>
Total City Sources of Funds	\$13,690,000	\$94,000

TABLE 4 (CONT'D.)

**FINANCING DEFICIT
KIMBALL HIGHLANDS MASTER PLAN
CITY OF NATIONAL CITY**

(1) Supportable Permanent Loan

NOI		\$1,424,189
Interest Rate		4.61%
Term (years)		40
Debt Coverage Ratio		1.15
Annual Debt Service		\$1,238,425
Supportable Permanent Loan		\$22,599,430

(2) Low Income Housing Tax Credits (Federal)

Estimate of Eligible Basis:

Total Development Costs		\$91,272,000
(Less) Subtotal Ineligible Costs	11%	<u>(\$9,962,230)</u>
Eligible Basis		\$81,309,770

Estimate of Maximum Threshold Basis Limit: * \$85,704,132

* Reflects basis adjustments for prevailing wages, elevator, and units below 50% AMI. Includes development impact fees of \$1,734,838.

Tax Credit Proceeds:

	Federal	State
Maximum Eligible Basis	\$81,309,770	\$81,309,770
(Less) Voluntary Adjustment in Basis	0% \$0	49% <u>(\$40,028,223)</u>
Total Requested Unadjusted Basis	\$81,309,770	\$41,281,547
Impacted Bonus Factor	130% \$105,702,701	100% \$41,281,547
Tax Credit Qualified Units/Applicable Factor	100% \$105,702,701	100% \$41,281,547
Tax Credit Rate	3.07% \$3,245,073	30.00% \$12,384,464
Total Tax Credits @	10 \$32,450,729	1 \$12,384,464
Limited Partner Share	100% \$32,447,484	100% \$12,383,226
Present Market Value @	93% \$30,176,160	83% \$10,279,105

(3) Estimate of Deferred Developer Fee

Eligible Basis		\$81,309,770
(Less) Developer Fee		<u>(\$9,671,206)</u>
Unadjusted Eligible Basis		\$71,638,564
Total Developer Fee	13.5%	\$9,671,206
General Partner Equity Contribution		\$7,471,206
Deferred Developer Fee		<u>\$0</u>
Total Deferred/Contributed Developer Fee	77.3%	\$7,471,206
Upfront Developer Fee		\$2,200,000

(4) CalHFA Mixed Income Program (MIP)

Units at 50% AMI - 80% AMI	128 Units
Per Unit Allocation	\$50,000 /Unit
Total MIP Loan	\$6,400,000

TABLE 5

**CASH FLOW PROJECTION
KIMBALL HIGHLANDS MASTER PLAN
CITY OF NATIONAL CITY**

		<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>
I. Gross Scheduled Income (GSI)	2.5%	\$2,481,252	\$2,543,283	\$2,606,865	\$2,672,037	\$2,738,838	\$2,807,309	\$2,877,492	\$2,949,429	\$3,023,165
(Less) Vacancy	5.0%	<u>(\$124,063)</u>	<u>(\$127,163)</u>	<u>(\$130,342)</u>	<u>(\$133,601)</u>	<u>(\$136,941)</u>	<u>(\$140,364)</u>	<u>(\$143,873)</u>	<u>(\$147,470)</u>	<u>(\$151,157)</u>
II. Effective Gross Income (EGI)		\$2,357,189	\$2,416,120	\$2,476,523	\$2,538,436	\$2,601,897	\$2,666,945	\$2,733,618	\$2,801,959	\$2,872,008
(Less) Operating Expenses (1)		<u>(\$873,000)</u>	<u>(\$901,620)</u>	<u>(\$931,239)</u>	<u>(\$961,891)</u>	<u>(\$993,613)</u>	<u>(\$1,026,442)</u>	<u>(\$1,060,417)</u>	<u>(\$1,095,578)</u>	<u>(\$1,131,966)</u>
(Less) Annual Payment to City		<u>(\$30,000)</u>	<u>(\$30,000)</u>	<u>(\$30,000)</u>	<u>(\$30,000)</u>	<u>(\$30,000)</u>	<u>(\$30,000)</u>	<u>(\$30,000)</u>	<u>(\$30,000)</u>	<u>(\$30,000)</u>
(Less) Annual Payment to Housing Authority		<u>(\$30,000)</u>	<u>(\$30,000)</u>	<u>(\$30,000)</u>	<u>(\$30,000)</u>	<u>(\$30,000)</u>	<u>(\$30,000)</u>	<u>(\$30,000)</u>	<u>(\$30,000)</u>	<u>(\$30,000)</u>
III. Net Operating Income (NOI)		\$1,424,189	\$1,454,500	\$1,485,285	\$1,516,545	\$1,548,284	\$1,580,503	\$1,613,201	\$1,646,381	\$1,680,042
(Less) Debt Service		<u>(\$1,238,425)</u>	<u>(\$1,238,425)</u>	<u>(\$1,238,425)</u>	<u>(\$1,238,425)</u>	<u>(\$1,238,425)</u>	<u>(\$1,238,425)</u>	<u>(\$1,238,425)</u>	<u>(\$1,238,425)</u>	<u>(\$1,238,425)</u>
IV. Project Cash Flow		\$185,764	\$216,075	\$246,859	\$278,120	\$309,859	\$342,077	\$374,776	\$407,956	\$441,617
V. (Less) Asset Management Fees										
Limited Partner Asset Mgmt. Fees	3.0%	<u>(\$12,500)</u>	<u>(\$12,875)</u>	<u>(\$13,261)</u>	<u>(\$13,659)</u>	<u>(\$14,069)</u>	<u>(\$14,491)</u>	<u>(\$14,926)</u>	<u>(\$15,373)</u>	<u>(\$15,835)</u>
General Partner Asset Mgmt. Fees	3.0%	<u>(\$25,000)</u>	<u>(\$25,750)</u>	<u>(\$26,523)</u>	<u>(\$27,318)</u>	<u>(\$28,138)</u>	<u>(\$28,982)</u>	<u>(\$29,851)</u>	<u>(\$30,747)</u>	<u>(\$31,669)</u>
(Less) Total Asset Management Fees		<u>(\$37,500)</u>	<u>(\$38,625)</u>	<u>(\$39,784)</u>	<u>(\$40,977)</u>	<u>(\$42,207)</u>	<u>(\$43,473)</u>	<u>(\$44,777)</u>	<u>(\$46,120)</u>	<u>(\$47,504)</u>
VI. (Less) Resident Services Fee	3.5%	<u>(\$60,000)</u>	<u>(\$62,100)</u>	<u>(\$64,274)</u>	<u>(\$66,523)</u>	<u>(\$68,851)</u>	<u>(\$71,261)</u>	<u>(\$73,755)</u>	<u>(\$76,337)</u>	<u>(\$79,009)</u>
VII. Net Cash Flow		\$88,264	\$115,350	\$142,802	\$170,620	\$198,801	\$227,343	\$256,244	\$285,499	\$315,105
VIII. Developer Fee Repayment		\$0								
IX. Cash Flow Available for Distribution (2)		\$88,264	\$115,350	\$142,802	\$170,620	\$198,801	\$227,343	\$256,244	\$285,499	\$315,105

(1) Reflects annual escalation at 3.5% for operating expenses and monitoring fee; 0% for replacement reserves; and 2.0% for taxes/assessments.

(2) See Table 6 for cash flow distribution.

TABLE 5

**CASH FLOW PROJECTION
KIMBALL HIGHLANDS MASTER PLAN
CITY OF NATIONAL CITY**

		<u>10</u>	<u>11</u>	<u>12</u>	<u>13</u>	<u>14</u>	<u>15</u>	<u>36</u>	<u>55</u>
I. Gross Scheduled Income (GSI)	2.5%	\$3,098,744	\$3,176,212	\$3,255,618	\$3,337,008	\$3,420,433	\$3,505,944	\$5,888,520	\$9,413,684
(Less) Vacancy	5.0%	<u>(\$154,936)</u>	<u>(\$158,809)</u>	<u>(\$162,779)</u>	<u>(\$166,849)</u>	<u>(\$171,020)</u>	<u>(\$175,296)</u>	<u>(\$294,423)</u>	<u>(\$470,680)</u>
II. Effective Gross Income (EGI)		\$2,943,808	\$3,017,403	\$3,092,838	\$3,170,159	\$3,249,413	\$3,330,648	\$5,594,097	\$8,943,004
(Less) Operating Expenses (1)		<u>(\$1,169,624)</u>	<u>(\$1,208,596)</u>	<u>(\$1,248,929)</u>	<u>(\$1,290,670)</u>	<u>(\$1,333,868)</u>	<u>(\$1,378,575)</u>	<u>(\$2,777,874)</u>	<u>(\$5,284,106)</u>
(Less) Annual Payment to City		<u>(\$30,000)</u>	<u>(\$30,000)</u>	<u>(\$30,000)</u>	<u>(\$30,000)</u>	<u>(\$30,000)</u>	<u>(\$30,000)</u>	<u>(\$30,000)</u>	<u>(\$30,000)</u>
(Less) Annual Payment to Housing Authority		<u>(\$30,000)</u>	<u>(\$30,000)</u>	<u>(\$30,000)</u>	<u>(\$30,000)</u>	<u>(\$30,000)</u>	<u>(\$30,000)</u>	<u>(\$30,000)</u>	<u>(\$30,000)</u>
III. Net Operating Income (NOI)		\$1,714,184	\$1,748,807	\$1,783,909	\$1,819,489	\$1,855,545	\$1,892,074	\$2,756,222	\$3,598,898
(Less) Debt Service		<u>(\$1,238,425)</u>	<u>(\$1,238,425)</u>	<u>(\$1,238,425)</u>	<u>(\$1,238,425)</u>	<u>(\$1,238,425)</u>	<u>(\$1,238,425)</u>	<u>(\$1,238,425)</u>	<u>\$0</u>
IV. Project Cash Flow		\$475,759	\$510,382	\$545,484	\$581,064	\$617,120	\$653,649	\$1,517,797	\$3,598,898
V. (Less) Asset Management Fees									
Limited Partner Asset Mgmt. Fees	3.0%	<u>(\$16,310)</u>	<u>(\$16,799)</u>	<u>(\$17,303)</u>	<u>(\$17,822)</u>	<u>(\$18,357)</u>	<u>(\$18,907)</u>	\$0	\$0
General Partner Asset Mgmt. Fees	3.0%	<u>(\$32,619)</u>	<u>(\$33,598)</u>	<u>(\$34,606)</u>	<u>(\$35,644)</u>	<u>(\$36,713)</u>	<u>(\$37,815)</u>	<u>(\$70,347)</u>	<u>(\$123,353)</u>
(Less) Total Asset Management Fees		<u>(\$48,929)</u>	<u>(\$50,397)</u>	<u>(\$51,909)</u>	<u>(\$53,466)</u>	<u>(\$55,070)</u>	<u>(\$56,722)</u>	<u>(\$70,347)</u>	<u>(\$123,353)</u>
VI. (Less) Resident Services Fee	3.5%	<u>(\$81,774)</u>	<u>(\$84,636)</u>	<u>(\$87,598)</u>	<u>(\$90,664)</u>	<u>(\$93,837)</u>	<u>(\$97,122)</u>	<u>(\$200,015)</u>	<u>(\$384,530)</u>
VII. Net Cash Flow		\$345,056	\$375,349	\$405,977	\$436,934	\$468,212	\$499,805	\$1,247,435	\$3,091,015
VIII. Developer Fee Repayment									
IX. Cash Flow Available for Distribution (2)		\$345,056	\$375,349	\$405,977	\$436,934	\$468,212	\$499,805	\$1,247,435	\$3,091,015

(1) Reflects annual escalation at 3.5% for operating expenses and monitoring fee; 0% for replacement reserves; and 2.0% for taxes/assessments.

(2) See Table 6 for cash flow distribution.

TABLE 6

**PUBLIC LOAN REPAYMENT SCHEDULE
KIMBALL HIGHLANDS MASTER PLAN
CITY OF NATIONAL CITY**

		<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>
I. Cash Flow Available for Distribution		\$88,264	\$115,350	\$142,802	\$170,620	\$198,801	\$227,343	\$256,244	\$285,499	\$315,105
II. Allocated to Pay Down Public Loans	50.0%	\$44,132	\$57,675	\$71,401	\$85,310	\$99,401	\$113,672	\$128,122	\$142,749	\$157,552
III. City of National City - Land Value Loan										
Beginning Balance		\$3,215,000	\$3,251,377	\$3,278,525	\$3,296,320	\$3,304,637	\$3,303,352	\$3,292,343	\$3,271,486	\$3,240,662
Interest	3.0%	\$96,450	\$96,450	\$96,450	\$96,450	\$96,450	\$96,450	\$96,450	\$96,450	\$96,450
(Less) Debt Service Payment		(\$30,000)	(\$30,000)	(\$30,000)	(\$30,000)	(\$30,000)	(\$30,000)	(\$30,000)	(\$30,000)	(\$30,000)
(Less) Cash Flow Credit (1)		(\$30,073)	(\$39,302)	(\$48,655)	(\$58,133)	(\$67,735)	(\$77,460)	(\$87,307)	(\$97,274)	(\$107,361)
Ending Balance		\$3,251,377	\$3,278,525	\$3,296,320	\$3,304,637	\$3,303,352	\$3,292,343	\$3,271,486	\$3,240,662	\$3,199,750
<i>Projected Total Cash to the City (Rounded)</i>		\$60,000	\$69,000	\$79,000	\$88,000	\$98,000	\$107,000	\$117,000	\$127,000	\$137,000
IV. Housing Authority National City - Cash Loan										
Beginning Balance		\$10,475,000	\$10,759,250	\$11,043,500	\$11,327,750	\$11,612,000	\$11,896,250	\$12,180,500	\$12,464,750	\$12,749,000
Interest	3.0%	\$314,250	\$314,250	\$314,250	\$314,250	\$314,250	\$314,250	\$314,250	\$314,250	\$314,250
(Less) Debt Service Payment		(\$30,000)	(\$30,000)	(\$30,000)	(\$30,000)	(\$30,000)	(\$30,000)	(\$30,000)	(\$30,000)	(\$30,000)
(Less) Cash Flow Credit (1)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance		\$10,759,250	\$11,043,500	\$11,327,750	\$11,612,000	\$11,896,250	\$12,180,500	\$12,464,750	\$12,749,000	\$13,033,250
V. CalHFA Mixed-Income Program Loan										
Beginning Balance		\$6,400,000	\$6,561,941	\$6,719,568	\$6,872,822	\$7,021,645	\$7,165,979	\$7,305,767	\$7,440,952	\$7,571,477
Interest	2.75%	\$176,000	\$176,000	\$176,000	\$176,000	\$176,000	\$176,000	\$176,000	\$176,000	\$176,000
(Less) Cash Flow Credit	31.9%	(\$14,059)	(\$18,373)	(\$22,746)	(\$27,177)	(\$31,666)	(\$36,212)	(\$40,815)	(\$45,475)	(\$50,191)
Ending Balance		\$6,561,941	\$6,719,568	\$6,872,822	\$7,021,645	\$7,165,979	\$7,305,767	\$7,440,952	\$7,571,477	\$7,697,286

(1) The City and Housing Authority (combined) will receive 68.1% of the public agencies' share of residual receipts. The City's Land Loan will be repaid in its entirety before the Housing Authority receives any residual receipt payments. The City Land Loan is projected to be repaid in Year 27.

TABLE 6

**PUBLIC LOAN REPAYMENT SCHEDULE
KIMBALL HIGHLANDS MASTER PLAN
CITY OF NATIONAL CITY**

		<u>10</u>	<u>11</u>	<u>12</u>	<u>13</u>	<u>14</u>	<u>15</u>	<u>36</u>	<u>55</u>
I. Cash Flow Available for Distribution		\$345,056	\$375,349	\$405,977	\$436,934	\$468,212	\$499,805	\$1,247,435	\$3,091,015
II. Allocated to Pay Down Public Loans	50.0%	\$172,528	\$187,674	\$202,988	\$218,467	\$234,106	\$249,902	\$623,718	\$1,545,507
III. City of National City - Land Value Loan									
Beginning Balance		\$3,199,750	\$3,148,176	\$3,084,734	\$3,008,953	\$2,920,351	\$2,818,434		
Interest	3.0%	\$95,993	\$94,445	\$92,542	\$90,269	\$87,611	\$84,553		
(Less) Debt Service Payment		(\$30,000)	(\$30,000)	(\$30,000)	(\$30,000)	(\$30,000)	(\$30,000)		
(Less) Cash Flow Credit (1)		<u>(\$117,566)</u>	<u>(\$127,888)</u>	<u>(\$138,323)</u>	<u>(\$148,871)</u>	<u>(\$159,528)</u>	<u>(\$170,292)</u>		
Ending Balance		\$3,148,176	\$3,084,734	\$3,008,953	\$2,920,351	\$2,818,434	\$2,702,695		
<i>Projected Total Cash to the City (Rounded)</i>		<i>\$148,000</i>	<i>\$158,000</i>	<i>\$168,000</i>	<i>\$179,000</i>	<i>\$190,000</i>	<i>\$200,000</i>		
IV. Housing Authority National City - Cash Loan									
Beginning Balance		\$13,033,250	\$13,317,500	\$13,601,750	\$13,886,000	\$14,170,250	\$14,454,500	\$17,386,082	\$6,619,019
Interest	3.0%	\$314,250	\$314,250	\$314,250	\$314,250	\$314,250	\$314,250	\$314,250	\$198,571
(Less) Debt Service Payment		(\$30,000)	(\$30,000)	(\$30,000)	(\$30,000)	(\$30,000)	(\$30,000)	(\$30,000)	(\$30,000)
(Less) Cash Flow Credit (1)		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$425,022)</u>	<u>(\$1,053,160)</u>
Ending Balance		\$13,317,500	\$13,601,750	\$13,886,000	\$14,170,250	\$14,454,500	\$14,738,750	\$17,245,310	<u>\$5,734,000</u>
V. CalHFA Mixed-Income Program Loan									
Beginning Balance		\$7,697,286	\$7,818,324	\$7,934,537	\$8,045,872	\$8,152,276	\$8,253,697	\$9,077,648	\$4,889,943
Interest	2.75%	\$176,000	\$176,000	\$176,000	\$176,000	\$176,000	\$176,000	\$176,000	\$134,473
(Less) Cash Flow Credit	31.9%	<u>(\$54,962)</u>	<u>(\$59,787)</u>	<u>(\$64,665)</u>	<u>(\$69,596)</u>	<u>(\$74,578)</u>	<u>(\$79,611)</u>	<u>(\$198,695)</u>	<u>(\$492,347)</u>
Ending Balance		\$7,818,324	\$7,934,537	\$8,045,872	\$8,152,276	\$8,253,697	\$8,350,087	\$9,054,952	<u>\$4,532,000</u>

(1) The City and Housing Authority (combined) will receive 68.1% of the public agencies' share of residual receipts. The City's Land Loan will be repaid in its entirety before the Housing Authority receives any residual receipt payments. The City Land Loan is projected to be repaid in Year 27.

RESOLUTION NO. 2020 -

RESOLUTION OF THE COMMUNITY DEVELOPMENT COMMISSION-HOUSING AUTHORITY OF THE CITY OF NATIONAL CITY (“HOUSING AUTHORITY”) (1) AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A DISPOSITION AND DEVELOPMENT AGREEMENT BY AND BETWEEN THE HOUSING AUTHORITY, COMMUNITY HOUSINGWORKS, AND CENTRO DE LA SALUD DE LA COMUNIDAD DE SAN YSIDRO, INC., DBA SAN YSIDRO HEALTH, FOR THE DEVELOPMENT OF THE KIMBALL HIGHLAND MASTER PLAN THAT INCLUDES (A) 60 AFFORDABLE HOUSING UNITS AND A NEW SENIOR CENTER ON A PARCEL OF LAND OWNED BY THE HOUSING AUTHORITY LOCATED AT 1221 “D” AVENUE, AND (B) 85 AFFORDABLE HOUSING UNITS, A PROGRAM OF ALL-INCLUSIVE CARE FOR THE ELDERLY CENTER, AND A FEDERALLY QUALIFIED HEALTH CENTER ON A PARCEL OF LAND LOCATED ON THE WESTERLY SIDE OF 1320 HIGHLAND AVENUE; AND (2) AUTHORIZING THE ESTABLISHMENT OF A HOUSING AUTHORITY FUND BASELINE APPROPRIATION OF \$10,475,000 BUT NOT-TO-EXCEED \$11,662,000 FROM FUND BALANCE OF THE HOUSING AUTHORITY FUND FOR A HOUSING AUTHORITY LOAN TO COMMUNITY HOUSINGWORKS TO FINANCE THE DEVELOPMENT OF THE AFFORDABLE HOUSING AND NEW SENIOR CENTER

WHEREAS, the Community Development Commission-Housing Authority of the City of National City (“Housing Authority” or “CDC-HA”), Community Housing Works (“Affordable Housing Developer”) and Centro De Salud De La Comunidad De San Ysidro, Inc., dba San Ysidro Health (“Health Center Developer”) are all of the parties to that certain Exclusive Negotiation Agreement (D Avenue: Mixed-Use Master Plan) by and among Housing Authority, Affordable Housing Developer, and Health Center Developer, dated as of November 19, 2019 (as amended, the “ENA”); and

WHEREAS, the Disposition and Development Agreement (“Agreement” or “DDA”) among the Housing Authority, Affordable Housing Developer, and Health Center Developer will supersede the ENA in its entirety; and

WHEREAS, the Affordable Housing Developer entered into a Purchase and Sale Agreement with Patricia L. Peterson, Trustee of the L.O. Lindemulder Trust No. 1, and Patricia L. Peterson, and Mary M. Peterson, Co-Trustee of the Peterson Family Trust B dated July 1, 1980 (collectively, “Seller”) pursuant to which the Affordable Housing Developer intends to acquire that certain real property identified as APN 560-410-03, 560-050-06, 560-050-12 and 505-050-10 (collectively, the “Peterson Property”) as Site 1 and a portion of Site 3 as shown on the Exhibit “A” of the Agreement; and;

WHEREAS, the Affordable Housing Developer shall construct the approximately 85-unit affordable housing project, parking for the affordable housing project and off-site improvements (“Phase 1 Project”) on Site 1; and

**Resolution No. 2020 –
Page Two**

WHEREAS, the Housing Authority owns certain real property described as APN 560-410-06 and shown on the Parcel Map attached to the Agreement as Exhibit A, which the Housing intends to lease to an affiliate of the Affordable Housing Developer (“Site 2 Owner”), upon which the Site 2 Owner shall construct approximately 60-units of affordable housing, Senior Center operated by the City of National City, and parking (“Phase 2 Project”) on Site 2 and the Housing Authority desires to ground lease Site 2 to the Site 2 Owner and the Affordable Housing Developer desires for the Site 2 Owner to lease Site 2 from CDC-HA pursuant to a Ground Lease as defined in the Agreement; and

WHEREAS, the Housing Authority owns that certain Public Right of Way located at Kimball Way as shown on the Exhibit “A” of the Agreement (“Kimball Public Right of Way”) and the Housing Authority desires to sell fee simple title to the Kimball Public Right of Way to the Health Center Developer pursuant to Health and Safety Code Section 34312.3(b); and

WHEREAS, prior to or concurrently with the closing of Affordable Housing Developer’s acquisition of the Peterson Property from Seller, the Affordable Housing Developer desires to sell fee simple title to that certain real property and improvements identified as all of APN 560-410-03, and portions of APN 560-050-06 and 560-050-12 to Health Center Developer; and

WHEREAS, the Kimball Public Right of Way and APN 560-410-03, and the portions of APN 560-050-06 and 560-050-12 are defined herein collectively as Site 3 and the Health Center Developer shall construct the Program of All-Inclusive Care for the Elderly Clinic and Federally Qualified Health Center to be developed by Health Center Developer on Health Center Site, parking for the Program of All-Inclusive Care for the Elderly Clinic and Federally Qualified Health Center (“Phase 3 Project”); and

WHEREAS, the Housing Authority shall provide subordinate mortgage loans in the aggregate amount of up to the Housing Authority Loan Amount to the Site 1 Owner and/or Site 2 Owner to finance the acquisition, construction and development of the Phase 1 Project, and the Phase 2 Project, as applicable. Provided, however, it is anticipated that Site 1 Owner and Site 2 Owner will be the same entity and that the Phase 1 Project and the Phase 2 Project will be one and the same project; and

WHEREAS, the baseline aggregate Housing Authority Loan Amount is up to \$10,475,000.00; provided, however, the aggregate Housing Authority Loan Amount may be increased to \$11,662,000.00 upon delivery by the Affordable Housing Developer to the CDC-HA of evidence which is sufficient to demonstrate that the other financing sources for the Phase 1 Project and the Phase 2 Project are insufficient to construct the Phase 1 Project and the Phase 2 Project, as determined in the sole discretion of the Executive Director of the Housing Authority.

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**Resolution No. 2020 –
Page Three**

NOW, THEREFORE, BE IT RESOLVED that the Community Development Commission-Housing Authority of the City of National City hereby finds and declares that the above recitals are true and correct.

BE IT FURTHER RESOLVED that the Community Development Commission-Housing Authority of the City of National City authorizes the Executive Director to execute a Disposition and Development Agreement by and between the Housing Authority, Community HousingWorks, and Centro De La Salud De La Comunidad de San Ysidro, Inc., dba San Ysidro Health for the development of the Kimball Highland Master Plan that includes (a) 60 affordable housing units and a new senior center on a parcel of land owned by the Housing Authority located at 1221 “D” Avenue, and (b) 85 affordable housing units, a Program of All-Inclusive Care for the Elderly Center, and a Federally Qualified Health Center on a parcel of land located on the westerly side of 1320 Highland Avenue.

BE IT FURTHER RESOLVED that the Community Development Commission-Housing Authority of the City of National City authorizes the establishment of a Housing Authority Fund baseline appropriation of \$10,475,000 but not-to-exceed \$11,662,000 from fund balance of the Housing Authority Fund for a Housing Authority Loan to Community HousingWorks to finance the development of the affordable housing and new senior center.

PASSED and ADOPTED this 20TH day of October, 2020.

Alejandra Sotelo Solis, Chairwoman

ATTEST:

Brad Raulston, Secretary

APPROVED AS TO FORM:

Angil P. Morris-Jones, General Counsel

The following page(s) contain the backup material for Agenda Item: [Traffic Signal Upgrades. \(Engineering/Public Works\)](#)

Please scroll down to view the backup material.

Item # ____
10/20/20

Traffic Signal Upgrades

(Engineering/Public Works)

The following page(s) contain the backup material for Agenda Item: [Housing Advisory Committee Report: Update on the Sixth Cycle Housing Element 2021-2029. \(Housing Authority\)](#)

Please scroll down to view the backup material.

Item # ____

10/20/20

**Housing Advisory Committee Report:
Update on the Sixth Cycle Housing Element 2021-2029.**

(NATIONAL CITY HOUSING AUTHORITY)

The following page(s) contain the backup material for Agenda Item: [City Manager Report.
\(City Manager\)](#)

Please scroll down to view the backup material.

Item # ____
10/20/20

City Manager Report

(City Manager)