



AGENDA

**REGULAR MEETINGS
OF THE
SANTA FE SPRINGS
PUBLIC FINANCING AUTHORITY
WATER UTILITY AUTHORITY
HOUSING SUCCESSOR
SUCCESSOR AGENCY
AND CITY COUNCIL**

**November 20, 2018
6:00 P.M.**

Council Chambers
11710 Telegraph Road
Santa Fe Springs, CA 90670

Jay Sarno, Mayor
Juanita Trujillo, Mayor Pro Tem
Richard J. Moore, Councilmember
William K. Rounds, Councilmember
Joe Angel Zamora, Councilmember

Public Comment: The public is encouraged to address City Council on any matter listed on the agenda or on any other matter within its jurisdiction. If you wish to address the City Council, please complete the card that is provided at the rear entrance to the Council Chambers and hand the card to the City Clerk or a member of staff. City Council will hear public comment on items listed on the agenda during discussion of the matter and prior to a vote. City Council will hear public comment on matters not listed on the agenda during the Oral Communications period.

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

Americans with Disabilities Act: In compliance with the ADA, if you need special assistance to participate in a City meeting or other services offered by this City, please contact the City Clerk's Office. Notification of at least 48 hours prior to the meeting or time when services are needed will assist the City staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.

Please Note: Staff reports, and supplemental attachments, are available for inspection at the office of the City Clerk, City Hall, 11710 E. Telegraph Road during regular business hours 7:30 a.m. – 5:30 p.m., Monday – Thursday and every other Friday. Telephone (562) 868-0511.

1. CALL TO ORDER

2. ROLL CALL

Richard J. Moore, Councilmember
William K. Rounds, Councilmember
Joe Angel Zamora, Councilmember
Juanita Trujillo, Mayor Pro Tem
Jay Sarno, Mayor

PUBLIC FINANCING AUTHORITY

3. CONSENT AGENDA

Consent Agenda items are considered routine matters which may be enacted by one motion and vote. Any item may be removed from the Consent Agenda and considered separately by the Public Financing Authority

Approval of Minutes

- a. Minutes of the October 25, 2018 Public Financing Authority Meeting
Recommendation: That the Public Financing Authority approve the minutes as submitted.

Monthly Reports

- b. Monthly Report on the Status of Debt Instruments Issued through the City of Santa Fe Springs Public Financing Authority (PFA)
Recommendation: That the Public Financing Authority receive and file the report.

WATER UTILITY AUTHORITY

4. CONSENT AGENDA

Consent Agenda items are considered routine matters which may be enacted by one motion and vote. Any item may be removed from the Consent Agenda and considered separately by the Water Utility Authority.

Approval of Minutes

- a. Minutes of the October 25, 2018 Water Utility Authority Meeting
Recommendation: That the Water Utility Authority:
- Approve the minutes as submitted.

Monthly Reports

- b. Monthly Report on the Status of Debt Instruments Issued through the City of Santa Fe Springs Water Utility Authority (WUA)
Recommendation: That the Water Utility Authority:
- Receive and file the report.
- c. Status Update of Water-Related Capital Improvement Projects
Recommendation: That the Water Utility Authority:
- Receive and file the report.

HOUSING SUCCESSOR

5. CONSENT AGENDA

Consent Agenda items are considered routine matters which may be enacted by one motion and vote. Any item may be removed from the Consent Agenda and considered separately by the Successor Agency.

Approval of Minutes

Minutes of the October 25, 2018 Housing Successor Agency Meeting

Recommendation: That the Housing Successor approve the minutes as submitted.

SUCCESSOR AGENCY

6. CONSENT AGENDA

Consent Agenda items are considered routine matters which may be enacted by one motion and vote. Any item may be removed from the Consent Agenda and considered separately by the Water Utility Authority.

Approval of Minutes

Minutes of the October 25, 2018 Successor Agency Meeting

Recommendation: That the Successor Agency approve the minutes as submitted.

CITY COUNCIL

7. CONSENT AGENDA

Consent Agenda items are considered routine matters which may be enacted by one motion and vote. Any item may be removed from the Consent Agenda and considered separately by the City Council.

a. Minutes of the October 25, 2018 Regular City Council Meeting

Recommendation: That the City Council:

- Approve the minutes as submitted.

b. Cancellation of the December 27, 2018, City Council Meeting

Recommendation: That the City Council:

- Approve cancellation of the second meeting of December 2018.

ADOPTION OF ORDINANCE

8. Ordinance No. 1096 - An Ordinance of the City of Santa Fe Springs amending Section 97.340 (Underground Storage Tank Standards) of Chapter 97 (Environmental Protection) of Title IX (General Regulations) of the Santa Fe Springs Municipal Code to Update the Section to Comply with State Law

Recommendation: That the City Council:

- Give second reading and adopt Ordinance No. 1096.

INTRODUCTION OF ORDINANCE

9. Ordinance No. 1095 – Municipal Code Amendment to 130.04(B)(18) and Additions 130.04(B)(23) and 130.04(B)(24)

Recommendation: That the City Council:

- Read by title only, waive further reading and introduce Ordinance No. 1095.

OLD BUSINESS

10. Resolution No. 9609 – Authorizing a Disposition and Development Agreement between the City of Santa Fe Springs and SFS Hospitality LLC., for the property located at 10415 Norwalk Boulevard (newly assigned address), at the southwest corner of Norwalk Boulevard and Telegraph Road, in the M-2-Heavy Manufacturing, Zone

Recommendation: That the City Council approve, and Mayor execute:

- Approve the Disposition and Development Agreement between the City of Santa Fe Springs and SFS Hospitality LLC.
- Authorize the Mayor or designee to execute the Disposition and Development Agreement between the City of Santa Fe Springs and SFS Hospitality LLC.

NEW BUSINESS

11. Approval of Agreement between SFS and California State University for Student Intern Program

Recommendation: That the City Council approve, and Mayor execute:

- The California State University Long Beach Student Field Placement Agreement; and
- The California State University Los Angeles Clinical Affiliation Agreement No. 6718-0081.

12. Santa Fe Springs Athletic Fields Picnic Shelter – Trellis Replacement Project – Award of Contract

Recommendation: That the City Council:

- Approve adding the Santa Fe Springs Athletic Fields Picnic Shelter –Trellis Replacement project to the Capital Improvement Plan;
- Appropriate \$60,000 from Utility Users Tax Funds to the Santa Fe Springs Athletic Fields Picnic Shelter-Trellis Replacement project;
- Accept the bids; and
- Award a contract to Corral Construction Company of Commerce, California in the amount of \$39,588.00.

13. BNSF Railway Company License Agreement for Electrical Supply Line Across or Along Railway Property

Recommendation: That the City Council:

- Authorize the Mayor to execute the BNSF Railway Company License Agreement for an Electrical Supply Line Across or Along BNSF Railway Company Property.

CLOSED SESSION

14. REAL PROPERTY NEGOTIATIONS

(Pursuant to California Government Code Section 54956.8)

Property: APN: 8009-007-915 for the property located at the southwest corner of Telegraph Road and Norwalk Boulevard

City of Santa Fe Springs
Regular Meetings

November 20, 2018

Agency Negotiator: City Manager, City Attorney, Finance Director and Planning Director

Negotiation Parties: SFS Hospitality

Under Negotiation: Price and Terms for the Sale of Property

Items 15 – 24 will occur in the 7:00 p.m. hour.

15. **INVOCATION**

16. **PLEDGE OF ALLEGIANCE**

17. **INTRODUCTIONS**

- Representatives from the Chamber of Commerce

18. **ANNOUNCEMENTS**

19. **CITY MANAGER'S AND EXECUTIVE TEAM REPORTS**

20. **PRESENTATIONS**

- a. Introduction of New Santa Fe Springs Department of Fire-Rescue Firefighter Candidates

21. **APPOINTMENTS TO BOARDS, COMMITTEES, COMMISSIONS**

- a. Advisory Committee Appointments

22. **ORAL COMMUNICATIONS**

This is the time when comments may be made by interested persons on matters not on the agenda having to do with City business.

23. **COUNCIL COMMENTS**

24. **ADJOURNMENT**

I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing agenda was posted at the following locations; Santa Fe Springs City Hall, 11710 Telegraph Road; Santa Fe Springs City Library, 11700 Telegraph Road; and the Town Center Plaza (Kiosk), 11740 Telegraph Road, not less than 72 hours prior to the meeting.



Janet Martinez, CMC
City Clerk

November 15, 2018
Date

FOR ITEM NO. 3A
PLEASE SEE ITEM NO. 7A



CONSENT CALENDAR

Monthly Report on the Status of Debt Instruments Issued through the City of Santa Fe Springs Public Financing Authority (PFA)

RECOMMENDATION

That the Public Financing Authority receive and file the report.

BACKGROUND

The Santa Fe Springs Public Financing Authority (PFA) is a City entity that has periodically issued debt for the benefit of the Santa Fe Springs community. The following is a brief status report on the debt instruments currently outstanding that were issued through the PFA.

Consolidated Redevelopment Project 2006-A Tax Allocation Bonds

Financing proceeds available for appropriation at 10/31/18

None

Outstanding principal at 10/31/18

\$38,668,258

Bond Repayment

The former Community Development Commission (CDC) issued a number of tax allocation bonds before it was dissolved by State law effective February 1, 2012 which are administered by the City acting as Successor Agency under the oversight of the appointed Oversight Board. The Successor Agency no longer receives tax increment. Instead, distributions from the Redevelopment Property Tax Trust Fund (RPTTF) are received based on approved obligations. It is anticipated that sufficient allocations from the RPTTF will continue to be made to the Successor Agency to meet ongoing debt service obligations.

Unspent Bond Proceeds

Under an approved Bond Expenditure Agreement, unspent bond proceeds of the former CDC in the amount of approximately \$19 million were transferred to the City in July 2014. The funds are to be spent in accordance with the original bond documents. The unspent proceeds continue to be a source of funding within the City's capital improvement program (CIP).

2016 Bond Refunding

In July 2016 the Successor Agency issued its 2016 Tax Allocation Refunding Bonds, which paid off several bond issuances of the former CDC. The bonds were originally issued through the Public Financing Authority and included the 2001 Series A, 2002 Series A, 2003 Series A, the current interest portion of the 2006 Series A, and 2006 Series B bond issuances.

2017 Bond Refunding

In December 2017 the Successor Agency issued its 2017 Tax Allocation Refunding Bonds, which paid off the 2007 Tax Allocation Bonds of the former CDC. The 2007 Bonds were originally issued through the Public Financing Authority.

A handwritten signature in blue ink, appearing to read "Raymond R. Cruz for".

Raymond R. Cruz
City Manager/Executive Director

FOR ITEM NO. 4A
PLEASE SEE ITEM NO. 7A



CONSENT CALENDAR

Monthly Report on the Status of Debt Instruments Issued through the City of Santa Fe Springs Water Utility Authority (WUA)

RECOMMENDATION

That the Water Utility Authority receive and file the report.

BACKGROUND

The Santa Fe Springs Water Utility Authority (WUA) is a City entity that has issued debt for the benefit of the Santa Fe Springs community. The following is a brief status report on the debt instruments currently outstanding that were issued through the WUA.

Water Revenue Bonds, 2013

Financing proceeds available for appropriation at 10/31/18	None
Outstanding principal at 10/31/18	\$6,890,000

Water Revenue Bonds, 2018

Financing proceeds available for appropriation at 10/31/18	None
Outstanding principal at 10/31/18	\$1,800,000

In May 2013 the Water Utility Authority issued the 2013 Water Revenue Bonds in the amount of \$6,890,000. The bonds refunded the existing 2003 Water Revenue Bonds (issued through the Public Financing Authority) and provided additional funds for water improvement projects in the amount of \$2,134,339. The funds were restricted for use on water system improvements. In August 2013 the Water Utility Authority Board appropriated the proceeds for the Equipping Water Well No. 12 Project and all proceeds were since used on this project.

In January 2018 the Water Utility Authority issued the 2018 Water Revenue Bonds in the amount of \$1,800,000. The bonds refunded the existing 2005 Water Revenue Bonds (issued through the Public Financing Authority). No additional funds were raised through the issuance of the 2018 Water Revenue Bonds.

The City budget includes sufficient appropriations and adequate revenues are expected to be collected to meet the debt service obligations associated with the 2013 and 2018 Water Revenue Bonds.

The WUA was formed in June of 2009. Water revenue bonds issued prior to this date were issued through the City of Santa Fe Springs Public Financing Authority.

A handwritten signature in blue ink, appearing to read "Submitting for", is positioned above the printed name of Raymond R. Cruz.

Raymond R. Cruz
City Manager/Executive Director



City of Santa Fe Springs

Water Utility Authority Meeting

ITEM NO. 4C

November 20, 2018

CONSENT AGENDA

Status Update of Water-Related Capital Improvement Projects

RECOMMENDATION

That the Water Utility Authority receive and file the report.

BACKGROUND

This report is for informational purposes only. The following is a listing of current active water projects.

Water Well No. 12 – Packer Testing Hydrogeological Services

At its meeting on September 27, 2018 the City Council awarded a contract to Richard Slade & Associates (Consultant) to provide Packer Testing Hydrogeological Services for Water Well No. 12. Consultant has started working on preparing contract bid documents and set a schedule for the project. The project schedule estimates that the contract bid documents will be completed by the end of this year. Staff anticipates going out to bid for this project in January 2019.

INFRASTRUCTURE IMPACT

The production of adequate water quality by Water Well No. 12 is imperative to addressing the City's water demands.

FISCAL IMPACT

Funding for the Water Well No. 12 – Packer Testing Hydrological Services is available through the Water CIP Fund.

A handwritten signature in blue ink, appearing to read "Raymond R. Cruz".

Raymond R. Cruz
Executive Director

Attachments:

None

A handwritten signature in blue ink, appearing to read "Noe Negrete".

FOR ITEM NO. 5
PLEASE SEE ITEM NO. 7A

FOR ITEM NO. 6
PLEASE SEE ITEM NO. 7A



City of Santa Fe Springs

City Council Meeting

ITEM NO. 7A

November 20, 2018

APPROVAL OF MINUTES

Minutes of the October 25, 2018 Regular City Council Meeting

RECOMMENDATION

Staff recommends that the City Council:

- Approve the minutes as submitted.

BACKGROUND

Staff has prepared minutes for the following meetings:

- October 25, 2018

Staff hereby submits the minutes for Council's approval.

Raymond R. Cruz
City Manager

Attachment:

Minutes for October 25, 2018



APPROVED:

MINUTES OF THE MEETINGS OF THE CITY COUNCIL

October 25, 2018

1. **CALL TO ORDER**

Mayor Sarno called the meeting to order at 6:02 p.m.

2. **ROLL CALL**

Members present: Councilmembers/Directors: Moore, Rounds, Zamora and Mayor Pro Tem/Vice Chair Trujillo.

Members absent: None.

Janet Martinez, City Clerk announced that the Members of the Public Financing Authority and Water Utility Authority receive \$150 for their attendance at meetings.

PUBLIC FINANCING AUTHORITY

3. **CONSENT AGENDA**

Approval of Minutes

- a. Minutes of the September 27, 2018 Public Financing Authority Meeting

Recommendation: That the Public Financing Authority approve the minutes as submitted.

Monthly Reports

- b. Monthly Report on the Status of Debt Instruments Issued through the City of Santa Fe Springs Public Financing Authority (PFA)

Recommendation: That the Public Financing Authority receive and file the report.

It was moved by Mayor Pro Tem Trujillo, seconded by Council Member Moore, approving Item No. 3A, and 3B, by the following vote:

Ayes: Moore, Rounds, Zamora, Trujillo, Sarno

Nays: None

Absent: None

WATER UTILITY AUTHORITY

4. **CONSENT AGENDA**

Approval of Minutes

- a. Minutes of the September 27, 2018 Water Utility Authority Meeting

Recommendation: That the Water Utility Authority:

- Approve the minutes as submitted.

Monthly Reports

- b. Monthly Report on the Status of Debt Instruments Issued through the City of Santa Fe Springs Water Utility Authority (WUA)

Recommendation: That the Water Utility Authority:

- Receive and file the report.

- c. Status Update of Water-Related Capital Improvement Projects

Recommendation: That the Water Utility Authority:

- Receive and file the report.

It was moved by Council Member Rounds, seconded by Council Member Moore, approving Item No. 4A, 4B, & 4C, by the following vote:

Ayes: Moore, Rounds, Zamora, Trujillo, Sarno

Nayes: None

Absent: None

HOUSING SUCCESSOR

5. Minutes of the September 27, 2018 of the Housing Successor Agency.

Recommendation: That the Housing Successor approve the minutes as submitted.

It was moved by Council Member Moore, seconded by Council Member Zamora, approving the minutes as submitted, by the following vote:

Ayes: Moore, Rounds, Zamora, Trujillo, Sarno

Nayes: None

Absent: None

SUCCESSOR AGENCY

6. **CONSENT AGENDA**

Consent Agenda items are considered routine matters which may be enacted by one motion and vote. Any item may be removed from the Consent Agenda and considered separately by the Successor Agency.

Approval of Minutes

Minutes of the September 27, 2018 Successor Agency Meeting

Recommendation: That the Successor Agency:

- Approve the minutes as submitted.

It was moved by Council Member Zamora, seconded by Mayor Pro Tem Trujillo, to approve the minutes as submitted, by the following vote:

Ayes: Moore, Rounds, Zamora, Trujillo, Sarno

Nayes: None

Absent: None

CITY COUNCIL

7. **CONSENT AGENDA**

- a. Minutes of the September 27, 2018 City Council Meetings

Recommendation: That the City Council:

- Approve the minutes as submitted.

b. Residential Street Improvements (Terradell Street – Whiteland Street – Nova Street – Roma Street) – Final Payment

Recommendation: That the City Council:

- Approve the Final Payment (less 5% Retention) to All American Asphalt of Corona, California in the amount of \$196,948.89 for the subject project.

It was moved by Mayor Pro Tem Trujillo, seconded by Council Member Moore, approving Item No. 7A & 7B, by the following vote:

Ayes: Moore, Rounds, Zamora, Trujillo, Sarno

Nays: None

Absent: None

NEW BUSINESS

8. Approval of 2019 Art Fest Event Professional Services Agreement

Recommendation: That the City Council:

- Authorize the Director of Community Services to execute a revised Professional Services Agreement with Crepes and Grapes Café, LLC. Sandra Hahn, for consulting services for the 2019 Art Fest event.

This item was tabled to be considered at a future meeting after discussed and approved by the Heritage Arts Advisory Committee.

CLOSED SESSION

9. REAL PROPERTY NEGOTIATIONS

(Pursuant to California Government Code Section 54956.8)

Property: APN: 8007-001-909 for the property located at 9919 Cedardale Drive, Santa Fe Springs, CA

Agency Negotiator: Public Works Director

Negotiation Parties: Rafael Rosalez

Under Negotiation: Price and Terms for the Sale of Property

Mayor Sarno recessed the meetings at 6:05 p.m.

Mayor Sarno convened the meeting at 7:01 p.m.

City Attorney, Yolanda Summerhill provided a brief report on the closed session item, there was no action taken.

10. **INVOCATION**

Invocation was led by Council Member Zamora.

11. PLEDGE OF ALLEGIANCE

Jakob Popa, 5th grade student from Jersey Elementary led the Pledge of Allegiance.

12. INTRODUCTIONS

- Representatives from the Chamber of Commerce: Daniel O'Marah, Store Manager from Starbucks at Telegraph & Jersey Avenue.
- Santa Fe Springs City Council Candidates for 2018.

13. ANNOUNCEMENTS

The Youth Leadership Committee Members made the following announcements:

- Pumpkin Carving, Tuesday, October 30, 2018 at 3:30 p.m.
- Scare Dare, Wednesday, October 31, 2018 at 9:30 a.m.
- Halloween Carnival & Costume Parade, October 31, 2018 at 5:30 p.m.
- Family Fun Night, November 2, 2018 at 6:00 p.m.
- Cooking with Chef Renee, Saturday, November 3, 2018 at 1:00 p.m.

14. CITY MANAGER AND EXECUTIVE TEAM REPORTS

- City Manager Raymond Cruz reminded residents that Measure Y is on the ballot for the November 6, 2018 election, further information will be sent to residents with their water bills. He also spoke about attending the Red Ribbon Parade.
- Director of Public Works, Noe Negrete spoke about the installation of two Chinese elm trees. They were installed by City staff and West Coast Arborists, Inc. Also, spoke about attending the CA Tree Team Workshop on November 3, 2018 led by West Coast Arborists, Inc.
- Director of Planning, Wayne Morrell announced that the owner of McDonalds located at Telegraph Road will be purchasing the property at 9803 Santa Fe Springs Road, noted it will be turned into offices.
- Director of Police Services, Dino Torres spoke about the 2018 Red Ribbon Week Community Parade. Also provided a traffic enforcement detail update, provided the number of citations issued throughout the last few months.
- Fire Chief, Brent Hayward spoke about the fire that occurred last week at 9600 John St., United Alloys & Metals, Inc. He also spoke about the award that was presented to the Santa Fe Springs Fire Rescue for EMS Recognition; lastly, he spoke about the Fire Station Open House.
- Finance Director, Travis Hickey spoke about the MISAC and CalPERS training that the staff attended. In addition, he spoke about the webinar that he attended related to the finance best practices.
- Director of Library Services, Joyce Ryan spoke about the park cleanup; 16 volunteers were present, including staff. She also spoke about Dia De Los Muertos event that took place on October 20, 2018.

15. PRESENTATIONS

- a. Presentation to Milestone Event Celebrant
- b. Recognition of Girl Scout Troop 14264
- c. Presentation to the 2018 Photo Contest Winners
- d. Presentation by the Los Angeles County Economic Development Corporation ("LAEDC") for a Most Business Friendly City Award Finalist
- e. Presentation – Relay for Life
- f. Circle 3.0 Tree Planting Update
- g. Proclaiming the Month of October 2018 as "National Community Planning Month"

16. APPOINTMENTS TO BOARDS, COMMITTEES, COMMISSIONS

- a. Advisory Committee Appointments
Mayor Pro Tem Trujillo appointed Andrew Bojorquez to the Youth Leadership Advisory Committee.

17. ORAL COMMUNICATIONS

There were no public speakers present.

18. COUNCIL COMMENTS

Mayor Pro Tem Trujillo attended the lantern event and also encouraged everyone to vote on November 6, 2018

Council Member Zamora thanked staff for their assistance. Also, spoke about the Red Ribbon Parade and the Relay for Life.

Council Member Rounds thanked everyone for attending the meeting, congratulated Mr. Martinez on his 99th birthday. Also spoke about the Relay for Life event, thanked the volunteers for participating. Lastly, he acknowledged public safety departments such as the Fire and Police Department.

Council Member Moore congratulated Mr. Martinez; thanked Parks and Recreation staff for preparation on the Halloween season; thanked the Fire department for taking care of the titanium fire; last, thanked the police department for the traffic safety.

Mayor Sarno thanked staff for the Halloween decorations and congratulated Mr. Martinez.

19. ADJOURNMENT

Mayor Sarno adjourned the meeting in memory of Lina Granados Ayala and Gary Zeigler at 8:28 p.m.

Jay Sarno
Mayor

ATTEST:

Janet Martinez
City Clerk

Date

November 20, 2018

**City of Santa Fe Springs****City Council Meeting****CONSENT AGENDA****Cancellation of the December 27, 2018 City Council Meeting****RECOMMENDATION**

That City Council:

- Approve cancellation of the second meeting of December 2018.

BACKGROUND

Since the regularly scheduled Council Meeting of December 27, 2018 has fallen between two holidays, Christmas and New Year's Eve day and typically it is the slowest time of the year, staff has recommended that the City Council cancel the second meeting of December.

FISCAL IMPACT

There is no fiscal impact.

Raymond R. Cruz
City Manager

Attachment

None

November 20, 2018



City of Santa Fe Springs

City Council Meeting

ORDINANCE FOR ADOPTION

Ordinance No. 1096 – An Ordinance of the City of Santa Fe Springs amending Section 97.340 (Underground Storage Tank Standards) of Chapter 97 (Environmental Protection) of Title IX (General Regulations) of the Santa Fe Springs Municipal Code to Update the Section to Comply with State Law

RECOMMENDATION(S)

That the City Council take the following actions:

- Give second reading and adopt Ordinance No. 1096.

BACKGROUND

At its November 8, 2018 meeting, the City Council gave first reading to the attached ordinance. Tonight's action would consist of giving second reading and adopting the ordinance.

On July 14, 2015 The Environmental Protection Agency (EPA) published a revision of the Underground Storage Tank (UST) Regulations. These changes established Federal requirements that were similar to the Energy Policy Act of 2005. These changes included: adding secondary containment requirements for new and replaced tanks and piping; adding operator training requirements; adding periodic operation and maintenance requirements for UST systems; addressing UST systems deferred in the 1988 UST regulation; adding new release prevention and detection technologies; updating codes of practice; making editorial corrections and technical amendments; and updating state program approval requirements to incorporate these new changes. EPA thinks these changes will protect human health and the environment by reducing the number of releases to the environment and quickly detecting releases, if they occur. The State of California incorporated these revisions into the California Code of Regulations, Title 23, Division 3, Chapter 16 (Underground Tank Regulations).

SUMMARY

The new State underground storage tanks regulations became effective October 1, 2018. Some of the new requirements conflict with City Ordinance. The proposed Ordinance revisions will remove the conflicts between local Ordinance and new State regulations. Specific changes include, but are not limited to, removing the City's local requirement to test the secondary containment of underground tank in a manner that is different than State regulation and eliminating overfill protection exemptions that are no longer allowed by State regulation. This review was also used as an opportunity to look at other necessary changes which are the result of both regulatory and procedural changes.

Raymond R. Cruz
Raymond R. Cruz
City Manager

Attachment:

Ordinance No. 1096

Report Submitted By: Thomas Hall
Fire Department, Director of Environmental and Fire Prevention

Date of Report: November 1, 2018

ORDINANCE NO. 1096

AN ORDINANCE OF THE CITY OF SANTA FE SPRINGS AMENDING SECTION 97.340 (UNDERGROUND STORAGE TANK STANDARDS) OF CHAPTER 97 (ENVIRONMENTAL PROTECTION) OF TITLE IX (GENERAL REGULATIONS) OF THE SANTA FE SPRINGS MUNICIPAL CODE TO UPDATE THE SECTION TO COMPLY WITH STATE LAW

WHEREAS, the Environmental Protection Agency (EPA) published a revision to the Underground Storage Tank Regulations;

WHEREAS, the State of California revised the Code of Regulations to implement the EPA revisions regarding Underground Storage Tanks and the new regulations became effective on October 1, 2018;

WHEREAS, the revised regulations are in conflict with the underground storage tank standards in Section 97.340 of the Municipal code;

WHEREAS, in addition Section 97.340 needs to be updated to institute regulatory and/or procedural changes to more efficiently effectuate the provisions of the Section; and

WHEREAS, the City Council wishes to amend Section 97.340 for the aforementioned reasons.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Section 97.340 (Underground Storage Tank Standards) of Chapter 97 (Environmental Protection) of Title IX (General Regulations) of the Santa Fe Springs Municipal Code is hereby repealed.

SECTION 2. Chapter 97 (Environmental Protection) of Title IX (General Regulations) of the Santa Fe Springs Municipal Code is hereby amended with the addition of the following new Section 97.340 (Underground Storage Tank Standards) as follows:

§ 97.340 UNDERGROUND STORAGE TANK STANDARDS.

(A) Underground storage tanks, their installation, modification, repair, upgrade, removal, closure, and modification, shall, at all times, comply with the guidelines, standards, and forms that have been established in the Fire Department's Underground Storage Tank Installation Application Package and Underground Storage Tank Closure Application Package, and pursuant to this chapter, California Code of Regulations, California Health and Safety Code, and any other applicable_adopted laws and regulations. Applications for a change of

underground storage tank ownership or permit transfer shall be done using the "Underground Storage Tank Change of Ownership/Permit Transfer Package."

(B) It shall be unlawful for any business, handler, owner or other person, to construct, install, modify, repair, upgrade, maintain, temporarily close, remove or abandon in place any underground storage tank system, any associated piping or any monitoring equipment without first obtaining a permit as defined in § [97.405](#) and written approval from the Fire Department. The Fire Chief may waive this requirement for the replacement of sensors and line leak detectors with identical make and model numbers as the existing equipment. Procurement of a permit pursuant to this section shall not excuse a business, handler, owner or other person from complying with all permit and other requirements of Title XV [Land Usage] of the code.

(C) Spill Container Testing shall, at all times, be performed in accordance with the city's "Standard for Annual Spill Container Testing." Variations to this standard may be requested in writing and are subject to the Fire Chief's written approval.

(D) Sensors used to detect liquid for purposes of detecting a leak from an underground storage tank system shall, at all times, be retestable.

(E) In accordance with H&SC § 25299.2(a), the Fire Department hereby adopts the following local regulations in addition to the California Underground Storage Tank Regulations Title 23, Division 3, Chapter 16, CCR and Chapter 6.7 of the H&SC:

(1) Interior tank lining referenced in 23 CCR §§ 2662(c) and 2663 is not allowed unless approved by the Fire Chief in writing.

(2) The use of bladder systems referenced in 23 CCR § 2662(c) and § 2664 is not allowed unless approved by the Fire Chief in writing.

(3) Cathodic protection for underground storage tank systems referenced in 23 CCR § 2662(c) and § 2666(b) is not allowed as a means of meeting corrosion protection requirements unless approved by the Fire Chief in writing.

(4) Underground tanks used for emergency spill containment tank must comply with § [97.335](#)(B) of the Spill Containment and Secondary Containment Standards.

(5) Installation of discriminating sensors for purposes of meeting the requirements for underground storage tanks system monitoring as described in 23 CCR Division 3, Chapter 16, Sections 2620- 2666 is prohibited unless the sensors are programmed to alarm upon the detection of any hazardous substance. Water alarm and warning levels are subject to the approval of the Fire Chief.

(6) Construction of a new underground storage tank inside any buried or partially buried underground storage tank to replace the primary or secondary containment or to provide a new interstitial space is not allowed.

(F) Underground storage tank systems installed after July 1, 2004 shall be constructed using rigid penetration fittings for sumps.

(G) The installation of below grade vaulted tanks containing a California Fire Code Class I, II, or IIIA liquid is subject to the approval of the Fire Chief.

SECTION 3. The City Clerk shall certify to the adoption of this Ordinance, including the vote for and against and shall post a certified copy of this ordinance, within 15 days after its passage to be posted in at least three (3) public places within the City as established by ordinance, and, in compliance with Section 36933 of the Government Code.

PASSED and ADOPTED this ____ day of _____, 2018, by the following roll call vote:

AYES:

NOES:

ABSENT:

ATTEST:

Jay Sarno, Mayor

Janet Martinez, CMC, City Clerk



City of Santa Fe Springs

City Council Meeting

November 20, 2018

NEW BUSINESS

Ordinance No. 1095 - Municipal Code Amendment to 130.04(B)(18) and Additions 130.04(B)(23) and 130.04(B)(24)

RECOMMENDATION

That the City Council read by title only, waive further reading and introduce Ordinance No. 1095.

BACKGROUND

The Parks and Recreation Advisory Committee discussed the use of canopies on City parks at their meeting on Wednesday, October 3, 2018. The Committee discussed the use of large "event" style canopies on the parks, and how it negatively impacts the use of the park and is a safety concern. There is limited parking available at all parks in the City; Little Lake Park, Los Nietos Park, Lakeview Park and Santa Fe Springs Park. When there is a reservation for the covered picnic area at any of these parks and when another large party uses the same park, vehicles spill into the residential areas. The use of large canopies increases the amount of patronage on the park and causes overuse in which the local residents bear the brunt of the congestion. The large canopies can also be a safety hazard as they are large structures that can easily be uplifted or blown into park amenities or patrons causing damage and/or injury.

PROPOSED CHANGES

The Parks and Recreation Advisory Committee reviewed different ways to address these concerns and how to modify the Municipal Code to restrict this type of use on City parks. The committee brainstormed and develop the following three recommendations for review by City Council.

1. AMENDMENT: M.C. 130.04(B)(18)

It is unlawful to: Call, hold, conduct, arrange for, or be present at any distinct, individual, or separate, group, gathering, lodge, association, company, corporate or other picnic, meeting or assembly having, or which will have, in excess of 400 50 persons in attendance thereat without special written permit from the Director of Recreation Services.

2. ADDITION: M.C. 130.04(B)(23)

It is unlawful to: Have in excess of (3) three 10ft x10ft "pop-up" canopies per group/party.

3. ADDITION: M.C. 130.04(B)(24)

It is unlawful to: Have, erect and/or construct a canopy larger than 10ft x10ft.

It is at the discretion of the City Council to review these recommendations by the Parks and Recreation Advisory Committee and act accordingly.

1. The City Council may introduce for first reading, by title only, Ordinance No. 1095: Amending M.C. 130.04(B)(18) and adding new sections M.C. 130.04(B)(23) and M.C. 130.04(B)(24) for adoption.
2. The City Council may choose to not continue with Ordinance No. 1095: Amending M.C. 130.04(B)(18) and adding new sections M.C. 130.04(B)(23) and M.C. 130.04(B)(24).
3. The City Council may ask for additional information and make a motion not listed in the staff report.


FISCAL IMPACT

There may be a very small financial impact from citation fees for those that do not comply with the amendments to the Municipal Code. There is not an associated fiscal impact on staffing as those levels would be unaffected by the changes to the Municipal Code.

PUBLIC NOTICE PROCESS

This item has been noticed through the regular agenda notification process at City Hall, the City Library, and on the City's website.

The Mayor may call upon Parks and Recreation Services Manager, Adam Matsumoto to answer questions the Council may have.



Raymond R. Cruz
City Manager

Attachment:

1. Ordinance No. 1095

ORDINANCE NO. 1095

AN ORDINANCE OF THE CITY OF SANTA FE SPRINGS AMENDING SECTION 130.04(B) (UNLAWFUL CONDUCT WITHIN PUBLIC PARKS) OF CHAPTER 130 (GENERAL PROVISIONS) OF TITLE XIII (GENERAL OFFENCES OF THE CITY OF SANTA FE SPRINGS MUNICIPAL CODE WITH THE REVISION OF SUBSECTION 18 AND THE ADDITIONS OF A SUB-SECTIONS 23 AND 24 TO REGULATE THE USE OF THE PARKS.

WHEREAS, The Parks and Recreation Advisory Committee has made three recommendations to the City Council to help address the overuse of City Parks and to make them safer: and

WHEREAS, The City Council wishes to amend the City of Santa Fe Springs Municipal Code in order to implement the recommendations of the Parks and Recreation Advisory Committee.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. AMENDMENT: Section 130.04(B)(18) of the City of Santa Fe Springs Municipal Code is hereby amended to read as follows to make it unlawful to:

(18) Call, hold, conduct, arrange for, or be present at any distinct, individual, or separate, group, gathering, lodge, association, company, corporate or other picnic, meeting or assembly having, or which will have, in excess of 50 persons in attendance thereat without special written permit from the Director of Recreation Services.

SECTION 2. ADDITION: Section 130.04(B) of the City of Santa Fe Springs Municipal Code is hereby amended with the addition of sub-section (23) as follows to make it unlawful to:

(23) Have in excess of (3) three 10ftx10ft "pop-up" canopies per group/party.

SECTION 3. ADDITION: Section 130.04(B) of the City of Santa Fe Springs Municipal Code is hereby amended with the addition of sub-section (24) to read as follows to make it unlawful to:

(24) Have, erect and/or construct a canopy larger than 10ftx10ft.

SECTION 4. The City Clerk shall certify to the adoption of this Ordinance, including the vote for and against and shall post a certified copy of this ordinance, within 15 days after its passage to be posted in at least three (3) public places within the City as established by ordinance, and, in compliance with Section 36933 of the Government Code.

PASSED and ADOPTED this ____ day of **December 2018**, by the following roll call vote:

APPROVED:
ITEM NO.:

AYES:
NOES:
ABSENT:

ATTEST:

Jay Sarno, Mayor

Janet Martinez, CMC, City Clerk



City of Santa Fe Springs

City Council Meeting

ITEM NO. 10

November 20, 2018

OLD BUSINESS

Resolution No. 9609 – Authorizing a Disposition and Development Agreement between the City of Santa Fe Springs and SFS Hospitality LLC., for the property located at 10415 Norwalk Boulevard (newly assigned address), at the southwest corner of Norwalk Boulevard and Telegraph Road, in the M-2-Heavy Manufacturing, Zone

RECOMMENDATIONS

That the City Council take the following actions:

- Approve the Disposition and Development Agreement between the City of Santa Fe Springs and SFS Hospitality LLC.
- Authorize the Mayor or designee to execute the Disposition and Development Agreement between the City of Santa Fe Springs and SFS Hospitality LLC.

BACKGROUND

Since the last City Council meeting of November 8, 2018, City Staff and the City's consultants met on November 14, 2018, with the hotel developer, his attorney, and his consultants to finalize the deal points of the Disposition and Development Agreement ("DDA").

DISPOSITION AND DEVELOPMENT AGREEMENT:

Key revisions to the prior draft of the Disposition and Development Agreement that have been revised from the prior City Council agenda are as follows:

1. While the prior version specified that SFS Hospitality and the City of Santa Fe Springs would jointly commission a Phase II Environmental Site Assessment (cost to be split equally), Waterstone Environmental has determined that a Phase II is unnecessary. As a result, the DDA provides that a more narrow, Confirmation Site Assessment, will be completed for the purpose of confirming the removal of oily soil was completed during past remedial activities; determine whether any residual contaminated soil will be disturbed by the Development and require further assessment; and to estimate the scope of soil removal and cost taking into consideration the Scope of Development (i.e., depth of the basement parking) ("Confirmation Site Assessment"). Section V(B) of DDA.
2. Also related to the Confirmation Site Assessment, the prior draft of the DDA provided that, in the event neither party terminates the DDA pursuant to the findings of the Confirmation Site Assessment, the City would pay up to fifty percent (50%) of the cost of remediation for a maximum amount not to exceed \$500,000. However, this provision has now been revised so that in the event "oily soil" is discovered and neither party terminates the agreement, a soils management plan would be prepared setting forth the procedures for soil removal and the City's portion would not exceed fifty thousand dollars (\$50,000). Moreover, the City shall

have no obligation to remediate and/or clean-up of the soil, soil vapor, or groundwater at, under, or about the Property. Section V(C) of DDA.

3. Additionally, the amount of time required for the close of escrow required additional discussion including a proposal of 2 years by the Developer which was met with a proposal of 1 year by the City. Based upon additional discussions and as provided in the revised DDA, the developer proposed a period of 15 months as a realistic time period for them to close escrow in order to meet all the required benchmarks to develop the property. The DDA's Schedule of Performance sets clear timelines for the parties including the timeline for the developer to meet these benchmarks including, but not limited to, submittal of building plans, the City comments on the plans, the developer to submit revised plans, etc. (See excerpt below from Exhibit 4 "Schedule of Performance" of the DDA). The agreement provides for a Close of Escrow of March 1, 2020, however, in the event that the City does not meet the deadlines set forth in Schedule of Performance to provide comments on building plan submittals, the close of escrow would extend for each day that the City delays. Specifically, footnote 1 of Exhibit 4 states, "The Close of Escrow may be extended an additional day for each business day the City does not meet the deadline set forth in "Plan Submission" Sections B, D. & F. Notwithstanding the foregoing, no extensions to the Close of Escrow shall apply to Developer's failure to meet the deadlines provided herein."

PERFORMANCE ITEM		DEADLINE TO PERFORM TASK
Plan Submission**		
B.	City plan checks building plans of Plan Submission and submits correction comments to Developer.	**Within 60 days of Plan Submission.
D.	City rechecks building plans and submits correction comments to Developer, if necessary.	**Within 45 days following receipt of Developer's resubmission.
F.	If necessary, City identifies all outstanding correction items necessary for building plan approval.	**Within 30 days following receipt of Developer's resubmission.

4. The agreement provides that the purchase price which will be based upon fair market value will not be reduced based upon the developer's findings during its due diligence on the property. Section III(A)
5. Finally, the agreement provides a maximum cost that the City would pay towards the installation of a methane barrier. Section IX(B).

LEGAL REVIEW

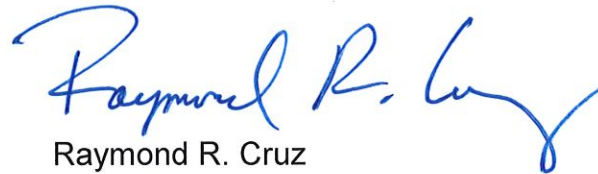
The City Attorney's office has reviewed the proposed excerpts of the Agreement.

FISCAL IMPACT

The City of Santa Fe Springs will realize a positive financial impact from the proceeds of the property's sale, future Transient Occupancy Tax, and future property tax.

INFRASTRUCTURE IMPACT

There will be infrastructure impacts associated with approval of the Disposition and Development Agreement.

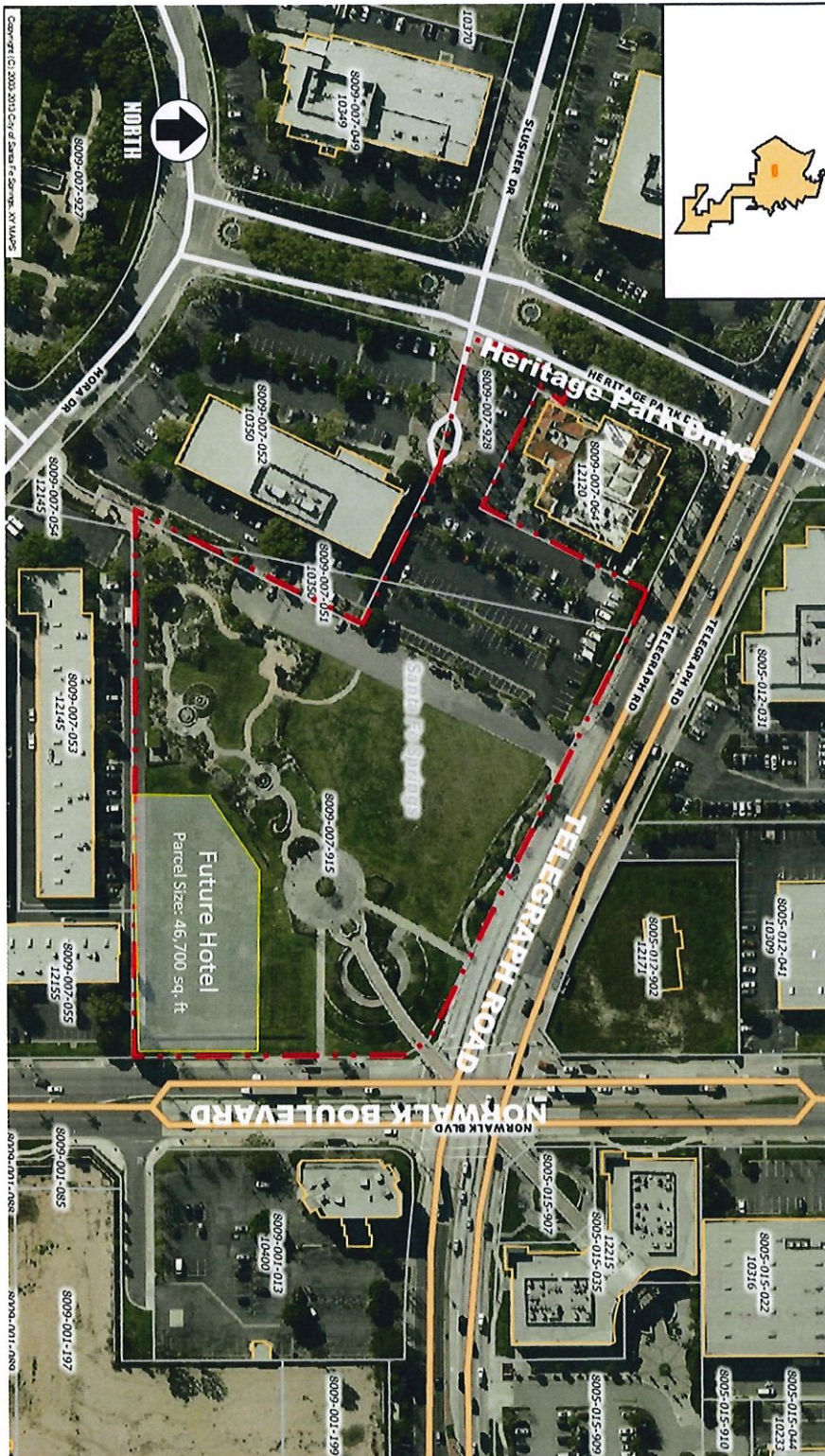


Raymond R. Cruz
City Manager

Attachment:

1. Location Aerial
2. City Council Resolution No. 9609
3. Disposition and Development Agreement

Location Aerial



RESOLUTION NO. 9609

A RESOLUTION OF THE CITY COUNCIL OF THE OF CITY OF SANTA FE SPRINGS, APPROVING A DISPOSITION AND DEVELOPMENT AGREEMENT FOR PROPERTY LOCATED AT 10415 NORWALK BOULEVARD, CITY OF SANTA FE SPRINGS, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

WHEREAS, the City is interested in promoting the development of a hotel within its boundaries; and

WHEREAS, in September 2007, the City commissioned an Analysis of Potential Market Demand for a Proposed Hotel to be located in Santa Fe Springs; and

WHEREAS, the Analysis was subsequently updated in October 2016; and

WHEREAS, the Analysis identified several sites as being suitable for the development of a hotel, but the Sculpture Garden was identified as being the most viable site for the development of two hotel; an Extended Stay hotel and a Select-Service hotel; and;

WHEREAS, it was determined that only one hotel, the Select-Service hotel would be built on the Norwalk Boulevard side of the Sculpture Garden; and

WHEREAS, in preparation of the development of the hotel, Tentative Parcel Map No. 82014 was approved by both the Planning Commission and City Council; and

WHEREAS, Tentative Parcel Map No. 82014 subdivided the larger 6.133-acre Sculpture Garden site into two parcels: Parcel 1 of 5.059 acres and Parcel 2 of 1.074 acres; and

WHEREAS, the Final Map of Tentative Parcel Map No. 82014, was recorded (County's Map, Book 398 pages 69 to 72, inclusive), with the Registrar-Recorder/County Clerk's office on August 6, 2018; and

WHEREAS, the hotel is proposed on Parcel 2, with Parcels 1 potentially being developed with a parking structure and/or a mixed-use development consisting of commercial uses, housing or a Kaiser Permanente medical-office building; and

WHEREAS, in further preparation of the hotel development, the Planning Commission at its meeting of October 15, 2018 made the findings that the sale of the 1.074-acre property, created by Parcel Map No. 82014 conforms to the City's General Plan pursuant to Government Code section 65402; and

WHEREAS, the property owner is City of Santa Fe Springs, 11710 Telegraph Road, Santa Fe Springs, CA 90670, and

WHEREAS, the City is currently working with a developer, SFS Hospitality LLC who will purchase a portion (1.074-acres) of the site to construct a Hilton Garden Inn hotel or at a minimum an AAA-Diamond hotel; and

WHEREAS, The proposed hotel will consist of six stories, with one story being underground parking, 110 rooms, 123 parking spaces, 25 of which are tandem (valet), a full service restaurant, an outdoor pool, an outdoor seating area, a rooftop bar and a conference room to accommodate ± 200 people; and

WHEREAS, before the hotel can be sold and developed, SFS Hospitality LLC, must obtain the following approvals: (1) Development Plan Approval Case No. 938: A request for development plan approval to construct, operate and maintain a hotel use (Hilton Garden Inn Hotel) on the 1.074-acre property located at 10415 Telegraph Road (newly assigned address) at the southwest corner of Norwalk Boulevard and Telegraph Road within the M-2, Heavy Manufacturing, Zone; (2) Conditional Use Permit Case No. 788: A request for conditional use permit approval for a hotel use within the M-2, Heavy Manufacturing Zone; (3) Modification Permit Case No. 1301: A request to provide a minimum 12 feet-wide landscape strip along Norwalk Boulevard instead of the minimum 20 feet-wide landscape strip; (4) Modification Permit Case No. 1302: A request to allow an entry area, terrace, canopy structure, porte-cochere and roof area to encroach within the front yard setback area; and (5) Modification Permit Case No. 1303: A request to allow less than the number of required parking spaces and to allow parking spaces of dimensions less than the minimum required dimensions.

NOW, THEREFORE BE RESOLVED, THAT THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

SECTION 1. The City Council of the City of Santa Fe Springs hereby finds and determines that the foregoing recitals are true and correct.

SECTION 2. The City of Santa Fe Springs is the owner of the 1.074-acre property and wishes to enter into a Disposition and Development Agreement with SFS Hospitality LLC., who will purchase the property and construct a Hilton Garden Inn or at a minimum, an AAA-Diamond hotel.

SECTION 3. SFS Hospitality LLC shall develop the property pursuant to the Scope of Development, which includes, but not limited to, a Hilton Garden Inn Hotel or at a minimum, a AAA-Diamond hotel, consisting of six stories, with one story being underground parking, 110 rooms, 123 parking spaces, 25 of which are tandem (valet), a full service restaurant, an outdoor pool, an outdoor seating area, a rooftop bar and a conference room to accommodate ± 200 people; and

SECTION 4. The sale of the property is in conformance with the City's General Plan.

SECTION 5. The City Council hereby approves and authorizes the Mayor or designee, to execute and enter into this Agreement in the form attached to the staff report, with such further minor conforming, technical or clarifying changes or revisions as may be agreed to and approved by the City attorney, which do not materially increase the obligations of the City Council thereunder.

SECTION 6. The approval of the Agreement is exempt from the requirements of CEQA because this action does not constitute approval of a project. Approval of the Agreement neither commits the Successor Agency nor the City of Santa Fe Springs to approving a project nor constitutes an entitlement for use of a project. Therefore, this action is not approval of a project, as defined by Public Resources Code Sections 21065 and 21080 or CEQA Guidelines Sections 15352 and 15378. Moreover, any site-specific future projects would be subsequently analyzed to determine if the specific project would necessitate further environmental review.

SECTION 7. Staff is authorized and directed to take all actions to implement this Resolution.

SECTION 8. This resolution shall become effective immediately upon its passage and adoption.

PASSED AND ADOPTED, this 20thth day of November, 2018, by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Jay Sarno, Mayor

ATTEST:

Janet Martinez, City Clerk

**DISPOSITION AND DEVELOPMENT AGREEMENT BY
AND BETWEEN THE CITY OF SANTA FE SPRINGS
AND
SFS HOSPITALITY, LLC**

THIS DISPOSITION AND DEVELOPMENT AGREEMENT (“**Agreement**”) is hereby entered into as of _____, 2018 by and between the **CITY OF SANTA FE SPRINGS**, a California municipal corporation, (“**City**” or “**Seller**”) and **SFS HOSPITALITY, LLC** (“**Developer**” or “**Buyer**”; “**Buyer**” and “**Seller**” may collectively be referred to herein as “**the Parties**”).

I. DEFINITIONS

"Agreement" means this disposition and development agreement between the City and the developer.

"Budget" means the budget for the design and construction of the Hotel, which Developer shall create for approval by the Franchisor and City in accordance with the Schedule of Performance.

"City" or “**Seller**” means the City of Santa Fe Springs.

"City's Condition(s) Precedent" means the condition(s) precedent to the Conveyance for the benefit of the City, as set forth in Section VII.A of this Agreement.

"Closing Date" means the date on which transfer of the Property from City to Developer occurs.

"Closing(s)" or Close" means the close of escrow for the Conveyance of title to the Property.

"Commence(s) Operations" or **"Commencement of Operations"** means the date on which the Hotel opens for business to the general public.

"Completion of Construction" means the completion of construction and operational readiness of the Hotel in accordance with this Agreement and the Scope of Development as evidenced by the issuance of a Certificate of Occupancy.

"Condition(s) Precedent" means, collectively the City's Condition(s) Precedent and the Developer's Condition(s) Precedent as set forth in Section VII of this Agreement.

"Conveyance(s)" means the transfer of title to the Property from the City to Developer upon satisfaction of all Conditions Precedent and Close of Escrow.

"County" means the County of Los Angeles.

"Default" means the failure of a party to perform any action or covenant required by this Agreement within the Schedule of Performance following Notice and opportunity to cure, as set forth in Section XII of this Agreement.

"Developer" means SFS Hospitality, LLC a California limited liability company.

"Developer's Condition(s) Precedent" means the condition(s) precedent to the Conveyance for the benefit of the Developer, as set forth in Section VII.B of this Agreement.

"Environmental Law" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 USC §§ 9601 *et seq.*), the Hazardous Materials Transportation Act, as amended (49 USC §§ 1801 *et seq.*), the Resource Conservation and Recovery Act of 1976, as amended (42 USC §§ 6901 *et seq.*), the Toxic Substances Control Act (15 USC §§ 2601 *et seq.*), the Insecticide, Fungicide, Rodenticide Act (7 USC §§ 136 *et seq.*), the Superfund Amendments and Reauthorization Act (42 USC §§ 6901 *et seq.*), the Clean Air Act (42 USC §§ 7401 *et seq.*), the Safe Drinking Water Act (42 USC §§ 300f *et seq.*), the Solid Waste Disposal Act (42 USC § 6901 *et seq.*), the Surface Mining Control and Reclamation Act (30 USC §§ 1201 *et seq.*), the Emergency Planning and Community Right to Know Act (42 USC §§ 11001 *et seq.*), the Occupational Safety and Health Act (29 USC §§ 655 and 657), the California Underground Storage of Hazardous Substances Act (Health and Safety Code §§ 25280 *et seq.*), the California Hazardous Substances Account Act (Health & Safety Code §§ 25300 *et seq.*), the Porter-Cologne Water Quality Act (Water Code §§ 13000 *et seq.*), together with any amendments of or regulations promulgated thereunder and any other federal, state, and local Government Requirements, statutes, ordinances, or regulations now in effect that protect health, safety and the environment.

"Escrow" is defined in Section IV of this Agreement.

"Escrow Agent" is defined as the entity identified in Section IV of this Agreement.

"FIRPTA" means the Foreign Investment in Real Property Transfer Act.

"Franchise Agreement" means an agreement between the Developer and Hilton Hotel which provides for the use of the Hilton flag or brand, and describes, in detail, the standards of construction and standards of operation for the Hotel, as amended or replaced from time to time. A Franchise Agreement shall also include any other hotel that meets the requirements of Section VI.B.11.b of this Agreement.

"Franchisor" means Hilton Hotel or such other hotel franchise that meets the requirements of Section VI.B.11 of this Agreement.

"Grading" is defined as the excavation and removal of at least 75% of the dirt and/or soil, beyond clearing and grubbing, on the Property to create a level base at the depth required by the Grading Permit where the hotel structure, subterranean parking structure and any other related building or structure will be erected.

"Hazardous Materials" means any substance, material, or waste which is now or becomes, regulated by any local governmental authority, the State of California, or the United States Government under any Environmental Law, including, but not limited to, any material or substance which is (i) defined as a "hazardous waste," "extremely hazardous waste," or "restricted hazardous waste" under Section 25115, 25117 or 25122.7 or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law), (ii) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act),

(iii) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory), (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances), (v) crude oil, petroleum or refined petroleum product, including without limitation petroleum-based paints and solvents, (vi) asbestos, (vii) polychlorinated biphenyls, (viii) methyl tertiary butyl ether (MTBE), (ix) listed under Article 9 or defined as "hazardous" or "extremely hazardous" pursuant to Article 11 of Title 22 of the California Administrative Code, Division 4, Chapter 20, (x) designated as "hazardous substances" pursuant to Section 311 of the Clean Water Act (33 U.S.C. §1317), (xi) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. §§6901, *et seq.* (42 U.S.C. §6903), or (xii) defined as "hazardous substances" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §§9601, *et seq.*, (xiii) any flammable or explosive materials, (xiv) a radioactive material, (x) natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel or mixture thereof, (xi) urea, formaldehyde, lead, cyanide, DDT, printing inks, acids, pesticides, ammonia compounds and other chemical products, PCBs and similar compounds including any different products and materials which have been found to have adverse effects on the environment or the health and safety of persons.

"Hotel" means the Hilton Hotel as described in the Scope of Development and this Agreement or such other hotel as described in Section VI.B.11 of this Agreement.

"Hotel Management Agreement" means an agreement between the Developer and a professional company that operates hotels which describes, in detail, the standards of operation and management of the Hotel, as such agreement is amended or replaced from time to time.

"Hotel Owner" means SFS Hospitality, LLC, a California limited liability company.

"Indemnify" means indemnify, defend and hold harmless.

"Indemnatee(s)" means the City, City and their respective representatives, elected officials, officers, employees and agents.

"Land Use Approvals and Permits" is defined is provided within the Scope of Development attached hereto as EXHIBIT 3.

"Legal Description" means the legal description of the Site which is attached hereto as EXHIBIT 1 and incorporated herein by this reference.

"Memorandum of Agreement" means that attached hereto as EXHIBIT 5.

"Project" means the construction and operation of Hotel in accordance with this Agreement.

"Project Construction Lender" means the institutional lender, or lenders providing funds for the construction of the Hotel as approved by the City pursuant to Section VIII of this Agreement.

"Project Construction Loan" means the construction loan approved by the City pursuant to

Section VII in an amount sufficient (together with Developer's equity contribution) to fund the cost of construction of the Hotel pursuant to the Budget described in Section VIII.A.3.

"Right of Entry Agreement" is defined in Section XIV.B of this Agreement.

"Schedule of Performance" means the Schedule of Performance attached hereto as EXHIBIT 4 and incorporated herein by this reference, setting out the dates and/or time periods by which certain obligations set forth in this Agreement must be accomplished.

"Scope of Development" means the Scope of Development attached hereto as EXHIBIT 3 and incorporated herein by this reference, which describes the scope, amount and quality of development of the Hotel to be constructed by the Developer pursuant to the terms and conditions of this Agreement.

"Site" or "Property" means the approximately 1.074 acres owned by the City as described in the Legal Description as set forth in EXHIBIT 1 of this Agreement.

"Site Map" means the map of the Site, which is attached hereto as EXHIBIT 1 and incorporated herein by this reference.

"State" means the State of California.

"Title Company" means Chicago Title Company or such other title company as may be approved by the parties.

II. SUBJECT OF AGREEMENT

A. Purpose of Agreement. The purpose of this Agreement is Developer desires to purchase the Property from the City and develop a 3 Diamond Hotel ("Project" or "Hotel") more particularly described in the Scope of Development attached hereto as EXHIBIT 3.

B. Project Site. The project site ("Site" or "Property") consists of approximately 1.074 acres as legally described in EXHIBIT 1 attached hereto and incorporated herein.

III. PURCHASE

A. Purchase Price. In accordance with and subject to the terms and conditions herein, the City agrees to sell the Property to Developer, and Developer agrees to purchase the Property from City. The purchase price ("Purchase Price") of the Property to be paid by Developer shall be the appraised fair market value of the Property as agreed upon by the Parties. Notwithstanding the foregoing, the Parties agree the fair market value of the Property shall not take into consideration or include any findings from the Due Diligence as set forth in Section V of this Agreement.

B. Deposit. Within three (3) business days following the Effective Date, Developer shall deposit the sum of Fifty Thousand Dollars (\$50,000.00) ("**Deposit**") with Escrow Holder in an interest bearing account. If the Escrow closes successfully the Developer's Escrow Deposit shall be credited toward the Purchase Price. If the Escrow fails to close successfully due to the

default of the Developer, the Developer's Deposit shall be transferred to City as liquidated damages pursuant to Section XII of this Agreement.

C. Balance of Purchase Price. The balance of the Purchase Price shall be paid prior to the Close of Escrow subject to Developer's completion, to the satisfaction of City, of the Conditions Precedent set forth in Section VII. The Closing Costs attributed to Developer as set forth herein, shall be paid by wire transfer of immediately available funds by Developer at Close of Escrow.

IV. ESCROW, CONVEYANCE, AND TITLE INSURANCE

A. Escrow Holder. Upon mutual delivery of a fully executed counterpart of this Agreement to Chicago Title Company (Attention: Karl Daly) ("**Escrow Holder**") as chosen by the City, which is located at 725 S. Figueroa Street, Suite 200, Los Angeles, CA 90017, the Parties shall open escrow ("**Escrow**"). The "**Effective Date**" shall be the date Escrow Holder receives this Agreement fully executed by both Parties. This Agreement constitutes the joint escrow instructions of the Escrow. The City and Developer shall provide such additional instructions as shall be necessary and consistent with this Agreement.

B. Close of Escrow. The date Escrow actually closes and the "Deed" (defined below) is recorded in the official records of the County of Los Angeles ("**County**") shall be referred to as the "**Closing**" or the "**Close of Escrow**." Notwithstanding, the Closing or Close of Escrow shall occur upon satisfaction by the Parties of the Conditions Precedent to the Close of Escrow set forth in Section VII of this Agreement.

C. Taxes and Assessments. All property taxes and assessments assessed against the Property, if any, shall be prorated and paid in full at Close of Escrow by the City using the most recent tax bill issued by the County Assessor. If and when received, City shall deposit the tax bill for the fiscal year in which the Close of Escrow occurs with Escrow Holder at Close of Escrow. Any taxes and/or assessments assessed after the Close of Escrow, Developer shall be paid for by Developer.

D. Title Policy. The City shall cause the Escrow Agent to provide Developer with a standard CLTA preliminary title report or reports (the "**Report(s)**") with respect to the title to the Property, together with legible copies of the documents underlying the exceptions ("**Exceptions**") set forth in the Reports, within fifteen (15) days from the date of this Agreement. The Developer shall have the right to reasonably approve or disapprove the Exceptions. Developer shall have forty-five (45) days from the date of receipt of the Report and all Exceptions to give written notice to City and Escrow Agent of Developer's approval or disapproval of any of such Exceptions set forth in the Report. Developer's failure to give written disapproval of any of the Exceptions within such time limit shall be deemed approval of the Exception. If Developer notifies City of its disapproval of any Exceptions in the Report, City shall have the right, but not the obligation, to remove any disapproved Exceptions within fifteen (15) days after receiving written notice of Developer's disapproval or provide assurances satisfactory to Developer that such Exception(s) will be removed on or before the Closing for the Conveyance. If City cannot or does not elect to remove any of the disapproved Exceptions within that period, Developer shall have fifteen (15) days after the expiration of such fifteen (15) day period to either give the City written notice that

Developer elects to proceed with the purchase of the Property subject to the disapproved Exceptions not removed by the City or to give the City written notice that the Developer elects to terminate this Agreement. The Exceptions to title to the Property approved by Developer as provided herein shall hereinafter be referred to as the "**Condition of Title**" of the Property. The Developer shall have the right to approve or disapprove any further Exceptions reported by the Title Company after the Developer has approved the Condition of Title for the Property with the exception of the Memorandum of Agreement and the Deed.

E. Escrow and Title Fees. Developer and City each agree to pay one-half of all escrow fees, recording fees, and other usual fees, charges and costs which arise from Escrow ("**Closing Costs**").

F. Title Policy. Concurrently with recordation of the Deed, there shall be issued to Developer a standard ALTA owner's policy of title insurance with a policy amount in the amount of the Purchase Price (the "Developer Title Policy"), based upon the amount of the Purchase Price, together with such endorsements as are reasonably requested by Developer, issued by the Title Company insuring that the title to the Property (as transferred by the Deed) is vested in Developer in the condition required by Section VI.D of this Agreement. The Title Company shall provide City with a copy of the Developer Title Policy. City shall pay the premium for the Developer Title Policy equal to the cost of a CLTA policy, and Developer shall pay for the additional premium associated with procurement of an owner's extended coverage ALTA policy and any endorsements requested by Developer.

G. Deed. Title shall be conveyed by grant deed (the "**Deed**") in the substantial conformance with the Deed attached hereto as EXHIBIT 2.

H. Documents to Be Deposited Into Escrow by City. On or before the date three days prior to the Closing Date, City shall deposit into Escrow for recordation and/or delivery to Developer upon the Close thereof:

1. The executed and acknowledged Deed in proper form for recording conveying the Property to Developer;
2. All other instruments and documents reasonably required by Escrow Holder to close the Escrow in accordance with the terms of this Agreement.

I. Documents and Sums to Be Deposited Into Escrow by Developer. On or before 10:00 a.m. (local time) on the Closing Date and conditioned upon Developer satisfying the Conditions Precedent set forth in Section VII to the satisfaction of City, City having deposited the Deed and other instruments and documents referred to in the preceding Section IV.H. Developer shall deposit into Escrow for delivery to City upon the Close thereof:

1. A wire transfer in the amount of the Purchase Price less any Deposit that has been paid and is held in Escrow;
2. Executed and acknowledged Memorandum of Agreement;
3. A letter or other document from Hotel stating that Developer has a

Franchise Agreement with such Hotel.

4. All other instruments and documents reasonably required by Escrow Holder to close the Escrow in accordance with the terms of this Agreement.

J. Duties of Title Company/Escrow Holder. At Close of Escrow, Title Company and/or Escrow Holder shall (i) cause the Deed and the Memorandum of Agreement to be recorded in the Office of the Los Angeles County Recorder (ii) deliver to City a duplicate original of the Title Policy, (iii) deliver to Developer the Title Policy; (iv) forward to Developer and City an accounting of all funds received and disbursed and copies of all executed and recorded or filed documents deposited into Escrow, with such recording and filing date endorsed thereon; and (v) any other actions specified in this Agreement that is/are necessary to comply with the Agreement's terms.

K. Escrow Holder Authorized to Complete. If necessary, Escrow Holder is hereby authorized to insert the date of Close of Escrow as the execution date of the Deed, and is further authorized to insert the date of Close of Escrow and to fill in blank spaces in any and all documents and instructions delivered to it so long as it is done in conformance with this Agreement. Additionally, Escrow Holder is authorized to complete other actions as required by law including, but not limited to directing the City and the Developer to execute and deliver any instrument, affidavit, and statement, and to perform any act reasonably necessary to comply with the provisions of FIRPTA and any similar state act and regulation promulgated there under. City agrees to execute a Certificate of Non-Foreign Status by individual transferor and/or a Certification of Compliance with Real Estate Reporting Requirement of the 1986 Tax Reform Act as may be required by Escrow Agent, on the form to be supplied by Escrow Agent. Additionally, Escrow Holder is authorized to prepare and file with all appropriate governmental or taxing authorities a uniform settlement statement, closing statement, tax withholding forms including an IRS 1099-S form, and be responsible for withholding taxes, if any such forms are provided for or required by law.

V. DUE DILIGENCE AND CONDITION OF PROPERTY

A. Documents in Possession or Control of City. Buyer hereby acknowledges that Seller provided material documents and agreements in accordance with the Exclusive Negotiating Agreement entered into on or about November 10, 2016 and renewed on or about May 25, 2017 and November 29, 2017. Developer shall have sixty days (60) days to conduct inspections of the Property and review the documentation referred to in the immediately preceding sentence (the "Due Diligence Period"). Developer may terminate this Agreement within such Due Diligence Period by written notice to City. Prior to the Close of Escrow, City shall have an ongoing obligation to provide the Developer with any and all documents and/or information relating to the condition of the Property known to the City, its agents and/or employees.

B. Property Inspections. Developer shall be permitted to inspect the Property from the Effective Date of this Agreement until the end of the Due Diligence Period for the purpose of obtaining data and making surveys and tests necessary to complete its due diligence of the Property, including the investigation of the environmental condition of the Property (collectively, the "Studies"). Any preliminary work or Studies to be performed by Developer undertaken on the

Site by Developer prior to the Close of Escrow shall be done at the sole expense and risk of Developer and Developer shall provide to City a copy of all Studies. Any preliminary work or Studies shall be undertaken only after securing any necessary authorization and/or permits from the appropriate governmental agencies, including the City's execution of a "Right to Entry" agreement. Notwithstanding the foregoing, the Parties shall jointly commission a Confirmation Site Assessment which shall include the installation and sampling of four (4) soil borings to (1) confirm the removal of oily soil during past remedial activities; (2) determine whether any residual contaminated soil will be disturbed by the Development and require further assessment; and (3) to estimate the scope of soil removal and cost taking into consideration the Scope of Development (i.e., depth of the basement parking) ("Confirmation Site Assessment"). The Parties agree the Confirmation Site Assessment will be completed by Waterstone Environmental with the cost of the Confirmation Site Assessment to be borne equally between the Parties. The Parties shall agree upon a scope of work for the Confirmation Site Assessment to be performed by Waterstone Environmental in a separate consultant agreement. All communications relating to the Confirmation Site Assessment, both written and oral, shall remain confidential among the Parties, except as required by law, or to comply with regulatory or reporting obligations.

C. **Approval of Environmental Conditions.** Upon completion and receipt of the Confirmation Site Assessment data or report, within fifteen (15) days either Seller or Developer may terminate this Agreement, in either's sole and absolute discretion, based upon the findings of the Confirmation Site Assessment. In the event neither party terminates the Agreement pursuant to the findings of the Confirmation Site Assessment and the Parties agree to proceed, first, a Soils Management Plan will be prepared to provide the procedures and scope of work that will be performed if oily soil or other environmental condition is encountered during grading or construction activities. If soil that requires removal is encountered during development, the procedures in the Soils Management Plan will be followed. Developer agrees to pay for the cost of implementing the Soils Management Plan (which includes oversight by an environmental consultant and arrangement for soil stockpiling, sampling, and management) and removing all contaminated soil in order to develop the Project in accordance with Exhibit 3. To the extent any contaminated soil is discovered and must be separately handled and disposed of, the City agrees to reimburse fifty percent (50%) of the cost of the Soils Management Plan implementation and removal of the contaminated soil above and beyond the cost the Developer would have incurred to remove uncontaminated soil but in no event in an amount greater than fifty thousand dollars (\$50,000). City shall provide the reimbursement within 30 days of written notice and appropriate cost documentation. The Seller's share of cost is limited to the removal of contaminated soil. The City shall have no obligation to remediate and/or clean-up of the soil, soil vapor, or groundwater at, under, or about the Property.

VI. REPRESENTATIONS, WARRANTIES AND DISCLOSURES

A. City's Representations, Covenants, Warranties, And Obligations. City represents, covenants, and warrants as follows and all of these representations and warranties shall be true and correct as of the Effective Date, shall be true and correct at Close of Escrow, and shall survive the Close of Escrow:

1. City is a California municipal corporation, duly formed and validly existing under the laws of the State of California.

2. City shall, no later than (5) days following the Effective Date, provide Developer with a complete compilation of all engineering plans and studies, surveys, soils, environmental, and biological reports, and all other documents concerning the physical condition or development of the Property, if any, in possession of City (collectively, the “**Property Documents**”) that have not already been provided to Developer all of which shall be conveyed to Developer, and become the property of Developer, at no additional cost to Developer, at Close of Escrow.

3. Except as provided in the Title Report, there are no parties in possession of any portion of the Property as lessees, tenants at sufferance, or trespassers, and no party has been granted by City any license, lease, or other right relating to use or possession of the Property that would be binding on the Developer after Close of Escrow.

4. The City received possession and title to the Property through the dissolution of redevelopment agencies throughout the State of California. In or about 2012, Assembly Bill 1X 26 (“AB 26”), Assembly Bill 1484 and Senate Bill 107 (“Dissolution Law”) dissolved redevelopment agencies throughout the State effective February 1, 2012 and provided that successor agencies be designated as successor entities to the former redevelopment agencies, and further that, with certain exceptions, all authority, rights, powers, duties, obligations and assets previously vested with the former redevelopment agencies, under the Community Redevelopment Law are vested in the successor agencies. By resolution, the City Council of the City of Santa Fe Springs elected to become the Successor Agency (“Successor Agency”) to the City of Santa Fe Springs Community Development Commission (“Former Agency”) pursuant to California Health and Safety Code Sections 34171(j) and 34173, and thereby assumed the assets, including real property assets, of the Former Agency for management and disposition in accordance with the Dissolution Law. Health & Safety Code Section 34191.4(a) provides that upon a Successor Agency’s receipt of a “finding of completion,” all real properties owned by the Former Agency are to be transferred to the Successor Agency’s Real Property Trust Fund upon approval by the California Department of Finance (“DOF”) of the Successor Agency’s long range property management plan. Health & Safety Code Section 34191.3 provides that upon DOF’s approval of the Successor Agency’s long range property management plan (“LRPMP”), that the LRPMP shall govern the disposition and use of the real property assets for the Former Agency. The Dissolution Law further provides, in subsection (f) of Section 34191.5 of the Health & Safety Code, that actions to implement the disposition of property owned by the Successor Agency pursuant to an approved long range property management plan shall not require review by DOF. The Successor Agency received a “finding of completion” from DOF on or about December 16, 2015, and the Successor Agency received DOF approval of the Successor Agency Plan on or about December 17, 2015. The LRPMP includes the Property, and the DOF approved the transfer of the Property to the City. To City’s knowledge, no additional consent, approval or authorization of the State of California, any other governmental authority or private party is required in connection with the execution, delivery and performance of this Agreement by City except as disclosed herein.

5. Except as disclosed in the Property Documents, to City's knowledge, there is no violation of any ordinance, regulation, law, or statute of any governmental authority or City pertaining to the Property.

6. To the best of City's knowledge, there are no threatened or pending annexation, condemnation, or other proceedings or litigation against or affecting any part of the Property.

7. City shall, prior to the Close of Escrow, keep the Property free of encumbrances except as contemplated by this Agreement.

8. Until the Close of Escrow, City shall not use the Property for any purpose other than its current use, and City shall use the Property in accordance with all applicable laws. Following the Effective Date, City shall not release, and shall not cause or permit any other party to release, any "Hazardous Materials" on the Property.

9. City represents and warrants to the best of City's knowledge that no trash, garbage, construction materials, manure or other debris has been buried in any refuse pits within the Property.

10. City represents and warrants that neither the entering into this Agreement nor the consummation of this sale constitutes a violation or breach by City of any contract or other instrument to which it is a party, or to which it is subject, or by which any of its assets or properties may be affected, or a violation of any judgment, order, writ, injunction, or decree issued against or imposed upon it, or, to the best of City's knowledge, will result in a violation of any applicable law, order, rule or regulation of any governmental authority.

11. The Close of Escrow is contingent on the Seller providing clean title to Buyer. As of the date hereof, City has not received any written notice of any actions, suits or arbitrations pending or, to City's knowledge, threatened, against City with respect to the Property before any court, governmental authority or otherwise. A prior developer may claim an interest in the right to develop the Property pursuant to an expired exclusive negotiating agreement which, in addition to its expiration, was terminated in writing by the Santa Fe Springs Community Development Commission. If, prior to the Close of Escrow, the City is unable to resolve a claim of the prior developer to the sole satisfaction of the City, then the City in its sole discretion, shall have the option to terminate this Agreement. If the City exercises its option to terminate this Agreement, the Deposit shall be returned to Developer, any other deposits in Escrow shall be returned to the party making the deposit, any Escrow fees shall be paid by Seller and Developer and Seller are mutually released from any further obligations or benefits pursuant to this Agreement.

12. No elected official or employee of City, during the term of his or her office or service with City, shall have any direct or indirect interest in this Agreement or obtain any present or anticipated material benefit arising therefrom.

13. The Property has historically been associated with oil exploration activities and is located in a City of Santa Fe Springs designated Methane Zone as set forth in EXHIBIT 6,

however to the City's knowledge, no abandoned oil well is presently located on the Property. If any abandoned oil well is located on the property it must be abandoned in accordance with the Division of Oil, Gas, and Geothermal Resource ("DOGGR") requirements. In addition, a soil vapor survey that includes evaluation of methane and volatile organic compounds of the Property will be required prior to any development on the Property. Except to the extent provided in Section V.C, the City shall not be responsible for conducting or financing the foregoing processes nor any testing of the Property for Hazardous Materials pursuant to Environmental Laws. The City has not conducted any testing of the Property for any Hazardous Materials pursuant to any applicable laws, statutes, rules and regulations.

14. Notwithstanding the City's representations in paragraph 4 and 11, if the finding of completion or the transaction between the Successor Agency and the City is overturned and a final judgement is entered rescinding the sale of the Property, the City shall reimburse Developer its Purchase Price as well as all reasonable costs, construction costs, loan costs if Developer is required to cease development of the Property; and (ii) City shall indemnify, protect, defend and hold harmless the Developer from and against any and all loss, liability, damage, claim, cost, expense and/or "(including reasonable attorneys' fees, court and litigation costs) arising from such finding or challenge.

B. Developer's Representations, Covenants, Warranties and Obligations. Developer makes the following representations and warranties, which shall be true and correct at the Effective Date and as of Close of Escrow:

1. Developer is a California Limited Liability Company, duly formed, validly existing and in good standing under the laws of the State of California and is qualified to do business in the State of California. Developer has duly authorized, executed, and delivered this Agreement, all consents required under Developer's organizational documents have been obtained, the person signing this Agreement on Developer's behalf are authorized and empowered to do so, this Agreement is binding upon Developer, all documents that are to be executed by Developer and delivered hereunder have been, or on the Closing Date will be, duly executed, authorized by, delivered by, and binding upon Developer and will constitute legal, valid and binding obligations of Developer.

2. No other authorizations or approvals will be necessary in order to enable Developer to enter into or to comply with the terms of this Agreement.

3. Neither this Agreement nor anything provided to be done under this Agreement violates or shall violate any contract, agreement or instrument to which Developer is a party or by which it is bound.

4. Developer will commence work on the Project entitlement application process and will diligently pursue completion of the Project in accordance with the "Schedule of Performance" set forth in EXHIBIT 4 attached hereto.

5. This Agreement is a valid and binding agreement enforceable against Developer in accordance with its terms, subject to laws relating to bankruptcy and creditor's rights and generally applicable equitable principles.

6. Developer is not relying upon any representations or warranties by Seller other than those expressly set forth in this Agreement and the representations and warranties of Seller set forth herein constitute all of the representations and warranties of Seller in regard to this transaction.

7. Developer has not entered into any agreements which will adversely affect the title to the Property or Developer's right to construct either phase of the Project, as provided in this Agreement.

8. Developer represents and warrants to the Seller that there is no suit, legal action, administrative arbitration or other proceeding or governmental investigation process which has been served upon Developer or, which to Developer's best knowledge, is otherwise pending or threatened against Developer in which any party is making or has made a claim or defense that, if sustained, would adversely affect the performance of Developer under this Agreement or adversely interfere with the ability of Developer to consummate the transactions contemplated herein.

9. Developer possesses adequate financial resources and has the skill and experience to develop and operate the Project.

10. Developer is entering into this Agreement for the purpose of developing the Property and not for speculation in land holding or land banking. In this regard, Developer recognizes the importance of the development of the Project on the Property to the general welfare of the residents of the City, and the fact that the qualifications and identity of Developer are of particular concern to Seller and that it is because of such qualifications and identity that Seller is entering into this Agreement with Developer

11. Covenants Related to Construction, Use and Operation of the Property. Developer covenants and agrees for itself, its successors, assigns, and every successor in interest to the Site, as follows:

a) To construct the Project pursuant to this Agreement, the Land Use Approvals and Permits, the Scope of Development and the Schedule of Performance. The physical quality of the Hotel, including without limitation the construction quality, finish material, lighting, landscaping and site amenities shall be as set forth in the Land Use Approvals and Permits.

b) To Commence Operations of the Hotel and continually thereafter as a first quality hotel in accordance with the Scope of Development, Franchise Agreement, and/or Hotel Management Agreement, as applicable, and this Agreement. The Hotel shall be rated at least three stars by the Mobile Travel Guide or three diamonds by AAA or if such rating guides are discontinued, an equivalent rating of another comparable hotel rating guide. Should the hotel Franchisor be an entity other than the entity discussed in the Scope of Development, Developer shall provide written notice of such fact to the City along with evidence that the replacement Franchisor meets the rating criteria of this paragraph b.

c) Compliance with Franchise Agreement and/or Hotel Management Agreement. Developer shall remain at all times in full compliance with the Franchise Agreement and/or Hotel Management Agreement, as applicable. In the event of a change to the Franchisor

and/or Hotel Manager, Developer or his/her successor shall provide Seller with notice of the change.

d) Maintenance Covenants. Developer covenants and agrees for itself, its successors and assigns and any successor in interest to the Hotel or part thereof to maintain, at no cost or expense to the City, the Hotel and all improvements thereon to the property and curb line, in compliance with the terms of this Agreement, the Land Use Approvals and Permits, and with all applicable provisions of the City Municipal Code. Such maintenance and repair shall also conform to the requirements of Developer's Franchise and/or Hotel Management Agreement, as applicable. Maintenance and security of the Hotel Project shall be consistent with other similar class hotel projects in Los Angeles County, and shall include, without limitation, regular graffiti removal, and trash and debris removal. The Site shall be kept free from any accumulation of debris or waste materials. The Developer shall maintain the landscaping required to be planted on the Site in a healthy condition in accordance with the approved landscape plan for the Hotel Project.

Each of the foregoing items (1) through (11), above, shall be deemed to be an on-going representation and warranty. Developer shall advise the Seller in writing if there is any change pertaining to any matters set forth or referenced in the foregoing items (1) through (11).

VII. CONDITIONS PRECEDENT TO CLOSE OF ESCROW

A. City's Conditions Precedent. The following shall constitute conditions precedent to the Close of Escrow for the Property for the benefit of City, which conditions may be waived by City in City's sole discretion.

1. Developer shall have deposited into Escrow the documents and funds required to be deposited by Developer under the terms of this Agreement.

2. All "Matters to be Completed Prior to Conveyance" set forth in the Schedule of Performance have been completed by the Developer to the reasonable satisfaction of the City within the time frames set forth in the Schedule of Performance.

3. Prior to the expiration of the applicable Due Diligence Period, Developer shall have approved all Due Diligence matters or have waived any objections in writing and both parties have waived any objections in writing to the Confirmation Site Assessment data and/or report.

4. At Developer's own expense, Developer shall have obtained all Land Use Approvals and Permits for use of the Property and subject to approval the City of Santa Fe Springs Planning Department, Planning Commission and City Council including, including compliance with the California Environmental Quality Act for all of the improvements comprising the Project.

5. Developer shall have submitted approved building plans to the City for issuance of building permit and be in a position to obtain issuance of building permits at the Closing upon the payment of applicable building permit fees and posting of any normally required security as required in the Schedule of Performance attached hereto as EXHIBIT 4.

6. Developer has obtained, and the City Manager has approved the Evidence of Financing Commitment (including a copy of the construction contract) as provided for in Section

VIII below.

7. Developer has obtained, and the City Manager has approved, the Budget as provided for in Section VIII below.

8. Developer shall have executed and acknowledged the Memorandum of Agreement attached hereto as EXHIBIT 5.

9. All representations and warranties of Developer in Section VI.B shall be true and correct as of the Close of Escrow.

In the event the foregoing conditions precedent are not satisfied within the timeframes set forth in the Schedule of Performance, City, may either (i) waive such conditions and proceed to Close of Escrow or (ii) terminate the Escrow and this Agreement by giving a written notice of termination to Developer and Escrow Holder and in such case, this Agreement shall terminate and each party shall be released from its obligations under this Agreement or (iii) extend the Closing Date sixty (60) days, which may be further extended in City's sole discretion, so that Developer may satisfy the foregoing conditions. Upon the Close of Escrow, the foregoing conditions precedent, and any Developer breach hereunder, shall be deemed satisfied or waived.

B. Developer's Conditions Precedent. The following shall constitute conditions precedent to the Close of Escrow for the Property for the benefit of Developer, which conditions may be waived by Developer, in Developer's sole and absolute discretion.

1. City shall have executed and as necessary for recordation, shall have acknowledged, any documents required hereunder and shall have delivered such documents into Escrow.

2. The Title Company shall be unconditionally committed to issue the Developer Title Policy.

3. Developer shall have reviewed and approved the Condition of Title of the Property, as provided in Section IV.D.

4. All representations and warranties of City set forth in Section VI.A shall be true and correct as of the Close of Escrow.

5. City shall have good and marketable title to the Property in fee and be able to convey the same to Developer in the condition required under this Agreement.

6. No lawsuit, moratoria or similar judicial or administrative proceeding or government action shall exist or have been threatened against Seller related to the Property which would materially delay construction of the Project or materially increase the cost of constructing the Project.

7. All leases and tenancies affecting the Property shall have been terminated, all tenants and other parties shall have vacated the Property, and all personal property shall have been removed from the Property.

8. There shall be no material adverse change in the physical condition of the Property, from the condition in which it existed as of the date of this Agreement that would render the Property unsuitable for Developer's intended development.

9. In the event any of the foregoing conditions precedent are not satisfied by the Closing Date, Developer may elect any of the following: (i) terminate Escrow and this Agreement by giving a written notice of termination to City and Escrow Holder, in which case, Escrow Holder shall return the Deposit to Developer, and thereafter neither Party shall have any further rights, obligations or liabilities under the Agreement; (ii) waive any such conditions and close Escrow; provided however, if such failure was due to a City default, then, Developer shall be entitled to exercise all remedies set forth in Section XII; or (iii) extend the Closing Date sixty (60) days, which may be further extended in Developer's sole discretion, so that City may satisfy the foregoing conditions. Upon the Close of Escrow, the foregoing conditions precedent, and any City breach hereunder, shall be deemed satisfied or waived.

VIII. DEVELOPER'S EVIDENCE OF FINANCING

A. Evidence of Financing.

By the deadlines specified in the Schedule of Performance, the Developer shall submit to the City Manager, which approval shall not be unreasonably withheld, conditioned or delayed, (a) a letter or other written document from the Project Construction Lender containing the basic business terms of the Project Construction Loan and supporting documentation that such lender is prepared to make subject to such lenders' customary and normal conditions (including credit committee approval), and providing that the Project Lender has confirmed or will confirm prior to Loan closing, that Developer has the funds described in clause (d); (b) the Hotel Franchise Agreement and Hotel Management Agreement; (c) in the event the Project Construction Lender require a performance and/or completion bond, evidence of said performance and/or completion bond; and (d) for any equity contribution or equity financing of the Project, the source of the funds including evidence that such funds are committed without qualification in an amount sufficient to cover all Development Costs, defined below, funded by the equity contribution and a written certification from the manager and/or accountant of Developer that Developer has sufficient funds to pay for the acquisition of the Property and the funding to cover the difference between the total cost of the acquisition of the Property and construction of the Project, less the amount of the Project Construction Loan ("Evidence of **Financing**"). The City Manager and/or his designee shall review the Evidence of Financing, listed above, at the offices of Developer or Developer's accountant. The City Manager shall reasonably approve or disapprove the Evidence of Financing within ten calendar days of the City Manager and/or his designee's review thereof. In the event of any disapproval, the City Manager shall, concurrently with delivery of the notice of such disapproval to Developer, inform Developer in writing of the reasons for disapproval so that Developer can address such reasons to the reasonable satisfaction of the City Manager. The City Manager's approval of the Evidence of Financing shall not affect the requirements as a condition to Close of Escrow that Developer actually close the Project Construction Loan on terms consistent with such Evidence of Financing concurrently with the Close of Escrow through the Escrow, unless the Project Construction Lender determines otherwise.

The amount of the Evidence of Financing shall not be less than (i) the amount of the construction contract for the Project, plus (ii) an amount equal to all consultant and loan fees, “points,” commissions, charges, furnishings, fixtures, taxes, interest, start-up costs, Developer’s overhead and administration, and other costs and expenses of developing and completing the Project (the costs listed in clauses (i) and (ii) of this Section are sometimes referred to collectively as “**Development Costs**”), less (iii) the amount of the Developer’s documented and committed equity contribution to the cost of constructing the Project. Developer is required to fully fund all of the Development Costs.

In connection with submission of the Evidence of Financing, Developer shall submit to and obtain City’s approval, which approval shall not be unreasonably withheld, conditioned or delayed, of a construction budget, showing the projected pre-development and development costs of the Project and a sources and uses statement showing that the projected funding sources will be available as needed to fund all such projected costs at the time incurred (“Budget”).

4. The Construction Loan shall be consistent with the terms and provisions of this Agreement. Prior to execution of any final Construction Loan documents by Developer, Developer shall secure the City Manager’s approval of the terms and conditions of those Construction Loan documents, which approval shall be limited to and only for the purpose of assuring compliance of the Construction Loan documents with the requirements of this Agreement and the previously approved Evidence of Financing and which shall not be unreasonably withheld, conditioned or delayed. City Manager shall approve or disapprove said Construction Loan documents within ten (10) calendar days of their submission. Concurrent with any disapproval, City Manager shall inform Developer in writing of the reasons for such disapproval. Developer shall draw upon and utilize the full amount of the Project Construction Loan only for financing development costs (and possibly financing costs) for the Project in accordance with this Agreement and the Project Construction Loan shall be disbursed and applied in accordance with the requirements by the Project Construction Lender regarding the disbursement of funds.

5. So that the City Manager can confirm that the Project can be constructed at a cost that does not exceed the Developer’s equity for the Project plus the amount of the Project Construction Loan, Developer shall deliver to the City Manager a copy of a guaranteed maximum price (or stipulated sum) construction contract with a reputable licensed contractor containing a scope of work consistent with the Project description.

IX. OTHER PROPERTY RELATED REQUIREMENTS

A. Operating Memoranda. It is recognized that performance under this Agreement will require a considerable degree of cooperation between the City and Developer. It is further realized that subsequent events may demonstrate that revisions will be required in the performance hereunder, and that a certain degree of flexibility will be required. It is to preserve such flexibility that certain provisions may have been delineated in this Agreement in general terms only, with the understanding that more precise details may be set forth in “Operating Memoranda” as may be required from time to time. Each operating memorandum shall be approved by the City Manager and Developer’s designated representative and shall be attached hereto as an addendum, and become a part hereof, and may be further changed and amended from time to time as necessary upon approval by the City and Developer.

B. Methane Barrier Reimbursement. The City has agreed to reimburse the Developer for a methane barrier under or within the Hotel's foundation under two conditions: (1) that the specifications of the barrier's material and construction meet City standards; and (2) the reimbursement amount for the barrier is not to exceed ninety-three thousand dollars (\$93,000). This barrier is provided as part of the sale of the Property and is *de minimis* in value with respect to the overall costs of Project construction and is being installed for precautionary purposes given that the Property is located in a City of Santa Fe Springs-designated Methane Zone.

C. No Reimbursement of Transient Occupancy Tax. It is fully understood by the Developer that 100% of the City's Transient Occupancy tax will be collected by the Developer at whatever level has been established by the City Council and that none of this tax is being shared between the Parties.

D. Additional Assurances During Construction. After the Close of Escrow and during the construction of the Project, if construction is suspended for a period of three months due to no fault of the Developer, the City has the right to request that Developer provide evidence to demonstrate that construction of the Project will continue pursuant to the Schedule of Performance.

X. AS-IS CONDITION OF PROPERTY AND SELLER RELEASE FROM LIABILITY.

A. As-Is Condition. Developer acknowledges the following: (i) that it is an experienced and sophisticated purchaser of commercial real estate projects such as the Property; (ii) that Developer is familiar with the Property, and (iii) that, the Developer has had full and complete opportunity to conduct such investigations, examinations, inspections, and analysis of the Property, the Property Documents and market conditions as Developer, in its absolute discretion, may deem appropriate. Developer further acknowledges that, except for the City's Representations, Developer has not relied upon any statements, representations or warranties by City or any agent of City. Except for the City's Representations, Developer agrees that the Property shall be sold and that Developer shall accept possession of the Property on the Closing Date strictly on an "AS IS, WHERE IS, WITH ALL FAULTS" and with all latent or patent defects. Buyer also acknowledges that the purchase price reflects and takes into account the Property is being sold "AS-IS, WHERE IS, WITH ALL FAULTS."

B. Release. Developer acknowledges that it will have the opportunity to inspect the Property during the Due Diligence Period, and during such period, observe its physical characteristics, environmental condition and existing conditions and the opportunity to conduct such investigation and study as Developer deems necessary. Except for the representations, warranties, and covenants set forth in this Agreement, Developer hereby forever releases and discharges Seller from all responsibility and liability relating to the physical, environmental or legal compliance status of the Property, whether arising before or after the effective date, regarding the condition, valuation, salability or utility of the Property, or its suitability for any purpose whatsoever (including, but not limited to, with respect to the presence in the soil, air, structures

and surface and subsurface waters, of hazardous materials or other materials or substances that have been or may in the future be determined to be toxic, hazardous, undesirable or subject to regulation and that may need to be specially treated, handled and/or removed from the property under current or future federal, state and local laws, regulations or guidelines, and any structural and geologic conditions, subsurface soil and water conditions and solid and hazardous waste and hazardous materials on, under, adjacent to or otherwise affecting the property) or its use and operation. Developer further hereby waives (and by closing this transaction will be deemed to have waived) any and all objections, complaints and actions (including, but not limited to, federal, state and local statutory and common law based actions, and any private right of action under any federal, state or local laws, regulations or guidelines to which the property is or may be subject. Developer further hereby expressly assumes the risk and changes in applicable laws and regulations relating to past, present and future environmental conditions on the property and the risk that adverse physical characteristics and conditions, including, without limitation, the presence of hazardous materials or other contaminants, may not have been revealed by its investigation.

SELLER'S INITIALS

BUYER'S INITIALS

XI. INSURANCE AND INDEMNIFICATION

A. Insurance. Developer shall maintain a commercial general liability insurance policy with respect to Developer's activities on or about the Property with liability limits of at least Two Million and no/100 Dollars (\$2,000,000.00) per occurrence and shall cause City to be named as an additional insured by way of endorsement thereto. Developer shall also maintain Automobile Insurance with liability limits of at least One Million no/100 Dollars (\$1,000,000.00) per accident for owned, non-owned, and hired autos and Workers Compensation Insurance as required by law.

Nature of Insurance. All Liability Insurance and Automobile Liability Insurance policies required herein shall be issued by carriers that: (a) are listed in the then current "Best's Key Rating Guide-Property/Casualty-United States & Canada" publication (or its equivalent, if such publication ceases to be published) with a minimum financial strength rating of "A-" and a minimum financial size category of "VII" (exception may be made for the State Compensation Insurance Fund when not specifically rated); and (b) are authorized to do business in the state. Developer may provide any insurance under a "blanket" or "umbrella" insurance policy, provided that: (i) such policy or a certificate of such policy shall specify the amount(s) of the total insurance allocated to the Property and the Project which amount(s) shall equal or exceed the amount(s) required by this Agreement and shall not be reduced for claims made for other properties or projects; and (ii) such policy otherwise complies with this Agreement.

Policy Requirements and Endorsements. All insurance policies as required by this Agreement shall contain (by endorsement or otherwise) the following provisions:

(a) Insured. Liability Insurance policies shall name the City as "additional insured." The coverage afforded to the City shall be at least as broad as that afforded to Developer and may not contain any terms, conditions, exclusions, or limitations applicable to the City that do not apply to Developer.

(b) Primary Coverage. All policies shall be written as primary policies, respecting the City. Any insurance or self-insurance maintained by the City shall be excess of all insurance required under this Agreement and shall not contribute with it.

(c) Contractual Liability. Liability Insurance policies shall contain contractual liability coverage, for the Developer's indemnity obligations under this Agreement.

Deliveries to the City. Evidence of Developer's maintenance of all insurance policies required by this Agreement shall be delivered to the City prior to the Close of Escrow. No later than three (3) days before any insurance required by this Agreement expires, is cancelled or its liability limits are reduced or exhausted, Developer shall deliver to the City evidence of such Party's maintenance of all insurance this Agreement requires. Each insurance cancelled, except after thirty (30) calendar days' advance written notice of cancellation or non-renewal has been given to City by certified mail, return receipt requested. Phrases such as "endeavor to" and "but failure to mail such Notice shall impose no obligation or liability of any kind upon the company" shall not be included in the cancellation wording of any certificates or policies of insurance applicable to the City Parties pursuant to this Agreement.

Waiver of Certain Claims. Developer shall cause each insurance carrier providing any Liability Insurance or Automobile Liability Insurance under this Agreement to endorse their applicable policy(ies) with a Waiver of Subrogation with respect to the City, if not already in the policy.

Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions under insurance policies required by this Agreement shall be declared to and approved by City. The insurer under each such insurance policy shall eliminate such deductibles or self-insured retentions as respects the City Parties.

Insurance Independent of Indemnification. The insurance requirements of this Agreement are independent of the Parties' indemnification and other obligations under this Agreement and shall not be construed or interpreted in any way to satisfy, restrict, limit, or modify the parties' indemnification or other obligations or to limit the parties' liability under this Agreement, whether within, outside, or in excess of such coverage, and regardless of solvency or insolvency of the insurer that issues the coverage; nor shall the provision of such insurance preclude the City from taking such other actions as are available to it under any other provision of this Agreement or otherwise at law or in equity.

B. Indemnification. Developer shall, and hereby does, indemnify, defend, protect and hold harmless City, and each of its managers, officers, directors, employees, agents, affiliates, representatives, attorneys, successors, and assigns (collectively with City, the ("**City Parties**") from and against all third party losses, liabilities, claims, demands, costs, damages (including liens, fines, or penalties), obligations, causes of action, disbursements, or expenses of any kind or nature whatsoever, including actual attorneys' fees, court costs, costs of arbitration, and litigation expenses (collectively, "**Claims**"), resulting from the Developer's activities on the Property that occurred before the Close of Escrow, including any mechanic's lien claims, and resulting from any governmental approval or determination made by City in relation to this Agreement and

environmental compliance. The foregoing indemnity and defense obligations do not apply to (a) any loss, liability, cost or expense to the extent arising from or related to the sole active negligent acts or willful misconduct of City, (b) any diminution in value of the Property arising from or relating to matters discovered by Developer during its investigation of the Property, (c) any latent defect in the Property discovered by Developer, or (d) the release or spread of any hazardous materials or regulated substances which are discovered (but not deposited) on or under the Property by Developer. The obligations of Developer under this Section shall survive the Close of Escrow or any earlier termination of this Agreement for a period of two (2) years.

C. Public Works Determination. Developer has been alerted to the requirements of California Labor Code section 1770, et seq., including, without limitation S.B. 975, which require the payment of prevailing wage rates and the performance of other requirements if it is determined that this Agreement or any portion of the Project constitutes a public works contract. It shall be the sole responsibility of Developer to determine whether to pay prevailing wages for any or all work required by this Agreement. As a material part of this Agreement, Developer agrees to assume all risk of liability arising from any decision not to pay prevailing wages for work required by this Development.

D. Survival. The covenants set forth in this Section XI shall survive the Close of Escrow.

XII. REMEDIES FOR DEFAULT

A. Developer's Default. If Developer fails to purchase the Property due to a material default or material breach by Developer of this Agreement, where such material default or material breach is not cured by Developer within thirty (30) business days after Developer's receipt from City of written notice of such default or breach, then the amount of the Deposit (the "**Liquidated Damages Amount**") shall constitute liquidated damages as follows:

BY PLACING THEIR INITIALS HERE, CITY _____, AND DEVELOPER _____ EACH AGREE THAT IN THE EVENT OF DEVELOPER'S FAILURE TO PURCHASE THE PROPERTY ON ACCOUNT OF A MATERIAL DEFAULT OR BREACH HEREUNDER BY DEVELOPER, THE DAMAGES TO CITY WOULD BE EXTREMELY DIFFICULT AND IMPRACTICABLE TO ASCERTAIN, AND THAT THEREFORE, IN THE EVENT OF DEVELOPER'S FAILURE TO PURCHASE THE PROPERTY ON ACCOUNT OF A MATERIAL DEFAULT OR BREACH HEREUNDER BY DEVELOPER, WHICH DEFAULT OR BREACH IS NOT CURED WITHIN THIRTY (30) BUSINESS DAYS AFTER WRITTEN NOTICE IS GIVEN BY CITY TO DEVELOPER, THE LAND PURCHASE DEPOSIT AMOUNT SHALL SERVE AS DAMAGES FOR SUCH BREACH OR DEFAULT BY DEVELOPER, AS A REASONABLE ESTIMATE OF THE DAMAGES TO CITY, INCLUDING COSTS OF NEGOTIATING AND DRAFTING THIS AGREEMENT, COSTS OF COOPERATING IN SATISFYING CONDITIONS TO CLOSING, COSTS OF SEEKING ANOTHER DEVELOPER, OPPORTUNITY COSTS IN KEEPING THE PROPERTY OUT OF THE MARKETPLACE, AND OTHER COSTS INCURRED IN CONNECTION HERewith. DELIVERY TO AND RETENTION BY CITY OF THE LAND PURCHASE DEPOSIT AMOUNT SHALL BE CITY'S SOLE AND EXCLUSIVE REMEDY AGAINST

DEVELOPER, AND CITY WAIVES ANY AND ALL RIGHT TO SEEK OTHER RIGHTS OR REMEDIES AGAINST DEVELOPER, INCLUDING WITHOUT LIMITATION, SPECIFIC PERFORMANCE. THE PAYMENT AND RETENTION OF SUCH AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO CITY PURSUANT TO PROVISIONS OF CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677. CITY HEREBY WAIVES THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTIONS 1680 AND 3389. UPON DEVELOPER'S FAILURE TO PURCHASE THE PROPERTY ON ACCOUNT OF A MATERIAL DEFAULT OR BREACH HEREUNDER BY DEVELOPER, THIS AGREEMENT SHALL BE TERMINATED AND NEITHER PARTY SHALL HAVE ANY FURTHER RIGHTS OR OBLIGATIONS HEREUNDER, EACH TO THE OTHER, EXCEPT FOR THE RIGHT OF CITY TO RETAIN SUCH LIQUIDATED DAMAGES.

B. City's Default. In the event that the Close of Escrow does not occur within the time required herein due to a breach of this Agreement by City this Agreement shall not be terminated automatically, but only upon delivery to Escrow Holder and City of written notice of termination from Developer, in which event Escrow Holder shall automatically return all sums (including the Deposit) deposited by Developer whereupon Developer and City shall each be released from all liability hereunder (except for those provisions which recite that they survive termination).

C. Escrow Fees on Default. If the failure to close is due to the default of one of the parties, the defaulting party shall bear the sole and full liability for paying any escrow cancellation fee.

XIII. RIGHT TO REPURCHASE

A. Repurchase Rights And Obligations. In the event that Developer has not commenced Grading of the Property one (1) year following issuance of building permits or laid the foundation within eighteen (18) months following issuance of building permits, the City shall have the right to repurchase the Property ("**Option to Repurchase Commencement Date**") as provided in this Agreement. The City shall have sixty (60) days from the Option to Repurchase Commencement Date to provide written notice to Developer that it is exercising its right to repurchase the Property ("**Repurchase Right**").

B. If required by the Project Construction Lender in order to close the Project Construction Loan: (i) such right to repurchase shall be subordinate and subject to and be limited by and shall not defeat any mortgage, deed of trust or other security instrument on the Property and any rights or interests provided for the protection of the holder of such mortgages, deeds of trusts or other security instruments; and (ii) City shall execute, acknowledge and deliver a reasonable subordination agreement confirming such subordination.

To exercise its right to repurchase, the City shall pay to the Developer an amount equal to the Purchase Price for the Property actually paid by the Developer.

In the event the City wishes to proceed with the Project, the City agrees to pay

Developer the reasonable cost of all plans, studies, tests and other related documents required for completion of the Project and Developer shall deliver to the City copies of all of the Developer's plans, studies and tests prepared and performed in connection with the acquisition and development of that particular Developer Parcel.

C. Within thirty (30) days after delivery of the Repurchase Right notice, City and Developer shall open an escrow with Escrow Holder or other escrow holder as agreed to, in writing, by the City and Developer, for the repurchase of the Property. Thereafter, Developer and City shall cooperate in City's repurchase of the Property upon the terms and conditions set forth in this Agreement.

D. **Terms of Repurchase.** The terms and provisions governing the repurchase of the Property by the City shall be memorialized in a separate repurchase agreement between Developer and City and shall be the same as those set forth herein with respect to the sale of the Property by City to Developer, provided, however:

1. The closing date for such repurchase shall be on or before the date that is ninety (90) days after the date of the delivery of the Repurchase Right notice ("**Repurchase Closing Date**").

2. The City will repurchase the property in an AS IS condition free of any encumbrances that the Developer may have placed against the property. Title to the Property shall be conveyed to City free and clear of any encumbrances or exceptions on the Property. Customary Escrow and title costs shall be shared equally, provided, however, in the event that City desires to obtain an extended coverage Title Policy or any endorsements to the title policy, the incremental costs thereof shall be borne by City.

3. The Liquidated Damages provision herein shall be inapplicable and either party hereto may compel the specific performance of the Repurchase Right, as applicable.

4. The sale of the Property by Developer to City shall be made without representation or warranty of any kind except that for each representation and warranty made by City under this Agreement in relation to the City's sale to Developer, Developer shall represent and warrant to City in substantially similar form and manner in relation to City repurchase or shall disclose to City in writing any material fact or alteration to the Property as applicable.

City and Developer shall execute such other documents as are reasonably necessary to effectuate the intent of this Section XII.

XIV. MISCELLANEOUS PROVISIONS

A. Assignment. Developer understands that City is entering into this Agreement based on the prior experience and qualifications of Developer, its members and affiliates. Therefore, prior to the issuance of certificates of occupancy for the entire Project, Developer shall not assign, sell or otherwise transfer any or all of its rights under this Agreement to any third party without the prior written approval of the City. Approval of any assignment shall be in the reasonable discretion of the City. City understands and acknowledges that in connection with Developer may partner with additional development, equity and debt persons and entities and/or may create new

affiliate entities to be the developer thereafter, and expects to continue as the manager of such entities.

B. Right Of Entry. In connection with Developer's feasibility of the Property and of this transaction, Developer may, at its sole cost and expense, consider any matter and conduct any investigations of the Property that it desires. Developer, its agents, its employees, its consultants, and/or its prospective tenants/users/purchasers (collectively with Developer, the "**Developer Parties**"), upon signing a Right of Entry Agreement approved by the City, may enter the Property at any time prior to the Close of Escrow and perform any inspections and investigations desired by Developer, including without limitation, engineering, water, ecological, and other studies, soils testing, surveys. None of the Developer Parties shall cause any adverse impact to the Property and to the extent reasonably practicable will restore the Property in a timely manner at Developer's sole cost to the condition that existed immediately prior to the Developer Parties' entry thereon. Developer shall keep the Property free and clear of all mechanics' or materialman's liens arising from or related to Developer Parties' entry onto the Property, and shall take all necessary actions, at Developer's sole cost and expense, to remove any such liens that encumber the Property.

C. Real Estate Commission; Licensee Status. Developer and City each represent and warrant to the other that it has had no other dealings with any person, firm, broker or finder in connection with the negotiation of this Agreement and/or the consummation of the purchase and sale contemplated herein, and no broker or other person, firm or entity is/are entitled to any City or finder's fee in connection with this transaction as the result of any dealings or acts of such party. Buyer and City hereby agree to indemnify, defend, protect and hold the other harmless from and against any costs, expenses or liability for compensation, City or charges which may be claimed by any broker, finder or other similar party.

D. Binding Effect. This Agreement shall bind and inure to the benefit of the respective heirs, representatives, successors, and assigns of the Developer and City.

E. Notices. No notice, request, demand, instruction, or other document to be given hereunder to any Party shall be effective for any purpose unless personally delivered, delivered by commercial overnight delivery service, sent by certified or registered mail, return receipt requested, to the appropriate address set forth below, or transmitted via electronic mail (email) or fax to the email address or fax number set forth below:

With copy to:

If to City, to:

Attention: City Manager
City of Santa Fe Springs
11710 Telegraph Road
Santa Fe Springs, CA 90670
Telephone: (562) 862-0511

With copy to:

Attention: Yolanda M. Summerhill
Jones & Mayer
3777 N. Harbor Blvd.
Fullerton, CA 92835
Telephone: (714) 446-1400

If to Escrow, to:

Attention: Karl Daly
Chicago Title Company
725 S. Figueroa Street, Suite 200
Los Angeles, CA 90017

If to Developer, to: SFS Hospitality, LLC
Sharad Patel
8455 Telegraph Road
Pico Rivera, California 90660

F. Attorneys' Fees. In the event that any dispute between City and Developer should result in litigation, the prevailing Party in that dispute shall be entitled to recover from the other Party all reasonable and necessary fees, costs and expenses of enforcing any right of the prevailing Party, including, without limitation, actual attorneys' fees and expenses, and the other costs of such litigation that were reasonable and necessary to enforce the terms of this Agreement. In addition to the foregoing award of attorney's fees and costs, the prevailing party shall be entitled to its attorney's fees and costs incurred in any post-judgment proceedings to collect or enforce any judgment. This provision is separate and shall survive the merger of this provision into any judgment on this Agreement.

G. Computation Of Periods. All periods of time referred to in his Agreement shall include all Saturdays, Sundays, and state or national holidays, unless the period of time specifies business days, provided that if the date to perform any act or give any notice with respect to this Agreement shall fall on a Saturday, Sunday, or state or national holiday, such act or notice may be timely performed or given on the next succeeding day which is not Saturday, Sunday, or state or national holiday. 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.

H. Interpretation. In the event of an ambiguity in or dispute regarding the interpretation of same, the interpretation of this Agreement shall not be resolved by any rule of interpretation providing for interpretation against the Party who causes uncertainty to exist or against the draftsman.

I. Survivability. All covenants of Developer or City which are intended hereunder to be performed in whole or in part after Close of Escrow and all representations and warranties (to the extent set forth above), and indemnities by either Party to the other, shall survive Close of Escrow and delivery of the deed, and be binding upon and inure to the benefit of the respective Parties.

J. City Actions. In addition to any provisions of this Agreement that gives the City Manager the authority to make decisions and grant approvals, the City hereby authorizes the City Manager to deliver any approvals and/or consents as are contemplated by this Agreement for the purpose of implementing the terms of the Agreement, when such approval or consent is required on behalf of the City provided that the applicable approval or consent, is not substantial as determined by the City Manager in his reasonable discretion.

K. Authority Of Parties. Any individual signing this Agreement on behalf of a partnership or other business entity represents that he or she is authorized by such entity and has the power to enter into this Agreement and by such person's act such partnership or other business entity is bound hereto. Any individual signing this Agreement in the capacity of a trustee or co-trustee represents that he or she is authorized under the appropriate trust documents to enter into this Agreement and by such person's act such trust is bound hereto.

L. Amendment. This Agreement (including, without limitation, this Section) may only be amended by written amendment executed by City Council and Developer, unless otherwise provided for herein.

M. Counterparts. This Agreement may be executed in any number of identical counterparts, each of which when executed and delivered shall be an original, but all such counterparts, shall constitute but one and the same instrument.

N. Choice Of Law. This Agreement shall be governed by the laws of the State of California.

O. No Third Party Beneficiary. This Agreement is between Developer and City only and no third party not signatory hereto is intended expressly or by implication to be benefited hereby, including without limitation any brokers. No person or entity not signatory to this Agreement shall have any rights or causes of action against either City or Developer arising out of or due to City's or Developer's entry into this Agreement.

P. 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 party, or their respective agents, employees, or attorneys, except as specifically set forth in this Agreement, and without duress or coercion, whether economic or otherwise.

Q. Time of Essence. Time is expressly made of the essence with respect to the performance by the City, the Developer of each and every obligation and condition of this Agreement.

R. 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.

S. Force Majeure. Following the Close of Escrow, and notwithstanding anything to the contrary in this Agreement, nonperformance shall be excused when performance is prevented or delayed by reason of any of the following forces reasonably beyond the control of such party (a “Force Majeure Delay”): (i) failure to perform by Developer attributable to any strike, lockout or other labor or industrial disturbance (whether or not on the part of the employees of either party hereto), civil disturbance, future order claiming jurisdiction, act of the public enemy, war, riot, sabotage, blockade, embargo, inability to secure customary materials, supplies or labor through ordinary sources by reason of regulation or order of any government or regulatory body; and (ii) delay attributable to severe weather, lightning, earthquake, fire, storm, hurricane, tornado, flood, washout, explosion, or any other cause beyond the reasonable control of the party from whom performance is required, or any of its contractors or other representatives. Any prevention, delay or stoppage due to any Force Majeure Delay shall excuse the performance of the party affected for a period of time equal to any such prevention, delay or stoppage (except the obligations of either party to pay money to the other party or to close escrow) provided that the Party claiming the Force Majeure Delay notifies the other Party of the Force Majeure Delay within a reasonable time (not to exceed ten business days) after the commencement of the Force Majeure Delay.

IN WITNESS WHEREOF, City and Developer have duly executed this Agreement as of the Effective Date.

[SIGNATURES ON FOLLOWING PAGE]

“CITY”

CITY OF SANTA FE SPRINGS

By:_____

Name:_____

Its:_____

Dated:_____

APPROVED AS TO FORM

By:_____

Name:_____

Its: City Attorney

Dated:_____

“DEVELOPER”

SFS HOSPITALITY

A California Limited Liability Corporation

By:

By:_____

Name:_____

Its:_____

Dated:_____

List of Attachments:

EXHIBIT 1 Legal Description of the Property & Site Map

EXHIBIT 2 Form of Grant Deed

EXHIBIT 3 Scope of Development

EXHIBIT 4 Schedule of Performance

EXHIBIT 5 Form of Memorandum of Agreement

EXHIBIT 6 Methane Zone Map

EXHIBIT 1
LEGAL DESCRIPTION OF THE PROPERTY & SITE MAP

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SANTA FE SPRINGS, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 2 OF PARCEL MAP NO. 82014 AS PER MAP FILED IN BOOK 398, PAGES 69 THROUGH 72 INCLUSIVE OF MAPS.

EXHIBIT 2
FORM OF GRANT DEED

TO BE INSERTED

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

APPROVED AS TO FORM

Dated:_____

By:_____

Name:_____

Its: City Attorney

Dated: _____

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 _____)

COUNTY OF _____)

On _____, 201____, before me, _____
a notary public, personally appeared _____, who proved to
me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the
within instrument and acknowledge to me that he/she/they executed the same in his/her/their or
the entity upon behalf of which the person(s) acted, executed the instrument.

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

Witness my hand and official seal.

Notary Public

(Seal)

EXHIBIT 3

SCOPE OF DEVELOPMENT

The Developer shall develop the Hotel Project in accordance with the Development Agreement, the Land Use Approvals (Development Plan Approval Case No. 938, Conditional Use Permit Case No. 788 and Modification Permits Case Nos. 1301-1303), and Permits and the Franchise Agreement.

The following is a general description of the Development Elements:

1. Hotel

- a. Full-service Hotel constructed and operated pursuant to a Franchise Agreement, approximately 77 feet tall, with 110-guestroom keys, approximately 77,900 sq. ft. of total buildable area, including approximately 19,500 sq. ft. of basement parking, approximately 15,100 sq. ft. of first floor area, approximately 15,700 of buildable area per floor (2nd through 5th) approximately 12,000 sq. ft. of rooftop recreation and assembly area, approximately 2,000 sq. ft. of outdoor seating area, approximately 2,250 of outdoor recreation area, approximately 2,232 sq. ft. of restaurant area, inclusive of a breakfast area, lounge and bar, approximately 589 sq. ft. of pool area, approximately 775 sq. ft. of gym area and approximately 2,364 sq. ft. of meeting space, all pursuant to the quality standard set forth in Section 14 B(b), to be located above the Subterranean parking.
- b. The Hotel shall be designed, developed, and operated in full compliance with the Land Use Approvals (Development Plan Approval Case No. 938, Conditional Use Permit Case No. 788 and Modification Permits Case Nos. 1301-1303) and with the standards set forth in the Franchise Agreement, which shall be in compliance with the requirements of at least three stars by the Mobile Guide or three diamonds by AAA or if such rating guides are discontinued, an equivalent rating of another comparable hotel rating guide.

2. Subterranean Parking

- a. Exactly 83 parking spaces to be located one (1) level below ground under the Hotel to serve the Hotel. Level 1 contains 19,500 sq. ft. and include 83 stalls of which 25 are tandem (which are not counted towards the total required number of parking spaces per Code), five are designated for electrical vehicles and one ADA stall. Two stairwells and an elevator provide access to the Hotel.

3. Surface Parking

- a. Exactly 40 parking spaces are at ground level with two (2) reserved for short- term parking, and five (5) for ADA. The back-up area at the north end of the ground level parking area measures approximately 710 sq. ft.

EXHIBIT 4

SCHEDULE OF PERFORMANCE

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

PERFORMANCE ITEM			DEADLINE TO PERFORM TASK
I.	MATTERS TO BE COMPLETED PRIOR TO CLOSE OF ESCROW		
	Execution of the Disposition and Development Agreement ("DDA")		
	A.	City consider DDA and Covenant.	November 20, 2018
	B.	Developer executes DDA and Memorandum of Agreement and delivers to City for approval and execution.	Within 10 days of Approval of City Council.
	C.	City execute DDA and Memorandum of Understanding to Developer.	Within 7 days of Developer execution.
	Escrow and Title		
	A.	Developer open escrow.	Within 5 business days after the execution and delivery of the DDA.
	B.	City delivers to Developer a preliminary title report and all underlying documents with respect to the title to the Site.	Within the times set forth in Section IV.D.
	C.	Developer review/approval of title/Condition of Title.	Within the times set forth in Section IV.D.

PERFORMANCE ITEM			DEADLINE TO PERFORM TASK
	D.	Due Diligence Review and Approval of Environmental Conditions	Within the times set forth in Section V.
	E.	Conditions Precedent to the Close of Escrow set forth in Section VII of the DDA Satisfied.	Prior to the Close of Escrow.
	F.	City and Developer submit escrow documents.	Within the times set forth in Section IV.H and I
	G.	Close of Escrow	Within ten (10) days of conditions precedent being satisfied or waived, however, in no event later than March 1, 2020. ¹
Appraisal and Evidence of Financing			
	A.	Developer and City to commence preparation of Initial Appraisal for the Site.	Within 30 days of the execution of the DDA.
	B.	Developer and City review Initial Appraisal and underlying analysis.	Within 45 days following completion of Initial Appraisal.
	C.	Developer and City to discuss Appraised Value.	Within 45 days following receipt of Appraisal.
	D.	If Developer and City cannot compromise on an Appraised Value, then a Third Party Appraiser will be selected by the Parties.	Within 30 days following discussion of Appraisal.
	E.	Third Party Appraiser to review and make a determination on Appraised Value.	Within 60 days following selection of Third Party Appraiser.
	F.	Developer evidence of Franchise Agreement.	Within 45-60 days prior to the Close of Escrow.
	G.	Developer submission of Budget.	Within 45-60 days prior to the Close of Escrow.

¹ The Close of Escrow may be extended an additional day for each business day the City does not meet the deadline set forth in “Plan Submission” Sections B, D. & F. Notwithstanding the foregoing, no extensions to the Close of Escrow shall apply to Developer’s failure to meet the deadlines provided herein.

PERFORMANCE ITEM			DEADLINE TO PERFORM TASK
	H.	Developer submittal of Evidence of Financing	Within 45 days prior to the close of escrow.
	I.	City approval or disapproval of Evidence of Financing (including any resubmission).	Within 10 days following the receipt of a complete submittal.
	J.	Developer submittal of Evidence of Hotel Management Agreement	Prior to Close of Escrow.
	Plan Submission**		
	A.	Developer shall submit application and plan submissions for all building plan approvals ("Plan Submission").	**Within 180 days of execution of the DDA.
	B.	City plan checks building plans of Plan Submission and submits correction comments to Developer.	**Within 60 days of Plan Submission.
	C.	Developer makes all building plan corrections and resubmits to City for comment.	**Within 60 days of City's plan check corrections.
	D.	City rechecks building plans and submits correction comments to Developer, if necessary.	**Within 45 days following receipt of Developer's resubmission.
	E.	If necessary, Developer makes all building plan corrections necessary for building plan approval and resubmits for building plan approval.	**Within 45 days following receipt of City's plan check corrections.
	F.	If necessary, City identifies all outstanding correction items necessary for building plan approval.	**Within 30 days following receipt of Developer's resubmission.
	G.	If necessary, Developer makes all building plan corrections necessary to obtain building plan approval and resubmits for building plan approval.	**Within 30 days following receipt of City's plan check corrections.

PERFORMANCE ITEM			DEADLINE TO PERFORM TASK
	H.	Developer submits approved building plans to the City for issuance of building permit.	Within 15 months of execution of DDA but no later than Close of Escrow.
	I.	City issues building permit.	Within 15 months of execution of DDA/At the Close of Escrow
	J.	Developer submits required insurance.	Prior to the earlier of Developer exercising a right-of-entry or the Close of Escrow.
II.	MATTERS TO BE PERFORMED BY DEVELOPER FOLLOWING CLOSING OF ESCROW		
	A.	Commence construction of Hotel.	90 days after Closing.
	B.	Hotel Construction Loan records and funds.	Within the time set forth in Section VIII.A.2.
	C.	Completion of Hotel.	24 months following start of construction.
	D.	Hotel is open the public.	27 months following start of construction.
III.	RIGHT TO REPURCHASE IN THE EVENT CONSTRUCTION HAS NOT COMMENCED		
	A.	Failure to commence Grading within one year of issuance of building permits.	One year following issuance of building permits.
	B.	City provides Developer with written notice of Option to Repurchase Property to due failure to comment Grading.	One year + 60 days following issuance of building permits and failure to grade.

PERFORMANCE ITEM			DEADLINE TO PERFORM TASK
	D.	City and Developer open escrow for Repurchase due to failure to commence Grading.	Within 30 days of City providing notice of Repurchase Right.
	E.	Repurchase Closing Date based upon failure to commence Grading.	Within 90 days of City providing notice of Repurchase Right.
	F.	Failure to commence laying foundation within 18 months years of issuance of building permits.	Eighteen months following issuance of building permits.
	G.	City provides Developer with written notice of Option to Repurchase Property to due failure to lay foundation.	Eighteen months + 60 days following issuance of building permits and failure to lay foundation.
	H.	City and Developer open escrow for Repurchase due to failure to lay foundation.	Within 30 days of City providing notice of Repurchase Right.
	I.	Repurchase Closing Date based upon failure to lay foundation.	Within 90 days of City providing notice of Repurchase Right.

**With respect to the performance deadlines related to Plan Submissions, the parties agree to endeavor to meet such deadlines listed but no party shall be in default if such deadline is not met. The goal of listing these dates is to keep the Project on schedule. In addition, the Plan Submission is premised on the Developer having finalized the construction drawings for the Project, which Developer estimates could take nine months. Notwithstanding, the parties agree that approved building plans shall be submitted to the City for building plan approval on a date that is no later than the Close of Escrow.

EXHIBIT 5

MEMORANDUM OF AGREEMENT

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Attention: City Manager
City of Santa Fe Springs
11710 Telegraph Road
Santa Fe Springs, CA 90670

MEMORANDUM OF AGREEMENT

This Memorandum of Purchase Agreement (“**Memorandum**”) is entered into as of _____, 20__, by and between SFS Hospitality, LLC (“**Developer**”), whose address is [INSERT ADDRESS] and the City of Santa Fe Springs (“**City**”), whose address is 11710 Telegraph Rd, Santa Fe Springs, CA.

Sale of Property to Developer. Pursuant to the Disposition and Development Agreement dated _____, 2018 by and between City and Developer (the “**DDA**”), which DDA is by the reference incorporated herein, City plans to sell and convey to Developer fee title to that certain real property particularly described in EXHIBIT 1 attached hereto and incorporated herein by this reference (the “**Property**”).

Right of Repurchase. The City retains the right of repurchase as delineated in the Disposition and Development Agreement attached hereto as EXHIBIT 2.

Automatic Termination. This Memorandum shall automatically terminate and be of no further force or effect for the following reasons failure to begin Grading as defined in the DDA within one (1) year from the date of issuance of building permits or laid the foundation within eighteen (18) months from the date of issuance of building permits.

Successors and Assigns. This Memorandum and the DDA shall bind and inure to the benefit of the parties and their respective heirs, successors and assigns.

No Alteration of DDA. This Memorandum is subject to the terms, covenants, conditions and provisions of the DDA and is not intended and shall not be constructed to alter, modify, limit, abridge or enlarge any of the terms, covenants, conditions or provisions of the DDA.

Governing Law. This Memorandum and the DDA shall be governed by, and construed and enforced in accordance with, the laws of the State of California.

IN WITNESS WHEREOF, the undersigned have caused this Memorandum to be executed by their duly authorized representative as of the date first set forth above.

“CITY”

“DEVELOPER”

CITY OF SANTA FE SPRINGS

SFS Hospitality, LLC

By: _____
Name: _____
Its: _____

By: _____
a California corporation – Its Manager

Dated: _____

By: _____
Name: _____
Its: _____

APPROVED AS TO FORM

Dated: _____

By: _____
Name: _____
Its: City Attorney

Dated: _____

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 _____)
COUNTY OF _____)

On _____, 201____, before me, _____
a notary public, personally appeared _____, who proved
to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to
the within instrument and acknowledge to me that he/she/they executed the same in his/her/their
or the entity upon behalf of which the person(s) acted, executed the instrument.

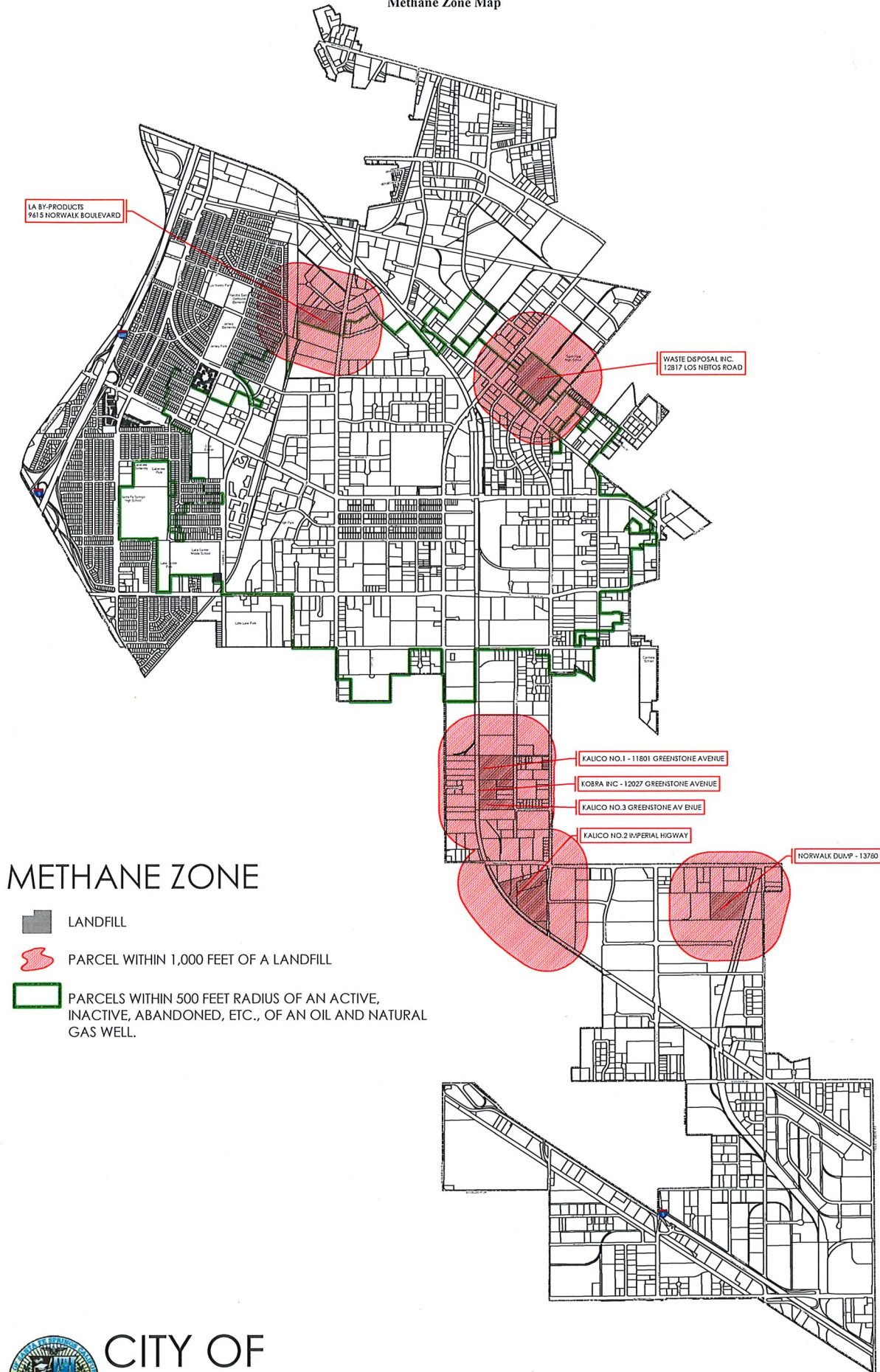
I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

Witness my hand and official seal.




Notary Public

(Seal)

Methane Zone Map

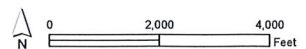


METHANE ZONE

-  LANDFILL
-  PARCEL WITHIN 1,000 FEET OF A LANDFILL
-  PARCELS WITHIN 500 FEET RADIUS OF AN ACTIVE, INACTIVE, ABANDONED, ETC., OF AN OIL AND NATURAL GAS WELL.



CITY OF
SANTA FE SPRINGS





City of Santa Fe Springs

City Council Meeting

November 20, 2018

NEW BUSINESS

Approval of Agreements between the City of Santa Fe Springs and California State University for Student Intern Program

RECOMMENDATION

That City Council approve, and Mayor execute,

- The California State University Long Beach Student Field Placement Agreement.
- The California State University Los Angeles Clinical Affiliation Agreement No. 6718-0081.

BACKGROUND

For more than 20 years, the City of Santa Fe Springs' Family & Human Services Division has partnered with local universities to provide undergraduate social work students with valuable field work experience working with families, older adults, and the community at large.

Every year, the Family & Human Services Division partners with California State University Long Beach and California State University Los Angeles to host three to four Social Work Interns at the Gus Velasco Neighborhood Center (GVNC). In order to qualify for the internship program, students are required to be in the last year of their Bachelors of Social Work degree program, and must complete 420 hours of supervised field work. Once placed, student interns have the opportunity to be properly trained and coached in social work ethics, and to practice the core values of social work which include service, social justice, integrity, and the importance of human relationships. Student interns are trained and coached by our Family and Human Services Caseworker II who provides hands-on training, guided case management services, integration of classwork with field work, and service to the community. Student Interns also work with partner organizations in the delivery of services to our community as a whole.

The GVNC provides a rich social work environment which prepares the interns for full-time employment in the social work field upon graduation. This is all due to the level of preparation they receive, the broad foundation of services that is provided, and the wide range of ages and populations that are served. Many of our former student interns have gone on to receive graduate degrees, and have crossed the social work world from Costa Rica to the United Kingdom.

These agreements were originally signed and executed by Maricela Balderas, Director of Community Services; however, due to recent City policy changes, the agreement is being presented to City Council for approval and for the Mayor's signature.



City of Santa Fe Springs

City Council Meeting

November 20, 2018

LEGAL REVIEW

The City Attorney has reviewed the California State University Long Beach Student Field Placement and California State University Los Angeles Clinical Affiliation agreements.

FISCAL IMPACT

This is a non-monetary agreement and has no fiscal impact to the general fund. The agreement allows for additional case management resources from the City to community residents.

The Mayor may wish to call upon Family and Human Services Manager, Ed Ramirez, for any questions the Council may have.

Raymond R. Cruz
City Manager

Attachments

1. California State University Long Beach Student Field Placement Agreement
2. California State University Los Angeles Clinical Affiliation Agreement No. 6718-0081



STUDENT FIELD PLACEMENT AGREEMENT

This agreement ("Agreement") is between the Trustees of the California State University (CSU) on behalf of California State University Long Beach ("University") and _____ ("Facility").
(please enter the complete legal name of the entity)

University offers degree programs in a wide variety of disciplines, which are academically enhanced by practical experiences outside of the traditional classroom setting. This Agreement pertains to University students enrolled in an internship course and placed at Facility by University. Facility shall provide practical experience pursuant to the terms of this agreement and serve as a learning site offering facilities, resources and supervision to students. In consideration the mutual promises and conditions set forth below, the University and the Facility ("Party or Parties") agree as follows:

- I. **EDUCATIONAL PROGRAMS** – The following University educational programs are included in this Agreement and are governed by the corresponding Exhibit(s) attached hereto:
Exhibit A – Social Work Program Protocol, consisting of 2 page(s).
- II. **GENERAL PROVISIONS**
 - A. **Term of Agreement** - The term of this Agreement shall begin when fully executed and shall continue until _____. Either Party may terminate this agreement upon thirty (30) days written notice. If either Party sends a Notice of Termination prior to the completion of an academic semester, all students enrolled at that time shall be allowed to continue their placement until the conclusion of that academic semester.
 - B. **Relationship of Parties** – Facility (including its employees and agents) shall act in an independent capacity and not as officers, employees or agents of CSU or University. Nothing in this Agreement shall be construed to constitute a partnership, joint venture or any other relationship other than that of independent contractors.
 - C. **Indemnification** – To the extent allowed by law, University shall be responsible for damages caused by the negligence of its directors, officers, agents and employees as defined by law, and agrees to indemnify and hold harmless Facility (including its officers, agents and employees) for claims for injury or damages arising out of the performance of this Agreement, but only in proportion and to the extent such injury or damages are caused by or result from the negligent acts or omissions of University directors, officers, agents or employees in the performance of this Agreement.

Facility shall be responsible for damages caused by the negligence of its directors, officers, agents and employees, and agrees to indemnify and hold harmless CSU and University (including its officers, agents and employees) for claims for injury or damages arising out of the performance of this Agreement, but only in proportion and to the extent such injury or damages are caused by or result from the negligent acts or omissions of Facility's directors, officers, agents or employees in the performance of this Agreement.
 - D. **Insurance** - Each Party shall, at its own cost and expense, maintain general liability insurance, comprehensive or commercial form, with a minimum limit of \$1,000,000 for each occurrence and \$3,000,000 general aggregate. If Facility offers medical or professional services, Facility shall also carry professional liability (or errors and omissions) coverage with the same minimum limits. University shall arrange for students to be covered by an insurance policy providing general and professional liability with limits of \$2,000,000 each occurrence and \$4,000,000 general aggregate.
 - E. **Confidentiality of Student Information** – University student records shall remain confidential as required by the Family Educational Rights and Privacy Act (FERPA). Neither Party shall release any protected student information without written consent of the student, unless required to do so by law or as dictated by the terms of this Agreement.
 - F. **Health Testing** – If Facility requires a health history or testing (tuberculosis testing, current immunizations, flu shot, etc) for students prior to placement, students shall provide proof of satisfactory health history directly to Facility.
 - G. **Background Check/Finger-Printing** - If Facility requires University's students to undergo a background check or fingerprinting prior to placement, University students shall coordinate the results directly with Facility.
 - H. **Orientation** – Facility shall provide an orientation to students, including familiarity with the building/property and policies regarding safety and proper business operations.

- I. Services Responsibility-** Facility retains professional and administrative responsibility for all services rendered at Facility.
- J. Confidentiality of Medical Records (HIPAA) – [For clinical/medical placements]** All of Facility’s medical records and charts created in connection with Clinical Training shall be and shall remain the property of Facility. For purposes of this Agreement and patient confidentiality under the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), Students shall be considered to be members of Facility’s “Workforce,” as defined at 45 Code of Federal Regulations (C.F.R.) §160.103.
- In the course of Clinical Training at Facility, Students may have access to Protected Health Information, as defined at 45 C.F.R. §160.103, and shall be subject to Facility’s HIPAA Privacy and Security policies and procedures. Students may be required to participate in training related to Facility’s HIPAA Privacy and Security policies and procedures.
- The Parties agree that University is not a “business associate” of Facility under HIPAA. University will not be performing or assisting in the performance of covered HIPAA functions on behalf of Facility. There will be no exchange of individually identifiable protected health information between University and Facility.
- K. Locations –** If Facility operates more than one location capable of accepting student interns, all locations under its management or control will be covered by the terms of this Agreement.
- L. Fair Labor Standards Act and Displacement of Organization Employees –** It is not the intention of this Agreement for students to perform services that would displace or replace regular employees of Facility.
- M. Nondiscrimination –** Neither Party shall discriminate unlawfully against any student in placement or continuation in a fieldwork program, nor shall they discriminate unlawfully against any employee or applicant for employment.
- N. Endorsement -** Nothing contained in this Agreement shall confer on any party the right to use the other party’s name as an endorsement of a product or service, or to advertise, promote or market any product or service.
- O. Severability -** If any provision of this agreement is held invalid by any law, rule, order of regulation of any government, or by the final determination of any state or federal court, such invalidity shall not affect the enforceability of any other provision not held to be invalid.
- P. Assignments -** This Agreement is not assignable in whole or in part by either Party.
- Q. Governing Law –** This Agreement shall be construed in accordance with and governed by the laws of the State of California, except where superseded by federal law. All actions or proceedings arising in connection with this Agreement shall be subject to the exclusive jurisdiction of the courts of the County of Los Angeles, State of California.
- R. Authority -** Each Party represents and warrants that the person(s) signing below on its behalf has the authority to enter into this Agreement and that this Agreement does not violate any of its existing agreements or obligations.
- S. Entire Agreement –** This document contains the entire agreement and understanding of the Parties, and supersedes all prior agreements, arrangements, and understandings with respect to the subject matter of this document. No amendment, alternation or variation of the terms of the Agreement shall be valid unless made in writing and signed by the Parties hereto.

University:

California State University, Long Beach
Attn: Procurement & Contractual Services
1250 Bellflower Blvd., BH-346
Long Beach, CA 90840-0123
(562)985-4296

Facility:

(please enter the complete legal name of the entity)

Street address

City, State, Zip

Phone Number

e-mail

University Signature

Date

Name and Title

Facility Authorized Signature

Date

Name and Title

Exhibit A
SOCIAL WORK PROGRAM PROTOCOL

Student Field Placement Agreement

The California State University Long Beach (University) Graduate/Undergraduate Social Work Major is approved by the California State University (CSU) Trustees and accredited by the Council on Social Work Education.

University and Facility recognize the mutual benefit of having students enrolled in University's Social Work program use the Facility for their fieldwork experience.

At all times during operation of this Agreement the students are considered learners who are fulfilling specific requirements for field experiences as part of a degree and/or credential requirement, and are not employees or agents of the University.

I. FACILITY SHALL:

- A. Permit each student designated by the University to receive clinical social work fieldwork experience at the Facility and shall permit such students and University social work instructors reasonable access to appropriate social work facilities for such clinical social work fieldwork experience.
- B. Furnish appropriate facilities, on a rotational basis, in such a manner that there will be no conflict in the use thereof between the University's students and students from other educational institutions.
- C. Maintain the facilities and provide opportunities in such a manner that the minimum essentials (adequate supervision, safe environment and access to facility and supplies) for an approved fieldwork experience to be met.
- D. Assure that staff is adequate in number and quality to ensure safe and continuous client services to individuals.
- E. Permit the Facility's social work director and other designated personnel to attend University social work faculty meetings, or any committee thereof, to coordinate the fieldwork experience program provided for under this Agreement.
- F. Have the right to refuse participation to any University student who is not participating satisfactorily in the program. In the event Facility determines a student is not satisfactorily participating in the program, Facility shall consult with University regarding the reasons for denying participation of such student.
- G. Notify University social work instructors of any change in the Facility's social work director/management appointments.

- H. Coordinate emergency first aid or medical treatment if a student suffers an injury or illness during the course of a student's field education experience.

II. UNIVERSITY SHALL:

- A. Designate enrolled University social work students for social work experience at the Facility, in such numbers as are mutually agreed to by both parties.
- B. Work with Facility to establish a rotation plan for the various types of social work experience.
- C. Keep all attendance and academic records of students participating in said program.
- D. Be responsible for student professional activities and conduct while in the Facility.
- E. Require every student to conform to all applicable Facility policies, procedures, and regulations, and all requirements and restrictions specified jointly by representatives of University and Facility.
- F. Require University's social work instructors to notify Facility's director in advance of:
 - 1. Student social work schedules.
 - 2. Placement of students in fieldwork assignments.
 - 3. Changes in fieldwork assignments.
- G. In consultation and coordination with the Facility's social work director and social work staff, plan for the fieldwork experience to be provided to students under this Agreement.
- H. In consultation and coordination with the Facility's social work director arrange for periodic conferences between appropriate representatives of University and Facility to evaluate the fieldwork experience program provided under this Agreement.

CLINICAL AFFILIATION AGREEMENT

This Agreement is made this 8th day of November 2018, by and between the State of California acting through the Trustees of the California State University on behalf of California State University Los Angeles, hereinafter called the ("University") and the CITY OF SANTA FE SPRINGS, GUS VELASCO NEIGHBORHOOD CENTER, hereinafter called the ("Facility"). The parties may be referred to collectively as the "Parties" and singularly as a "Party".

- A. University is an institution of higher learning authorized pursuant to California law to offer fully accredited health science programs and to maintain classes and such programs at Facility for the purpose of providing clinical training for students in such classes.
- B. Facility provides a learning environment where students may complete their academic fieldwork studies for required coursework.
- C. University operates fully accredited health sciences programs offering Graduate/ Undergraduate degrees in Audiology, Child & Family Studies, Communication Disorders (Speech-Language Pathology), Kinesiology, Nutritional Science, Nursing, Social Work, and Doctor of Audiology. In addition to Certificate Programs in Clinical Laboratory Scientist and Clinical Genetic Molecular Biologist Scientist, ("Program" or "Programs").
- D. The purpose of this Agreement is to set forth the terms and conditions pursuant to which the parties will institute the Programs at Facility.

The parties will both benefit by making a clinical training program available to University students at Facility.

The parties agree as follows:

I. GENERAL INFORMATION ABOUT THE PROGRAM

- A. The maximum number of University students who may participate in the Program during each training period shall be mutually agreed by the parties at least 30 days before the training period begins.
- B. The starting date and length of each Program training period shall be determined by mutual agreement.

II. UNIVERSITY'S RESPONSIBILITIES

- A. Student Profiles. University shall advise each student enrolled in the Program to complete and send to Facility a student profile on a form to be agreed by the parties, which shall include the student's name, address, email address and telephone number. Each student shall be responsible for submitting his or her student profile before the Program training period begins. Facility shall regard this

information as confidential and shall use the information only to identify each student.

- B. Schedule of Assignments. University shall notify Facility's Program supervisor of student assignments, including the name of the student, level of academic preparation, and length and dates of proposed clinical experience. This would occur following the agreed upon assignments after the interview process is completed.
- C. Program Coordinator. University shall designate a faculty member to coordinate with Facility's designee in planning the Program to be provided to students.
- D. Orientation Program. University instructors shall attend an orientation provided by Facility, and shall provide a similar orientation to students at the beginning of their enrollment in the Program.
- E. Records. University shall maintain all personnel records for its staff and all academic records for its students.
- F. Background Checks. If required by Facility, ensure that students complete any background check required by Facility and submit such results to Facility for review and approval.
- G. Student Responsibilities. University shall notify students in the Program that they are responsible for:
 - 1) Complying with Facility's clinical and administrative policies, procedures, rules and regulations;
 - 2) Arranging for their own transportation and living arrangements if not provided by University;
 - 3) Assuming responsibility for their personal illnesses, necessary immunizations, tuberculin tests, and annual health examinations;
 - 4) Maintaining the confidentiality of patient information:
 - a) No student shall have access to or have the right to receive any medical record, except when necessary in the regular course of the clinical experience. The discussion, transmission, or narration in any form by students of any individually identifiable patient information, medical or otherwise, obtained in the course of the Program is forbidden except as a necessary part of the practical experience;
 - b) Neither University nor its employees or agents shall be granted access to individually identifiable information unless the patient has first given

consent using a form approved by Facility that complies with applicable state and federal law, including the Health Insurance Portability and Accountability Act (“HIPAA”) and its implementing regulations;

c) Facility shall reasonably assist University in obtaining patient consent in appropriate circumstances. In the absence of consent, students shall use de-identified information only in any discussions about the clinical experience with University, its employees, or agents.

5) Complying with Facility’s dress code and wearing name badges identifying themselves as students;

6) Attending an orientation to be provided by their University instructors;

7) Notifying Facility immediately of any violation of state or federal laws by any student; and

8) Providing services to Facility’s patients only under the direct supervision of Facility’s professional staff.

H. Payroll Taxes and Withholdings. University shall be solely responsible for any payroll taxes, withholdings, workers’ compensation and any other insurance or benefits of any kind for University’s employees and agents, if any, who provide services to the Program under this Agreement. Students are not employees or agents of the University and shall receive no compensation for their participation in the Program, either from University or Clinic. CSULA/CPP/CLS/ CGMBS Students may accept a stipend, if offered, which is not considered a salary. For purposes of this agreement, however, students are trainees and shall be considered members of Clinic’s “workforce” as that term is defined by the HIPAA regulations at 45 C.F.R. § 160.103.

III. FACILITY’S RESPONSIBILITIES

- A. Clinical Experience. Facility shall accept from University the mutually agreed upon number of students enrolled in the Program and shall provide the students with supervised clinical experience.
- B. Facility Designee. Facility shall designate a member of its staff to participate with University’s designee in planning, implementing, and coordinating the Program.
- C. Orientation Program for University Instructors. Facility shall provide an orientation for University instructors who will oversee students in the Program, and shall include all information and materials that University instructors are to provide during the student orientation required in paragraphs II.D and II.F.6) above.

- D. Access to Facilities. Facility shall permit students enrolled in the Program access to Facility facilities as appropriate and necessary for their Program, provided that the students' presence shall not interfere with Facility's activities.
- E. Records and Evaluations. Facility shall maintain complete records and reports on each student's performance and provide an evaluation to University on forms the University shall provide.
- F. Withdrawal of Students. Facility may request that University withdraw from the program any student who Facility determines is not performing satisfactorily, refuses to follow Facility's administrative policies, procedures, rules and regulations, or violates any federal or state laws. Such requests must be in writing and must include a statement as to the reason or reasons for Facility's request. University shall comply with the written request within five (5) days after actually receiving it.
- G. Emergency Health Care/First Aid. Facility shall, on any day when a student is receiving training at its facilities, provide to that student necessary emergency health care or first aid for accidents occurring in its facilities. Except as provided in this paragraph, Facility shall have no obligation to furnish medical or surgical care to any student.
- H. Student Supervision. Facility shall permit students to perform services for patients only when under the supervision of a registered, licensed, or certified clinician/professional on Facility's staff. Such clinicians or professionals are to be certified or licensed in the discipline in which supervision is provided. Students shall work, perform assignments, and participate in ward rounds, clinics, staff meetings, and in-service educational programs at the discretion of their Facility-designated supervisors. Students are to be regarded as trainees, not employees, and are not to replace Facility's staff.
- I. Facility's Confidentiality Policies. As trainees, students shall be considered members of Facility's "workforce," as that term is defined by the HIPAA regulations at 45 C.F.R. § 160.103, and shall be subject to Facility's policies respecting confidentiality of medical information. In order to ensure that students comply with such policies, Facility shall provide students with substantially the same training that it provides to its regular employees.

IV. AFFIRMATIVE ACTION AND NON-DISCRIMINATION

The parties agree that all students receiving clinical training pursuant to this Agreement shall be selected without discrimination on account of race, color, religion, national origin, ancestry, disability, marital status, gender, gender identity, sexual orientation, age or veteran status.

V. STATUS OF UNIVERSITY AND FACILITY

The parties expressly understand and agree that the students enrolled in the Program are in attendance for educational purposes, and such students are not considered employees of either Facility or University for any purpose, including, but not limited to, compensation for services, welfare and pension benefits, or workers' compensation insurance. Students are, however, considered members of Facility's "workforce" for purposes of HIPAA compliance.

VI. INSURANCE

- A. University Insurance. University shall procure and maintain in force during the term of this Agreement, at its sole cost and expense, insurance in amounts reasonably necessary to protect it against liability arising from any and all negligent acts or incidents caused by University's employees. Coverage under such professional and commercial general liability insurance shall be not less than one million dollars (\$1,000,000) for each occurrence and three million dollars (\$3,000,000) in the aggregate. Such coverage shall be obtained from a carrier rated A:VII or better by AM Best or a qualified program of self-insurance. The University shall maintain and provide evidence of workers' compensation and disability coverage as required by law. University shall provide Facility with evidence of the insurance required under this paragraph, which shall provide for not less than thirty (30) days-notice of cancellation to Facility. University shall promptly notify Facility of any cancellation, reduction, or other material change in the amount or scope of any coverage required hereunder.
- B. Student Insurance: University shall inform each student in the Program that they shall procure at the student's sole cost and expense, professional liability insurance in amounts reasonably necessary to protect the student against liability arising from any and all negligent acts or incidents caused by the student. Coverage under such professional liability insurance shall be not less than one million dollars (\$1,000,000) for each occurrence and three million dollars (\$3,000,000) in the aggregate. Such coverage is to be obtained from a carrier rated A:VII or better by AM Best. University shall require each student in the Program to present evidence of his or her professional liability coverage to Facility, upon request. University shall also require malpractice insurance to be purchased by student.
- C. Facility Insurance. Facility shall procure and maintain in force during the term of this Agreement, at its sole cost and expense, insurance in amounts that are reasonably necessary to protect it against liability arising from any and all negligent acts or incidents caused by its employees. Coverage under such professional and commercial general liability insurance shall be not less than one million dollars (\$1,000,000) for each occurrence and three million dollars (\$3,000,000) in the aggregate. Such coverage is to be obtained from a carrier rated

A:VII or better by AM Best or a qualified program of self-insurance. Facility shall also maintain and provide evidence of workers' compensation and disability coverage for its employees as required by law. Facility shall provide University with evidence of the insurance coverage required by this paragraph, which shall provide for not less than thirty (30) days-notice of cancellation to University. Facility shall promptly notify University of any cancellation, reduction, or other material change in the amount or scope of any coverage required hereunder.

VII. INDEMNIFICATION.

- A. The University agrees to defend all claims of loss, indemnify and hold harmless the Facility and its officers, agents and employees from any and all liability for personal injury, damages, wrongful death or other losses and costs, including but not limited to reasonable attorney fees and defense costs, arising out of the negligent acts or omissions or willful misconduct of the University or its employees, officers, or volunteers in the performance of this Agreement.
- B. The Facility agrees to defend all claims of loss, indemnify, and hold harmless the State of California, the Trustees of the California State University, California State University Los Angeles and their officers, agents, volunteers and employees from any and all liability for personal injury, damages, wrongful death or other losses and costs, including but not limited to reasonable attorney fees and defense costs, arising out of the negligent acts or omissions or willful misconduct of the Facility or its employees, agents or volunteers in the performance of this Agreement

VIII. TERM AND TERMINATION

- A. Term. This Agreement shall be effective November 8, 2018 and shall remain in effect for (3) three years, terminating on November 7, 2021.
- B. Renewal. This Agreement may be renewed by mutual agreement.
- C. Termination. This Agreement may be terminated at any time by the written agreement or upon 30 days' advance written notice by one party to the other, PROVIDED, HOWEVER, that in no event shall termination take effect with respect to currently enrolled students, who shall be permitted to complete their training for any semester or year in which termination would otherwise occur.

IX. GENERAL PROVISIONS

- A. Amendments. In order to ensure compliance with HIPAA, the following provisions of this Agreement shall not be subject to amendment by any means during the term of this Agreement or any extensions: Section II, Paragraph G,

subdivisions 4.a), 4.b), and 4.c); Section II, Paragraph H, to the extent it provides that students are members of Facility's "workforce" for purposes of HIPAA; Section III, Paragraphs H and I; and Section V. This Agreement may otherwise be amended at any time by mutual agreement of the parties without additional consideration, provided that before any amendment shall take effect, it shall be reduced to writing and signed by the parties.

- B. Assignment. Neither party shall voluntarily or by operation of law, assign or otherwise transfer this Agreement without the other party's prior written consent. Any purported assignment in violation of this paragraph shall be void.
- C. Captions. Captions and headings in this Agreement are solely for the convenience of the parties, are not a part of this Agreement, and shall not be used to interpret or determine the validity of this Agreement or any of its provisions.
- D. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts together shall constitute one and the same instrument.
- E. Entire Agreement. This Agreement is the entire agreement between the parties. No other agreements, oral or written, have been entered into with respect to the subject matter of this Agreement.
- F. Governing Law. The validity, interpretation, and performance of this Agreement shall be governed by and construed in accordance with the laws of the State of California.
- G. Notices. Notices required under this Agreement shall be sent to the parties by certified or registered mail, return receipt requested, postage prepaid, at the addresses set forth below:"

TO UNIVERSITY:

California State University, Los Angeles
Procurement and Contracts
5151 State University Drive, Adm. 501
Los Angeles, CA 90032

TO AFFILIATE:

City of Santa Fe Springs
9255 Pioneer Boulevard
Santa Fe Springs, CA 90671

X. EXECUTION

By signing below, each of the following represent that they have authority to execute this Agreement and to bind the party on whose behalf their signature is made.

UNIVERSITY

AFFILIATE

By: _____

By: _____

Name: Angela Warren

Name: _____

Title: Buyer III Lead, Contracts & Procurement

Title: _____

Date: _____

Date: _____



City of Santa Fe Springs

City Council Meeting

November 20, 2018

NEW BUSINESS

Santa Fe Springs Athletic Fields Picnic Shelter-Trellis Replacement-Award of Contract

RECOMMENDATION(S)

That the City Council take the following actions:

- Approve Adding the Santa Fe Springs Athletic Fields Picnic Shelter-Trellis Replacement project to the Capital Improvement Plan;
- Appropriate \$60,000 from Utility Users Tax Funds to the Santa Fe Springs Athletic Fields Picnic Shelter-Trellis Replacement project;
- Accept the bids; and
- Award a contract to Corral Construction Company of Commerce, California in the amount of \$39,588.00.

BACKGROUND

In 1993 the City constructed two timber picnic shelters located to the north and south of the snack bar in addition to a timber trellis located at the center entry of the park. The timber structures fulfilled its 21 year service life and was removed due to deterioration in 2014. The Santa Fe Springs Athletic Fields Picnic Shelter-Trellis Replacement project consists of the installation of two new timber picnic shelters and trellis in the same locations as the original structures.

Staff evaluated and analyzed three different options of restoring the picnic shelter structures at the Santa Fe Springs Athletic Fields. The three options are:

1. Engineered Canopy, Shade Sail by Innovative Playgrounds Company
2. Engineered CPVC Structure, Trex Pergola by Structure Works
3. Timber Structure, Corral Construction (replace in kind)

The total cost breakdown for the options of restoring the picnic shelter canopy are as follows:

<u>Company</u>		<u>Cost Estimate</u>
1. Innovative Playgrounds Company	\$	90,000.00
2. Structure Works (Material Cost Only, Labor Extra)	\$	150,000.00-180,000.00
3. Corral Construction	\$	\$39,588.00

Staff is recommending reconstructing a timber structure on the basis of cost effectiveness and service life.

A total of six construction contractors were requested to provide bids for the reconstruction of a timber structure(s). Bids were opened on Thursday, October 18, 2018 and only one bid was received from Corral Construction. Upon reviewing the bid, staff reviewed the proposal submitted to the City and determined that the proposal was

Report Submitted By:

Noe Negrete
Director of Public Works

Date of Report: November 13, 2018

in compliance with the project specifications. The low bidder for the project was Corral Construction Company of Commerce, California in the amount of \$39,588.00.

The bid submitted by Corral Construction Company is approximately 1% below the Engineer's Estimate of \$40,000.00. The Department of Public Works has reviewed the bid and has determined the low bid submitted by Corral Construction Company to be responsive and responsible.

LEGAL REVIEW

The City Attorney's office has reviewed the proposed agreement.

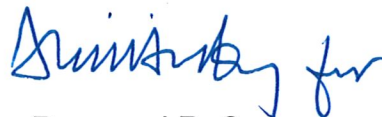
FISCAL IMPACT

Staff recommends funding the Santa Fe Springs Athletic Fields Picnic Shelter-Trellis Replacement project with an appropriation in the amount of \$60,000 from the Utility Users Tax Fund.

<u>Item</u>		<u>Amount</u>
1. Construction	\$	40,000
2. Project Management	\$	6,000
3. Inspection	\$	6,000
4. Contingency	\$	8,000
Total:		\$ 60,000

INFRASTRUCTURE IMPACT

The new timber picnic structures-trellis will have a service life of approximately 20 years and will enrich the park's amenities in addition to enhancing the resident's positive experience at the park.



Raymond R. Cruz
City Manager

Attachment:
Contract Agreement

CITY OF SANTA FE SPRINGS

CONTRACT AGREEMENT

FOR

**SANTA FE SPRINGS ATHLETIC FIELDS
PICNIC SHELTER (TRELLIS REPLACEMENT)**

IN THE CITY OF SANTA FE SPRINGS

This Contract Agreement is made and entered into the above-stated project this 20 day of November, 2018 BY AND BETWEEN the City of Santa Fe Springs, as AGENCY, and Corral Construction as CONTRACTOR in the amount of \$39,588.00.

WITNESSETH that AGENCY and CONTRACTOR have mutually agreed as follows:

ARTICLE I

The contract documents for the aforesaid project shall consist of the Notice Inviting Sealed Bids, Instructions to Bidders, Proposal, General Specifications, Standard Specifications, Special Provisions, Plans, and all referenced specifications, details, standard drawings, CDBG contract provisions and forms, and appendices; together with this Contract Agreement and all required bonds, insurance certificates, permits, notices, and affidavits; and also including any and all addenda or supplemental agreements clarifying, or extending the work contemplated as may be required to ensure its completion in an acceptable manner. All of the provisions of said contract documents are made a part hereof as though fully set forth herein.

ARTICLE II

For and in consideration of the payments and agreements to be made and performed by AGENCY, CONTRACTOR agrees to furnish all materials and perform all work required for the above-stated project, and to fulfill all other obligations as set forth in the aforesaid contract documents.

ARTICLE III

CONTRACTOR agrees to receive and accept the prices set forth in the Proposal as full compensation for furnishing all materials, performing all work, and fulfilling all obligations hereunder. Said compensation shall cover all expenses, losses, damages, and consequences arising out of the nature of the work during its progress or prior to its acceptance including those for well and faithfully completing the work and the whole thereof in the manner and time specified in the aforesaid contract documents; and also including those arising from actions of the elements, unforeseen difficulties or obstructions encountered in the prosecution of the work, suspension or discontinuance of the work, and all other unknowns or risks of any description connected with the work.

ARTICLE IV

AGENCY hereby promises and agrees to employ, and does hereby employ, CONTRACTOR to provide the materials, do the work and fulfill the obligations according to the terms and conditions herein contained and referred to, for the prices aforesaid, and hereby contracts to pay the same at the time, in the manner, and upon the conditions set forth in the contract documents. No work or portion of the work shall be paid for until it is approved for payment by the City Engineer. Payment made for completed portions of the work shall not constitute final acceptance of those portions or of the completed project.

ARTICLE V

CONTRACTOR acknowledges the provisions of the State Labor Code requiring 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 certifies compliance with such provisions. Contractor further acknowledges the provisions of the State Labor Code requiring every employer to pay at least the minimum prevailing rate of per diem wages for each craft classification or type of workman needed to execute this contract as determined by the Director of Labor Relations of the State of California. The Contractor is required to pay the higher of either the State or Federal Wages.

ARTICLE VI

CONTRACTOR agrees to indemnify, defend and hold harmless AGENCY and all of its officers and agents from any claims, demand or causes of action, including related expenses, attorney's fees, and costs, based on, arising out of, or in any way related to the work undertaken by CONTRACTOR hereunder.

ARTICLE VII

CONTRACTOR affirms that the signatures, titles and seals set forth hereinafter in execution of this Contract Agreement represent all individuals, firm members, partners, joint venturers, and/or corporate officers having principal interest herein.

IN WITNESS WHEREOF, the parties hereto for themselves, their heirs, executors, administrators, successors, and assigns do hereby agree to the full performance of the covenants herein contained and have caused this Contract Agreement to be executed in triplicate by setting hereunto their name, titles, hands, and seals as of the date noted above.

CONTRACTOR
CORAL CONSTRUCTION COMPANY

By: _____
NAME, TITLE

Click here to enter text.

ADDRESS

Click here to enter text.

THE CITY OF SANTA FE SPRINGS

By: _____
JAY SARNO, MAYOR

ATTEST:

JANET MARTINEZ, CITY CLERK

APPROVED AS TO FORM:

YOLANDA SUMMERHILL, CITY ATTORNEY

(Contractor signature must be notarized with proper acknowledgement attached.)



City of Santa Fe Springs

City Council Meeting

ITEM NO. 13

November 20, 2018

NEW BUSINESS

BNSF Railway Company License Agreement for Electrical Supply Line Across or Along Railway Property

RECOMMENDATION

That the City Council authorize the Mayor to Execute the BNSF Railway Company License Agreement for an Electrical Supply Line Across or Along BNSF Railway Company Property.

BACKGROUND

Golden Springs Development Company (Golden Springs) has constructed a new development project at 13341 Cambridge Street in conjunction with Development Plan Approval (DPA) No. 893. A condition of approval of DPA No. 893 is that a traffic signal be installed along with related street improvements, at or near the intersection of Carmenita Road and Cambridge Street to mitigate traffic impacts of the Development in this area of the City.

The traffic signal will be constructed by Golden Springs on City property and on an area of BNSF Railway Company property that will be licensed to the City pursuant to executing a License Agreement for an electrical supply line for the traffic signal conduit that will pass across and along BNSF property. The license agreement permits one conduit across the BNSF Rail Company at or near milepost 157.24 or Carmenita Road south of Cambridge Street.

The costs of the BNSF License Agreement include:

<u>ITEM</u>	<u>AMOUNT</u>
1. License Fee	\$18,325
2. BNSF Liability Insurance Fee	\$503
3. Flagger Fee	TBD

Golden Springs has given the City \$30,000 as a deposit towards the costs of plan review and BNSF License fees.

Staff recommends that the City Council authorize the Mayor to execute the BNSF Railway Company License Agreement for electrical supply line across or along Railway property and pay the applicable fees out of the \$30,000 deposit posted by Golden Springs.

LEGAL REVIEW

The City Attorney's office has reviewed the BNSF License Agreement.

Report Submitted By:

Noe Negrete
Director of Public Works

A handwritten signature in blue ink, appearing to be "N. Negrete", is written over the printed name of Noe Negrete.

Date of Report: November 13, 2018

FISCAL IMPACT

The applicable BNSF License Agreement for Electrical Supply Line across or along Railway Property fees will be paid from the Golden Springs deposit with the City.

INFRASTRUCTURE IMPACT

The Cambridge Street/Carmenita Road improvements associated with the Golden Springs development will enhance the pedestrian and vehicle traffic safety in this area of the City.

A handwritten signature in blue ink, appearing to read "Raymond R. Cruz", followed by a stylized flourish.

Raymond R. Cruz
City Manager

Attachment:

License for Electric Supply Line

**LICENSE FOR ELECTRIC SUPPLY LINE
ACROSS OR ALONG RAILWAY PROPERTY**

(Electric Light, Power Supply, Irrespective of Voltage, Overhead or Underground)

THIS LICENSE FOR ELECTRIC SUPPLY LINE ("License") is made to be effective _____, 2018, (the "Effective Date") by and between **BNSF RAILWAY COMPANY**, a Delaware corporation ("Licensor") and **CITY OF SANTA FE SPRINGS**, a California ("Licensee").

In consideration of the mutual covenants contained herein, the parties agree to the following:

GENERAL

1. **Grant of License.** Licensor hereby grants Licensee a non-exclusive license, subject to all rights, interests, and estates of third parties, including, without limitation, any leases, use rights, easements, liens, or other encumbrances, and upon the terms and conditions set forth below, to construct and maintain, in strict accordance with the drawings and specifications approved by Licensor as part of Licensee's application process (the "**Drawings and Specifications**"), an electric supply line containing a maximum of One (1) conductors, together with its supporting or containing structures (collectively, the "**Electric Supply Line**"), across or along Licensor's rail corridor at or near the station of Santa Fe Springs, County of Los Angeles, State of California, Line Segment 7600, Mile Post 157.24, as shown on the attached Drawing No. 73375 dated August 20, 2018, attached hereto as **Exhibit "A"** and incorporated herein by reference.
2. **Term.** This License shall commence on the Effective Date and shall continue for a period of twenty-five (25) years, subject to prior termination as hereinafter described.
3. **Existing Improvements.** Licensee shall not disturb any improvements of Licensor or Licensor's existing lessees, licensees, easement beneficiaries or lien holders, if any, or interfere with the use, repair, maintenance or replacement of such improvements.
4. **Use of the Premises.** Licensee shall use the Premises solely for construction, maintenance, and use of the Electric Supply Line in accordance with the Drawings and Specifications. Licensee shall not use the Premises for any other purpose.
5. **Alterations.** Except as set forth in this License, Licensee may not make any alterations to the Premises or permanently affix anything to the Premises or any buildings or other structures adjacent to the Premises without Licensor's prior written consent.

COMPENSATION

6. **License Fee.** Licensee shall pay Licensor, prior to the Effective Date, the sum of Eighteen Thousand Three Hundred Twenty Five and No/100 Dollars (\$18,325) as compensation for the use of the Premises.
7. **Costs and Expenses.**
 - 7.1 For the purpose of this License, "cost" or "costs" and "expense" or "expenses" includes, but is not limited to, actual labor and material costs including all assignable additives, and material and supply costs at current value where used.
 - 7.2 Licensee agrees to reimburse Licensor (pursuant to the terms of **Section 8** below) for all costs and expenses incurred by Licensor in connection with Licensee's use of the Premises or the presence, construction and maintenance of the Electric Supply Line, including but not limited to the furnishing of Licensor's flaggers and any vehicle rental costs incurred. Licensee shall bear the cost of flagger services and other safety measures provided by Licensor, when deemed necessary by Licensor's representative. Flagging costs shall include, but not be limited to, the following: pay for at least an eight (8) hour basic day with time and one-half or double time for overtime, rest days and holidays (as applicable); vacation allowance; paid holidays (as applicable); railway and unemployment insurance; public liability and property damage insurance; health and welfare benefits; transportation; meals; lodging and supervision.

Negotiations for railway labor or collective bargaining agreements and rate changes authorized by appropriate Federal authorities may increase flagging rates. Flagging rates in effect at the time of performance by the flaggers will be used to calculate the flagging costs pursuant to this **Section 7**.

8. **Payment Terms.** All invoices are due thirty (30) days after the date of invoice. If Licensee fails to pay any monies due to Licensor within thirty (30) days after the invoice date, then Licensee shall pay interest on such unpaid sum from the due date until paid at an annual rate equal to the lesser of (i) the prime rate last published in *The Wall Street Journal* in the preceding December plus two and one-half percent (2-1/2%), or (ii) the maximum rate permitted by law.

LICENSOR'S RESERVED RIGHTS

9. **Reserved Rights of Use.** Licensor excepts and reserves the right, to be exercised by Licensor and any other parties who may obtain written permission or authority from Licensor:
 - 9.1 to maintain, use, operate, repair, replace, modify and relocate any utility, power or communication pipe/lines/cables and appurtenances (other than the Electric Supply Line) and other facilities or structures of like character upon, over, under or across the Premises existing as of the Effective Date;
 - 9.2 to construct, maintain, renew, use, operate, change, modify and relocate any tracks or additional facilities, structures and related appurtenances upon, over, under or across the Premises; or
 - 9.3 to use the Premises in any manner as Licensor in its sole discretion deems appropriate, provided Licensor uses all commercially reasonable efforts to avoid material interference with the use of the Premises by Licensee for the purpose specified in **Section 4** above.
10. **Right to Require Relocation.** If at any time during the term of this License, Licensor desires the use of its rail corridor in such a manner as would, in Licensor's reasonable opinion, be interfered with by the Electric Supply Line, Licensee shall, at its sole expense, within thirty (30) days after receiving written notice from Licensor to such effect, make such changes in the Electric Supply Line as in the sole discretion of Licensor may be necessary to avoid interference with the proposed use of Licensor's rail corridor, including, without limitation, the relocation of the Electric Supply Line, or the construction of a new electric line to replace the Electric Supply Line. Notwithstanding the foregoing, Licensee agrees to make all emergency changes and minor adjustments, as determined by Licensor in its sole discretion, to the Electric Supply Line promptly upon Licensor's request.

LICENSEE'S OPERATIONS

11. **Construction and Maintenance of the Electric Supply Line.**
 - 11.1 Licensee shall notify Licensor's Roadmaster, at 7427 Rosemead Blvd. Pico Rivera, CA 90660, telephone vincent.griffin1@bnsf.com, (951)-712-6249, or email Vincent.Griffin@bnsf.com, at least ten (10) business days prior to installation of the Electric Supply Line and prior to entering the Premises for any subsequent maintenance thereon. In the event of emergency, Licensee shall notify Licensor of Licensee's entry onto the Premises at the telephone number above as soon as practicable and shall promptly thereafter follow up with written notice of such entry.
 - 11.2 Licensee's on-site supervisors shall retain/maintain a fully executed copy of this License at all times while on the Premises.
 - 11.3 While on the Premises, Licensee shall use only public roadways to cross from one side of Licensor's tracks to the other.
 - 11.4 Any contractors or subcontractors performing work on the Electric Supply Line or entering the Premises on behalf of Licensee shall be deemed servants and agents of Licensee for purposes of this License.
 - 11.5 Under no conditions shall Licensee be permitted to conduct any tests, investigations or any other activity using mechanized equipment and/or machinery, or place or store any mechanized equipment, tools or other materials, within twenty-five (25) feet of the centerline of any railroad track on the Premises unless Licensee has obtained prior written approval from Licensor. Licensee shall, at its sole cost and expense, perform all activities on and about the Premises in such a manner as not at any time to endanger or interfere with (i) the existence or use of present or future tracks, roadbeds, or property of Licensor, (ii) the safe operation and activities of Licensor or existing third parties, or (iii) the rights or interests of third parties. If ordered to cease using the Premises at any time by Licensor's personnel due to any hazardous condition, Licensee shall immediately do so. Notwithstanding the foregoing right of Licensor, the parties agree that Licensor

has no duty or obligation to monitor Licensee's use of the Premises to determine the safe nature thereof, it being solely Licensee's responsibility to ensure that Licensee's use of the Premises is safe. Neither the exercise nor the failure by Licensor to exercise any rights granted in this Section will alter the liability allocation provided by this License.

- 11.6 Licensee shall, at its sole cost and expense, construct and maintain the Electric Supply Line in such a manner and of such material that the Electric Supply Line will not at any time endanger or interfere with (i) the existence or use of present or future tracks, roadbeds, or property of Licensor, (ii) the safe operation and activities of Licensor or existing third parties, or (iii) the rights or interests of third parties. The construction of the Electric Supply Line shall be completed within one (1) year of the Effective Date, and any subsequent maintenance shall be completed within one (1) year of initiation. Within fifteen (15) days after completion of the construction of the Electric Supply Line or the performance of any subsequent maintenance thereon, Licensee shall, at Licensee's own cost and expense, restore the Premises to substantially their state as of the Effective Date, unless otherwise approved in advance by Licensor in writing. On or before expiration or termination of this License for any reason, Licensee shall, at its sole cost and expense, surrender the Premises to Licensor pursuant to the terms and conditions set forth in **Section 24** hereof.
- 11.7 Licensor may direct one or more of its field engineers to observe or inspect the construction and/or maintenance of the Electric Supply Line at any time for compliance with the Drawings and Specifications and Legal Requirements (defined below). If ordered at any time to halt construction or maintenance of the Electric Supply Line by Licensor's personnel due to non-compliance with the Drawings and Specifications or any other hazardous condition, Licensee shall immediately do so. Notwithstanding the foregoing right of Licensor, the parties agree that Licensor has no duty or obligation to observe or inspect, or to halt work on, the Electric Supply Line, it being solely Licensee's responsibility to ensure that the Electric Supply Line is constructed and maintained in strict accordance with the Drawings and Specifications and in a safe and workmanlike manner in compliance with all terms hereof. Neither the exercise of, nor the failure by Licensor to exercise, any right granted by this Section will alter in any way the liability allocation provided by this License. If at any time Licensee shall, in the sole judgment of Licensor, fail to properly perform its obligations under this **Section 11**, Licensor may, at its option and at Licensee's sole expense, arrange for the performance of such work as it deems necessary for the safety of its operations and activities. Licensee shall promptly reimburse Licensor for all costs and expenses of such work, pursuant to the terms of **Section 8**. Licensor's failure to perform any obligations of Licensee shall not alter the liability allocation hereunder.
- 11.8 Licensee shall, at its sole cost and expense, construct and at all times maintain the Electric Supply Line in accordance with the National Electric Safety Code.
- 11.9 If the operation or maintenance of the Electric Supply Line at any time causes interference, including but not limited to physical interference from electromagnetic induction, electrostatic induction, or from stray or other currents, with the facilities of Licensor or of any lessee or licensee of Licensor, or in any manner interfere with the operation, maintenance, or use by Licensor of its right-of-way, tracks, structures, pole lines, signal and communication lines, radio, or other equipment, devices, other property or appurtenances thereto, Licensee agrees immediately to make such changes in the Electric Supply Line and furnish such protective devices and/or replacement equipment to Licensor and its lessees or licensees as shall be necessary, in the judgment of Licensor's representative, to eliminate such interference. The cost of such protective devices and their installations shall be borne solely by Licensee. If any of the interference covered by this **Section 11.9** shall be, in the judgment of Licensor, of such importance to the safety of Licensor's operations as to require immediate corrective action, Licensee, upon notice from Licensor, shall either, at Licensor's election, cease using the Electric Supply Line for any purpose whatsoever and remove same, or reduce the voltage or load on the Electric Supply Line, or take such other interim protective measures as Licensor may deem advisable, until the protective devices and/or replacement equipment required by this **Section 11.9** have been installed, put in operation, tested, and found to be satisfactory to correct the interference.
- 11.10 Licensee shall, at its sole cost and expense, remove all combustible material from around wooden poles on the Premises, if any, and will at all times keep the space around such poles free of such material, and if removal of such combustible material shall not be attended to within fifteen (15) days after having been requested by Licensor to do so, Licensor shall have the right itself to perform the work and Licensee hereby agrees to reimburse Licensor for the expense so incurred.
- 11.11 Horizontal Directional Drilling (HDD). Cutting head must travel at 0.0% grade (or downward) beginning 25' (minimum) from centerline of track until it reaches a point 25' (minimum) from the centerline of track. Minimum pressure must be applied to pumping the slurry to the cutting head during drilling. This will

deter the bentonite slurry used for lubrication from seeping up and fouling the track roadbed. A BNSF Flagman must be present during installation and will monitor the ballast and roadbed.

12. Boring and Excavation.

- 12.1 Prior to Licensee conducting any boring, excavation, or similar work on or about any portion of the Premises, Licensee shall explore the proposed location for such work with hand tools to a depth of at least three (3) feet below the surface of the ground to determine whether pipelines or other structures exist below the surface, provided, however, that in lieu of the foregoing, Licensee shall have the right to use suitable detection equipment or other generally accepted industry practice (e.g., consulting with the Underground Services Association) to determine the existence or location of pipelines and other subsurface structures prior to drilling or excavating with mechanized equipment. Licensee may request information from Licensor concerning the existence and approximate location of Licensor's underground lines, utilities, and pipelines at or near the vicinity of the proposed Electric Supply Line by contacting Licensor's Telecommunications Helpdesk at least thirty (30) business days prior to installation of the Electric Supply Line. Upon receiving Licensee's timely request, Licensor will provide Licensee with the information Licensor has in its possession regarding any existing underground lines, utilities, and pipelines at or near the vicinity of the proposed Electric Supply Line and, if applicable, identify the location of such lines on the Premises pursuant to Licensor's standard procedures. Licensor does not warrant the accuracy or completeness of information relating to subsurface conditions of the Premises and Licensee's operations will be subject at all times to the liability provisions herein.
- 12.2 For all bores greater than 26-inch diameter and at a depth less than 10.0 feet below bottom of rail, a soil investigation must be performed by Licensee and reviewed by Licensor prior to construction. This study is to determine if granular material is present, and to prevent subsidence during the installation process. If the investigation determines in Licensor's reasonable opinion that granular material is present, Licensor may select a new location for Licensee's use, or may require Licensee to furnish for Licensor's review and approval, in Licensor's sole discretion, a remedial plan to deal with the granular material. Once Licensor has approved any such remedial plan in writing, Licensee shall, at Licensee's sole cost and expense, carry out the approved plan in accordance with all terms thereof and hereof.
- 12.3 Any open hole, boring, or well, constructed on the Premises by Licensee shall be safely covered and secured at all times when Licensee is not working in the actual vicinity thereof. Following completion of that portion of the work, all holes or borings constructed on the Premises by Licensee shall be:
- 12.3.1 filled in to surrounding ground level with compacted bentonite grout; or
 - 12.3.2 otherwise secured or retired in accordance with any applicable Legal Requirement. No excavated materials may remain on Licensor's property for more than ten (10) days, but must be properly disposed of by Licensee in accordance with applicable Legal Requirements.

LIABILITY AND INSURANCE

13. Liability and Indemnification.

13.1 For purposes of this License: (a) "Indemnitees" means Licensor and Licensor's affiliated companies, partners, successors, assigns, legal representatives, officers, directors, shareholders, employees, and agents; (b) "Liabilities" means all claims, liabilities, fines, penalties, costs, damages, losses, liens, causes of action, suits, demands, judgments, and expenses (including, without limitation, court costs, reasonable attorneys' fees, costs of investigation, removal and remediation, and governmental oversight costs) environmental or otherwise; and (c) "Licensee Parties" means Licensee or Licensee's officers, agents, invitees, licensees, employees, or contractors, or any party directly or indirectly employed by any of them, or any party they control or exercise control over.

13.2 **TO THE FULLEST EXTENT PERMITTED BY LAW, LICENSEE SHALL, AND SHALL CAUSE ITS CONTRACTOR TO, RELEASE, INDEMNIFY, DEFEND AND HOLD HARMLESS INDEMNITEES FOR, FROM, AND AGAINST ANY AND ALL LIABILITIES OF ANY NATURE, KIND, OR DESCRIPTION DIRECTLY OR INDIRECTLY ARISING OUT OF, RESULTING FROM, OR RELATED TO (IN WHOLE OR IN PART):**

- 13.2.1 **THIS LICENSE, INCLUDING, WITHOUT LIMITATION, ITS ENVIRONMENTAL PROVISIONS,**
- 13.2.2 **ANY RIGHTS OR INTERESTS GRANTED PURSUANT TO THIS LICENSE,**
- 13.2.3 **LICENSEE'S OCCUPATION AND USE OF THE PREMISES,**

13.2.4 THE ENVIRONMENTAL CONDITION AND STATUS OF THE PREMISES CAUSED BY OR CONTRIBUTED TO BY LICENSEE, OR

13.2.5 ANY ACT OR OMISSION OF ANY LICENSEE PARTY.

13.3 TO THE FULLEST EXTENT PERMITTED BY LAW, LICENSEE NOW AND FOREVER WAIVES ANY AND ALL CLAIMS THAT BY VIRTUE OF ENTERING INTO THIS LICENSE, LICENSOR IS A GENERATOR, OWNER, OPERATOR, ARRANGER, OR TRANSPORTER FOR THE PURPOSES OF THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND LIABILITY ACT, AS AMENDED ("CERCLA") OR OTHER ENVIRONMENTAL LAWS (DEFINED BELOW). LICENSEE WILL INDEMNIFY, DEFEND, AND HOLD THE INDEMNITEES HARMLESS FROM ANY AND ALL SUCH CLAIMS. NOTHING IN THIS LICENSE IS MEANT BY EITHER PARTY TO CONSTITUTE A WAIVER OF ANY INDEMNITEE'S COMMON CARRIER DEFENSES AND THIS LICENSE SHOULD NOT BE SO CONSTRUED. IF ANY AGENCY OR COURT CONSTRUES THIS LICENSE TO BE A WAIVER OF ANY INDEMNITEE'S COMMON CARRIER DEFENSES, LICENSEE AGREES TO INDEMNIFY, HOLD HARMLESS, AND DEFEND INDEMNITEES FOR ANY LIABILITIES RELATED TO THAT CONSTRUCTION OF THIS LICENSE. IN NO EVENT AS BETWEEN LICENSOR AND LICENSEE AS TO USE OF THE PREMISES AS CONTEMPLATED BY THIS LICENSE SHALL LICENSOR BE RESPONSIBLE TO LICENSEE FOR THE ENVIRONMENTAL CONDITION OF THE PREMISES.

13.4 IF ANY EMPLOYEE OF ANY LICENSEE PARTY ASSERTS THAT HE OR SHE IS AN EMPLOYEE OF ANY INDEMNITEE, TO THE FULLEST EXTENT PERMITTED BY LAW, LICENSEE SHALL, AND SHALL CAUSE ITS CONTRACTOR TO, RELEASE, INDEMNIFY, DEFEND, AND HOLD THE INDEMNITEES HARMLESS FROM AND AGAINST ANY LIABILITIES ARISING OUT OF OR RELATED TO (IN WHOLE OR IN PART) ANY SUCH ASSERTION INCLUDING, BUT NOT LIMITED TO, ASSERTIONS OF EMPLOYMENT BY AN INDEMNITEE RELATED TO THE FOLLOWING OR ANY PROCEEDINGS THEREUNDER: THE FEDERAL EMPLOYERS' LIABILITY ACT, THE SAFETY APPLIANCE ACT, THE LOCOMOTIVE INSPECTION ACT, THE OCCUPATIONAL SAFETY AND HEALTH ACT, THE RESOURCE CONSERVATION AND RECOVERY ACT, AND ANY SIMILAR STATE OR FEDERAL STATUTE.

13.5 THE FOREGOING OBLIGATIONS OF LICENSEE SHALL NOT APPLY TO THE EXTENT LIABILITIES ARE PROXIMATELY CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY INDEMNITEE, BUT SHALL APPLY TO ALL OTHER LIABILITIES, INCLUDING THOSE ARISING FROM OR ATTRIBUTED TO ANY OTHER ALLEGED OR ACTUAL NEGLIGENCE, INTENTIONAL ACTS, OR STRICT LIABILITY OF ANY INDEMNITEE.

13.6 Upon written notice from Licensor, Licensee agrees to assume the defense of any lawsuit or other proceeding brought against any Indemnatee by any entity, relating to any matter covered by this License for which Licensee has an obligation to assume liability for and/or save and hold harmless any Indemnatee. Licensee shall pay all costs and expenses incident to such defense, including, but not limited to, reasonable attorneys' fees, investigators' fees, litigation and appeal expenses, settlement payments, and amounts paid in satisfaction of judgments.

14. **Personal Property Risk of Loss.** ALL PERSONAL PROPERTY, INCLUDING, BUT NOT LIMITED TO, FIXTURES, EQUIPMENT, OR RELATED MATERIALS UPON THE PREMISES WILL BE AT THE RISK OF LICENSEE ONLY, AND NO INDEMNITEE WILL BE LIABLE FOR ANY DAMAGE THERETO OR THEFT THEREOF, WHETHER OR NOT DUE IN WHOLE OR IN PART TO THE NEGLIGENCE OF ANY INDEMNITEE.

15. **Insurance.** Licensee shall, at its sole cost and expense, procure and maintain during the life of this License the following Insurance coverage:

15.1 **Commercial General Liability Insurance.** This insurance shall contain broad form contractual liability with a combined single limit of a minimum of \$2,000,000 each occurrence and an aggregate limit of at least \$4,000,000 but in no event less than the amount otherwise carried by Licensee. Coverage must be purchased on a post 2004 ISO occurrence or equivalent and include coverage for, but not limited to, the following:

- Bodily Injury and Property Damage
- Personal Injury and Advertising Injury
- Fire legal liability
- Products and completed operations

This policy shall also contain the following endorsements or language, which shall be indicated on the certificate of insurance:

- The definition of insured contract shall be amended to remove any exclusion or other limitation for any work being done within 50 feet of railroad property.
- Waiver of subrogation in favor of and acceptable to Licensor.
- Additional insured endorsement in favor of and acceptable to Licensor and Jones Lang LaSalle Brokerage, Inc.
- Separation of insureds.
- The policy shall be primary and non-contributing with respect to any insurance carried by Licensor.

It is agreed that the workers' compensation and employers' liability related exclusions in the Commercial General Liability Insurance policy(s) required herein are intended to apply to employees of the policy holder and shall not apply to Licensor's employees.

No other endorsements limiting coverage may be included on the policy.

- 15.2 Business Automobile Insurance. This insurance shall contain a combined single limit of at least \$1,000,000 per occurrence, and include coverage for, but not limited to the following:
- Bodily injury and property damage.
 - Any and all vehicles owned, used or hired.

This policy shall also contain the following endorsements, which shall be indicated on the certificate of insurance:

- Waiver of subrogation in favor of and acceptable to Licensor.
- Additional insured endorsement in favor of and acceptable to Licensor.
- Separation of insureds.
- The policy shall be primary and non-contributing with respect to any insurance carried by Licensor.

- 15.3 Workers' Compensation and Employers' Liability Insurance. This Insurance shall include coverage for, but not limited to:
- Licensee's statutory liability under the workers' compensation laws of the state(s) in which the services are to be performed. If optional under state laws, the Insurance must cover all employees anyway.
 - Employers' Liability (Part B) with limits of at least \$500,000 each accident, \$500,000 by disease policy limit, \$500,000 by disease each employee.

This policy shall also contain the following endorsements or language, which shall be indicated on the certificate of insurance:

- Waiver of subrogation in favor of and acceptable to Licensor.

- 15.4 Railroad Protective Liability Insurance. This insurance shall name only Licensor as the Insured with coverage of at least \$2,000,000 per occurrence and \$6,000,000 in the aggregate. The coverage obtained under this policy shall only be effective during the initial installation and/or construction of the Electric Supply Line. **THE CONSTRUCTION OF THE ELECTRIC SUPPLY LINE SHALL BE COMPLETED WITHIN ONE (1) YEAR OF THE EFFECTIVE DATE.** If further maintenance of the Electric Supply Line is needed at a later date, an additional Railroad Protective Liability Insurance Policy shall be required. The policy shall be issued on a standard ISO form CG 00 35 12 03 and include the following:
- Endorsed to include the Pollution Exclusion Amendment.
 - Endorsed to include the Limited Seepage and Pollution Endorsement.
 - Endorsed to include Evacuation Expense Coverage Endorsement.
 - No other endorsements restricting coverage may be added.
 - The original policy must be provided to Licensor prior to performing any work or services under this License.
 - Definition of "Physical Damage to Property" shall be endorsed to read: "means direct and accidental loss of or damage to all property owned by any named insured and all property in any named insured's care, custody and control arising out of the acts or omissions of the contractor named on the Declarations."

In lieu of providing a Railroad Protective Liability Policy, for a period of one (1) year from the Effective Date, Licensee may participate in Licensor's Blanket Railroad Protective Liability Insurance Policy available to Licensee or its contractor. The limits of coverage are the same as above. The cost is \$506.

- ☐ I elect to participate in Licensor's Blanket Policy;
- ☐ I elect not to participate in Licensor's Blanket Policy.

15.5 Other Requirements:

- 15.5.1 Where allowable by law, all policies (applying to coverage listed above) shall contain no exclusion for punitive damages.
- 15.5.2 Licensee agrees to waive its right of recovery against Licensor for all claims and suits against Licensor. In addition, Licensee's insurers, through the terms of the policy or a policy endorsement, must waive their right of subrogation against Licensor for all claims and suits, and the certificate of insurance must reflect the waiver of subrogation endorsement. Licensee further waives its right of recovery, and its insurers must also waive their right of subrogation against Licensor for loss of Licensee's owned or leased property, or property under Licensee's care, custody, or control.
- 15.5.3 Licensee is not allowed to self-insure without the prior written consent of Licensor. If granted by Licensor, any self-insured retention or other financial responsibility for claims shall be covered directly by Licensee in lieu of insurance. Any and all Licensor liabilities that would otherwise, in accordance with the provisions of this License, be covered by Licensee's insurance will be covered as if Licensee elected not to include a self-insured retention or other financial responsibility for claims.
- 15.5.4 Prior to entering the Premises, Licensee shall furnish to Licensor an acceptable certificate(s) of insurance including an original signature of the authorized representative evidencing the required coverage, endorsements, and amendments. Licensee shall notify Licensor in writing at least 30 days prior to any cancellation, non-renewal, substitution, or material alteration. In the event of a claim or lawsuit involving Licensor arising out of this License, Licensee will make available any required policy covering such claim or lawsuit.
- 15.5.5 Any insurance policy shall be written by a reputable insurance company acceptable to Licensor or with a current Best's Guide Rating of A- and Class VII or better, and authorized to do business in the state(s) in which the service is to be provided.
- 15.5.6 If coverage is purchased on a "claims made" basis, Licensee hereby agrees to maintain coverage in force for a minimum of three years after expiration or termination of this License. Annually, Licensee agrees to provide evidence of such coverage as required hereunder.
- 15.5.7 Licensee represents that this License has been thoroughly reviewed by Licensee's insurance agent(s)/broker(s), who have been instructed by Licensee to procure the insurance coverage required by this License. Allocated Loss Expense shall be in addition to all policy limits for coverages referenced above.
- 15.5.8 Not more frequently than once every five years, Licensor may reasonably modify the required insurance coverage to reflect then-current risk management practices in the railroad industry and underwriting practices in the insurance industry.
- 15.5.9 If any portion of the operation is to be subcontracted by Licensee, Licensee shall require that the subcontractor shall provide and maintain insurance coverages as set forth herein, naming Licensor as an additional insured, and shall require that the subcontractor shall release, defend and indemnify Licensor to the same extent and under the same terms and conditions as Licensee is required to release, defend and indemnify Licensor herein.
- 15.5.10 Failure to provide evidence as required by this **Section 15** shall entitle, but not require, Licensor to terminate this License immediately. Acceptance of a certificate that does not comply with this Section shall not operate as a waiver of Licensee's obligations hereunder.

15.5.11 The fact that insurance (including, without limitation, self-insurance) is obtained by Licensee shall not be deemed to release or diminish the liability of Licensee, including, without limitation, liability under the indemnity provisions of this License. Damages recoverable by Licensor shall not be limited by the amount of the required insurance coverage.

15.5.12 These insurance provisions are intended to be a separate and distinct obligation on the part of the Licensee. Therefore, these provisions shall be enforceable and Licensee shall be bound thereby regardless of whether or not indemnity provisions are determined to be enforceable.

15.5.13 For purposes of this **Section 15**, Licensor shall mean "Burlington Northern Santa Fe, LLC", "BNSF Railway Company" and the subsidiaries, successors, assigns and affiliates of each.

COMPLIANCE WITH LAWS, REGULATIONS, AND ENVIRONMENTAL MATTERS

16. Compliance with Laws, Rules, and Regulations.

- 16.1 Licensee shall observe and comply with any and all laws, statutes, regulations, ordinances, orders, covenants, restrictions, or decisions of any court of competent jurisdiction ("**Legal Requirements**") relating to the construction, maintenance, and use of the Electric Supply Line and the use of the Premises.
- 16.2 Prior to entering the Premises, Licensee shall and shall cause its contractor(s) to comply with all of Licensor's applicable safety rules and regulations. Licensee must ensure that each of its employees, contractors, agents or invitees entering upon the Premises completes the safety orientation program at the Website "www.BNSFcontractor.com" (the "**Safety Orientation**") within one year prior to entering upon the Premises. Additionally, Licensee must ensure that each and every employee of Licensee, its contractors, agents and invitees possess a card certifying completion of the Safety Orientation prior to entering upon the Premises. Licensee must renew the Safety Orientation annually.
- 16.3 Licensee shall obtain on or before the date it or its contractor enters the Premises, any and all additional rights-of way, easements, licenses and other agreements relating to the grant of rights and interests in and/or access to the Premises (collectively, the "**Rights**") and such other rights, licenses, permits, authorizations, and approvals (including without limitation, any necessary local, state, federal or tribal authorizations and environmental permits) that are necessary in order to permit Licensee to construct, maintain, own and operate the Electric Supply Line and otherwise to perform its obligations hereunder in accordance with the terms and conditions hereof.
- 16.4 Licensee shall either require that the initial stated term of each such Rights be for a period that does not expire, in accordance with its ordinary terms, prior to the last day of the term of this License or, if the initial stated term of any such Right expires in accordance with its ordinary terms on a date earlier than the last day of the term of this License, Licensee shall, at its cost, exercise any renewal rights thereunder, or otherwise acquire such extensions, additions and/or replacements as may be necessary, in order to cause the stated term thereof to be continued until a date that is not earlier than the last day of the term of this License.
- 16.5 Upon the expiration or termination of any Right that is necessary in order for Licensee to own, operate or use the Electric Supply Line in accordance with the terms and conditions of this License, this License thereby shall automatically expire upon such expiration or termination of the Right.

17. Environmental.

- 17.1 Licensee shall strictly comply with all federal, state and local environmental Legal Requirements and regulations in its use of the Premises, including, but not limited to, the Resource Conservation and Recovery Act, as amended (RCRA), the Clean Water Act, the Oil Pollution Act, the Hazardous Materials Transportation Act, and CERCLA (collectively referred to as the "**Environmental Laws**"). Licensee shall not maintain a treatment, storage, transfer or disposal facility, or underground storage tank, as defined by

Environmental Laws on the Premises. Licensee shall not release or suffer the release of oil or hazardous substances, as defined by Environmental Laws on or about the Premises.

- 17.2 Licensee covenants that it will not handle or transport "hazardous waste" or "hazardous substances", as "hazardous waste" and "hazardous substances" may now or in the future be defined by any federal, state, or local governmental agency or body on the Premises. Licensee agrees periodically to furnish Licensors with proof, satisfactory to Licensors that Licensee is in compliance with the provisions of this **Section 17.2**.
- 17.3 Licensee shall give Licensors immediate notice to Licensors's Resource Operations Center at (800) 832-5452 of any known (i) release of hazardous substances on, from, or affecting the Premises, (ii) violation of Environmental Laws, or (iii) inspection or inquiry by governmental authorities charged with enforcing Environmental Laws with respect to Licensee's use of the Premises. Licensee shall use the best efforts to promptly respond to any release on, from, or affecting the Premises. Licensee also shall give Licensors immediate notice of all measures undertaken on behalf of Licensee to investigate, remediate, respond to or otherwise cure such release or violation.
- 17.4 If Licensors has notice from Licensee or otherwise of a release or violation of Environmental Laws arising in any way with respect to the Electric Supply Line which occurred or may occur during the term of this License, Licensors may require Licensee, at Licensee's sole risk and expense, to take timely measures to investigate, remediate, respond to or otherwise cure such release or violation affecting the Premises or Licensors's right-of-way.
- 17.5 Licensee shall promptly report to Licensors in writing any conditions or activities upon the Premises known to Licensee which create a risk of harm to persons, property or the environment and shall take whatever action is necessary to prevent injury to persons, property, or the environment arising out of such conditions or activities; provided, however, that Licensee's reporting to Licensors shall not relieve Licensee of any obligation whatsoever imposed on it by this License. Licensee shall promptly respond to Licensors's request for information regarding said conditions or activities.

DISCLAIMER OF WARRANTIES

18. No Warranties.

- 18.1 **LICENSOR'S DUTIES AND WARRANTIES ARE LIMITED TO THOSE EXPRESSLY STATED IN THIS LICENSE AND SHALL NOT INCLUDE ANY IMPLIED DUTIES OR IMPLIED WARRANTIES, NOW OR IN THE FUTURE. NO REPRESENTATIONS OR WARRANTIES HAVE BEEN MADE BY LICENSOR OTHER THAN THOSE CONTAINED IN THIS LICENSE. LICENSEE HEREBY WAIVES ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE PREMISES OR WHICH MAY EXIST BY OPERATION OF LAW OR IN EQUITY, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, HABITABILITY OR FITNESS FOR A PARTICULAR PURPOSE.**
- 18.2 **LICENSOR MAKES NO WARRANTY, REPRESENTATION OR CONDITION OF ANY KIND, EXPRESS OR IMPLIED, CONCERNING (A) THE SCOPE OF THE LICENSE OR OTHER RIGHTS GRANTED HEREUNDER TO LICENSEE OR (B) WHETHER OR NOT LICENSEE'S CONSTRUCTION, MAINTENANCE, OWNERSHIP, USE OR OPERATION OF THE ELECTRIC SUPPLY LINE WILL VIOLATE OR INFRINGE UPON THE RIGHTS, INTERESTS AND ESTATES OF THIRD PARTIES, INCLUDING, WITHOUT LIMITATION, ANY LEASES, USE RIGHTS, EASEMENTS AND LIENS OF ANY THIRD PARTY.**

- 19. **Disclaimer of Warranty for Quiet Enjoyment. LICENSOR DOES NOT WARRANT ITS TITLE TO THE PREMISES NOR UNDERTAKE TO DEFEND LICENSEE IN THE PEACEABLE POSSESSION OR USE THEREOF. NO COVENANT OF QUIET ENJOYMENT IS MADE.**

20. Eviction at Risk of Licensee. In case of the eviction of Licensee by anyone owning, claiming title to, or claiming any interest in the Premises, or by the abandonment by Licensor of the affected rail corridor, Licensor shall not be liable (i) to refund Licensee any compensation paid hereunder, except for the pro-rata part of any recurring charge paid in advance, or (ii) for any damage Licensee sustains in connection with the eviction.

LIENS AND TAXES

21. Liens and Charges. Licensee shall promptly pay and discharge any and all liens arising out of any construction, alterations or repairs done, suffered or permitted to be done by Licensee on Premises. Licensor is hereby authorized to post any notices or take any other action upon or with respect to Premises that is or may be permitted by law to prevent the attachment of any such liens to Premises; provided, however, that failure of Licensor to take any such action shall not relieve Licensee of any obligation or liability under this **Section 21** or any other Section of this License.
22. Taxes. Licensee shall pay when due any taxes, assessments or other charges (collectively, "**Taxes**") levied or assessed by any governmental or quasi-governmental body upon the Electric Supply Line or any other Improvements constructed or installed on the Premises by or for Licensee (collectively, the "**Improvements**") or any Taxes levied or assessed against Licensor or the Premises that are attributable to the Improvements.

DEFAULT, TERMINATION, AND SURRENDER

23. Default and Termination. In addition to and not in limitation of Licensor's right to terminate for failure to provide evidence of insurance as required pursuant to the terms of **Section 15**, the following events are also deemed to be events of default pursuant to which Licensor has the right to terminate as set forth below:
- 23.1 If default shall be made in any of Licensee's covenants, agreements, or obligations contained in this License and Licensee fails to cure said default within thirty (30) days after written notice is provided to Licensee by Licensor, or in case of any assignment or transfer of this License in violation of **Section 26** below, Licensor may, at its option, terminate this License by serving five (5) days' notice in writing upon Licensee. Notwithstanding the foregoing, Licensor shall have the right to terminate this License immediately if Licensee fails to provide evidence of insurance as required in **Section 15**.
- 23.2 Should Licensee not comply fully with the obligations of **Section 17** regarding the handling or transporting of hazardous waste or hazardous material, notwithstanding anything contained in any other provision of this License, Licensor may, at its option, terminate this License by serving five (5) days' notice of termination upon Licensee.
- 23.3 Any waiver by Licensor of any default or defaults shall not constitute a waiver of the right to terminate this License for any subsequent default or defaults, nor shall any such waiver in any way affect Licensor's ability to enforce any Section of this License. The remedy set forth in this **Section 23** shall be in addition to, and not in limitation of, any other remedies that Licensor may have at law or in equity.
- 23.4 In addition to and not in limitation of Licensor's rights to terminate this License for failure to provide evidence of insurance or occurrence of defaults as described above, this License may be terminated by either party, at any time, by serving thirty (30) days' written notice of termination upon the other party. Such termination shall not release either party hereto from any liability or obligation under the License, whether of indemnity or otherwise, resulting from any acts, omissions or events happening prior to the date of termination or thereafter in case by the terms of the License it is provided that anything shall or may be done after termination hereof.
24. Surrender of the Premises.
- 24.1 On or before expiration or termination of this License for any reason, Licensee shall, at its sole cost and expense:

- 24.1.1 if so directed by Licensor in writing, remove the Improvements, the Electric Supply Line and all appurtenances thereto, or, at the sole discretion of Licensor, appropriately decommission the Electric Supply Line with a method satisfactory to Licensor;
 - 24.1.2 report and restore any damage to the Premises or Licensor's other property arising from, growing out of, or connected with Licensee's use of the Premises;
 - 24.1.3 remedy any unsafe conditions on the Premises created or aggravated by Licensee; and
 - 24.1.4 leave the Premises in substantially the condition which existed as of the Effective Date.
- 24.2 Upon any expiration or termination of this License, if Licensee fails to surrender the Premises to Licensor or if Licensee fails to complete its obligations under **Section 24.1** above (the "**Restoration Obligations**"), Licensee shall have a limited license to enter upon the Premises solely to the extent necessary for Licensee to complete the Restoration Obligations, and all liabilities and obligations of Licensee hereunder shall continue in effect until the Premises are surrendered and the Restoration Obligations are completed. Neither termination nor expiration shall release Licensee from any liability or obligation under this License, whether of indemnity or otherwise, resulting from any acts, omissions or events happening prior to the date of termination, or, if later, the date when Licensee surrenders the Premises and all of the Restoration Obligations are completed.
- 24.3 If Licensee fails to complete the Restoration Obligations within thirty (30) days after the date of such termination of its tenancy, then Licensor may, at its election, either: (i) remove the Electric Supply Line and the other Improvements or otherwise restore the Premises, and in such event Licensee shall, within thirty (30) days after receipt of bill therefor, reimburse Licensor for cost incurred, (ii) upon written notice to Licensee, take and hold the Electric Supply Line and the other Improvements and personal property as its sole property, without payment or obligation to Licensee therefor, or (iii) specifically enforce Licensee's obligation to restore and/or pursue any remedy at law or in equity against Licensee for failure to so restore. Further, if Licensor has consented to the Electric Supply Line and the other Improvements remaining on the Premises following termination, Licensee shall, upon request by Licensor, provide a bill of sale in a form acceptable to Licensor conveying the Electric Supply Line and the other Improvements to Licensor.

MISCELLANEOUS

25. Successors and Assigns. All provisions contained in this License shall be binding upon, inure to the benefit of, and be enforceable by the respective successors and assigns of Licensor and Licensee to the same extent as if each such successor and assign was named a party to this License.
26. Assignment.
- 26.1 Licensee may not sell, assign, transfer, or hypothecate this License or any right, obligation, or interest herein (either voluntarily or by operation of law, merger, or otherwise) without the prior written consent of Licensor, which consent may not be unreasonably withheld or delayed by Licensor. Any attempted assignment by Licensee in violation of this **Section 26** shall be a breach of this License and, in addition, shall be voidable by Licensor in its sole and absolute discretion.
 - 26.2 For purposes of this **Section 26**, the word "assign" shall include without limitation (a) any sale of the equity interests of Licensee following which the equity interest holders of Licensee immediately prior to such sale own, directly or indirectly, less than 50% of the combined voting power of the outstanding voting equity interests of Licensee, (b) any sale of all or substantially all of the assets of (i) Licensee and (ii) to the extent such entities exist, Licensee's parent and subsidiaries, taken as a whole, or (c) any reorganization, recapitalization, merger or consolidation involving Licensee. Notwithstanding the foregoing, any reorganization, recapitalization, merger or consolidation following which the equity interest holders of Licensee immediately prior to such reorganization, recapitalization, merger or consolidation own, directly or indirectly, at least 50% of the combined voting power of the outstanding voting equity interests of Licensee or any successor thereto or the entity resulting from such reorganization,

recapitalization, merger or consolidation shall not be deemed an assignment. THIS LICENSE SHALL NOT RUN WITH THE LAND WITHOUT THE EXPRESS WRITTEN CONSENT OF LICENSOR, SUCH CONSENT TO BE IN LICENSOR'S SOLE DISCRETION.

26.3 Notwithstanding the provisions of **Section 26.1** above or anything contained in this License to the contrary, if Licensee sells, assigns, transfers, or hypothecates this License or any interest herein in contravention of the provisions of this License (a "**Purported Assignment**") to another party (a "**Purported Transferee**"), the Purported Transferee's enjoyment of the rights and privileges granted under this License shall be deemed to be the Purported Transferee's agreement to be bound by all of the terms and provisions of this License, including but not limited to the obligation to comply with the provisions of **Section 15** above concerning insurance requirements. In addition to and not in limitation of the foregoing, Licensee, for itself, its successors and assigns, shall indemnify, defend and hold harmless Licensor for all Liabilities of any nature, kind or description of any person or entity directly or indirectly arising out of, resulting from or related to (in whole or in part) a Purported Assignment.

26.4 The provisions of this **Section 26** shall survive the expiration or earlier termination of this License.

27. Notices. Any notice, invoice, or other writing required or permitted to be given hereunder by one party to the other shall be in writing and the same shall be given and shall be deemed to have been served and given if (i) placed in the United States mail, certified, return receipt requested, or (ii) deposited into the custody of a nationally recognized overnight delivery service, addressed to the party to be notified at the address for such party specified below, or to such other address as the party to be notified may designate by giving the other party no less than thirty (30) days' advance written notice of such change in address.

If to Licensor: Jones Lang LaSalle Brokerage, Inc.
4200 Buckingham Road, Suite 110
Fort Worth, TX 76155
Attn: Permits/Licenses

with a copy to: BNSF Railway Company
2301 Lou Menk Drive GOB-3W
Fort Worth, TX 76131
Attn: Senior Manager Real Estate

If to Licensee: City of Santa Fe Springs
11710 Telegraph Rd.
Santa Fe Springs, California 90670

28. Survival. Neither termination nor expiration will release either party from any liability or obligation under this License, whether of indemnity or otherwise, resulting from any acts, omissions or events happening prior to the date of termination or expiration, or, if later, the date when the Electric Supply Line and the other Improvements are removed and the Premises are restored to its condition as of the Effective Date.

29. Recordation. It is understood and agreed that this License shall not be placed or allowed to be placed on public record.

30. Applicable Law. All questions concerning the interpretation or application of provisions of this License shall be decided according to the substantive laws of the State of Texas without regard to conflicts of law provisions.

31. Severability. To the maximum extent possible, each provision of this License shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this License shall be prohibited by, or held to be invalid under, applicable law, such provision shall be ineffective solely to the extent of such prohibition or invalidity, and this shall not invalidate the remainder of such provision or any other provision of this License.

32. Integration. This License is the full and complete agreement between Licensor and Licensee with respect to all matters relating to Licensee's use of the Premises, and supersedes any and all other agreements between the

parties hereto relating to Licensee's use of the Premises as described herein. However, nothing herein is intended to terminate any surviving obligation of Licensee or Licensee's obligation to defend and hold Licensor harmless in any prior written agreement between the parties.

33. Joint and Several Liability. If Licensee consists of two or more parties, all the covenants and agreements of Licensee herein contained shall be the joint and several covenants and agreements of such parties.
34. Waiver. The waiver by Licensor of the breach of any provision herein by Licensee shall in no way impair the right of Licensor to enforce that provision for any subsequent breach thereof.
35. Interpretation.
 - 35.1 This License shall be interpreted in a neutral manner, and not more strongly for or against any party based upon the source of the draftsmanship; both parties hereby agree that this License shall not be subject to the principle that a contract would be construed against the party which drafted the same. Article titles, headings to sections and paragraphs and the table of contents (if any) are inserted for convenience of reference only and are not intended to be a part or to affect the meaning or interpretation hereof. The exhibit or exhibits referred to herein shall be construed with and as an integral part of this License to the same extent as if they were set forth verbatim herein.
 - 35.2 As used herein, "include", "includes" and "including" are deemed to be followed by "without limitation" whether or not they are in fact followed by such words or words of like import; "writing", "written" and comparable terms refer to printing, typing, lithography and other means of reproducing words in a visible form; references to any person are also to that person's successors and permitted assigns; "hereof", "herein", "hereunder" and comparable terms refer to the entirety hereof and not to any particular article, section, or other subdivision hereof or attachment hereto; references to any gender include references to the masculine or feminine as the context requires; references to the plural include the singular and vice versa; and references to this License or other documents are as amended, modified or supplemented from time to time.
36. Counterparts. This License may be executed in multiple counterparts, each of which shall, for all purposes, be deemed an original but which together shall constitute one and the same instrument, and the signature pages from any counterpart may be appended to any other counterpart to assemble fully executed documents, and counterparts of this License may also be exchanged via email or electronic facsimile machines and any email or electronic facsimile of any party's signature shall be deemed to be an original signature for all purposes.

END OF PAGE – SIGNATURE PAGE FOLLOWS

37. Licensor's Representative. Jones Lang LaSalle Brokerage, Inc. is acting as representative for BNSF Railway Company.

This License has been duly executed by the parties hereto as of the date below each party's signature; to be effective, however, as of the Effective Date.

LICENSOR:

BNSF RAILWAY COMPANY a Delaware corporation

By: Jones Lang LaSalle Brokerage, Inc.,
4200 Buckingham Road, Suite 110
Fort Worth, TX 76155

By: _____

Title: _____

Date: _____

LICENSEE:

CITY OF SANTA FE SPRINGS a California

11710 Telegraph Rd.
Santa Fe Springs, California 90670

By: _____

Title: _____

Date: _____

EXHIBIT "A"

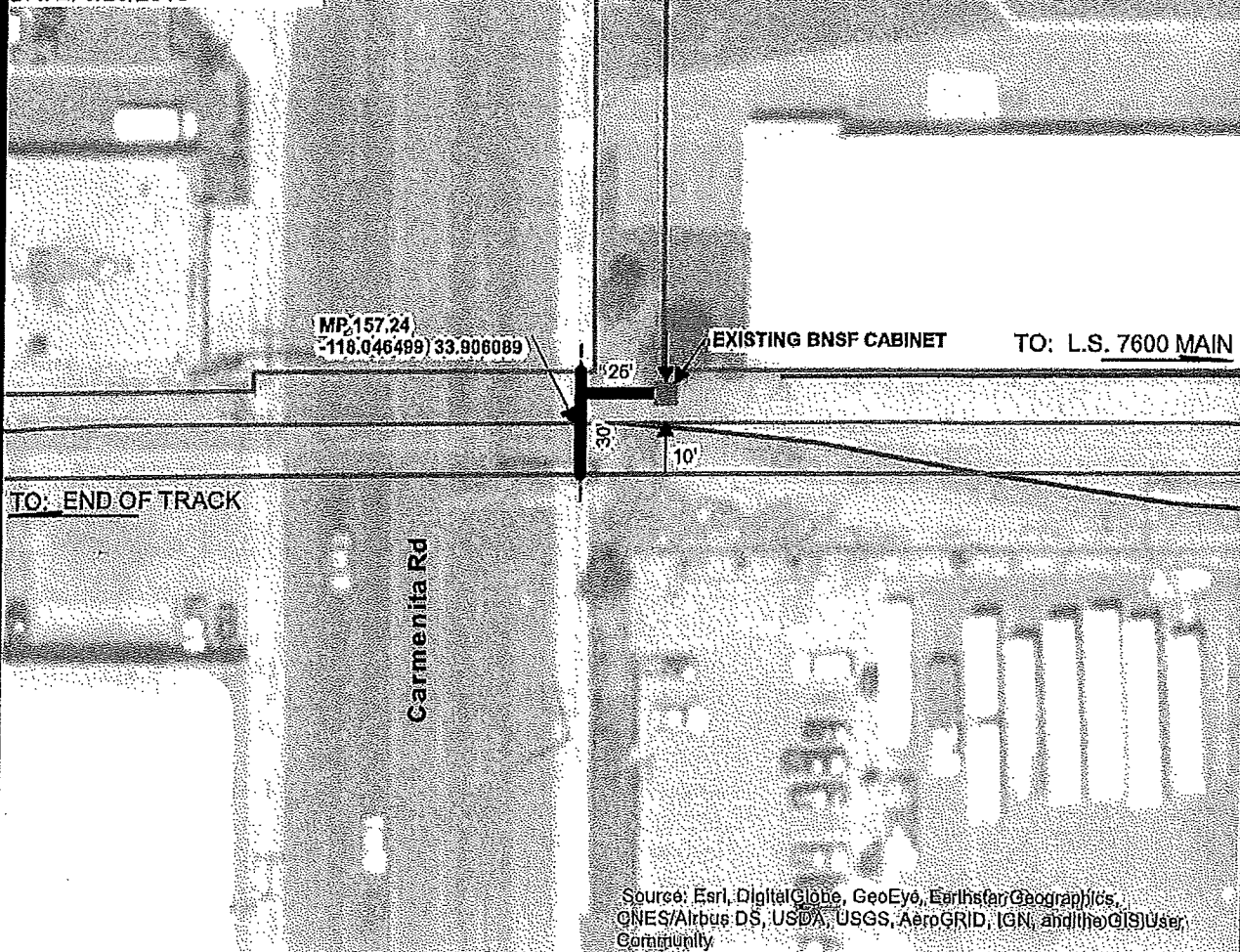
ATTACHED TO CONTRACT BETWEEN
BNSF RAILWAY COMPANY
AND

CITY OF SANTA FE SPRINGS

SCALE: 1 IN = 50 FT
CALIFORNIA DIV.
SAN BERNARDINO SUBDIV.
L.S. 7600 MP: 157.24
DATE: 8/20/2018

SECTION: -
TOWNSHIP & RANGE: -

MERIDIAN: SBM



NOTE:
1-2" PVC CONDUIT OCCUPIED W/
12 ELECTRIC CABLES

DESCRIPTION OF WIRES UNDER TRACK WIRES LOCATED AS SHOWN BOLD

TYPE	ELECTRIC	SIZE OF CONDUIT	2"
NUMBER OF CONDUITS	1	CONDUIT MATERIAL	PVC
VOLTAGE	120V	WALL THICKNESS	0.218"
		LENGTH ON R/W	55'
		BASE OF RAIL TO TOP OF CONDUIT	10'

NOTE: CASING TO BE INSTALLED BY HORIZONTAL DIRECTIONAL DRILL

SANTA FE SPRINGS
COUNTY OF LOS ANGELES

STATE OF CA

JNC

73375

Bartlett & West

Concerns/Comments:

Bartlett & West Preparer: Jordan Carroll 8/20/2018 Bartlett & West Approval: Tino Ramos 8/20/2018

November 20, 2018



City of Santa Fe Springs

City Council Meeting

PRESENTATION

Introduction of New Santa Fe Springs Department of Fire-Rescue Firefighter Candidates

RECOMMENDATION

The Mayor may wish to call upon Fire Chief Brent Hayward to introduce the newest members of the Santa Fe Springs Department of Fire-Rescue.

BACKGROUND

Three (3) Firefighter Candidates were hired on October 1, 2018 to replace current vacancies in the Department of Fire-Rescue.

The three (3) new employees are currently in a four-week comprehensive academy instructed by Santa Fe Springs Fire-Rescue personnel. They will continue their training throughout their first year of employment and will be formally tested quarterly covering each of the many skills they will be tasked with learning. Upon successful completion of the academy, they will be assigned to one of the four (4) fire stations in the City.

The three (3) new firefighters are considered Firefighter Candidates until their successful completion of a one-year probation. At that time they will receive permanent status with the City and receive their Santa Fe Springs Department of Fire-Rescue firefighter badge.

New Santa Fe Springs Department of Fire-Rescue Firefighter Candidates

Cameron Velasco
Michael Wenger
Michael Tettleton

Raymond R. Cruz
City Manager



City of Santa Fe Springs

City Council Meeting

November 20, 2018

APPOINTMENTS TO COMMITTEES AND COMMISSIONS

Committee	Vacancies	Councilmember
Beautification	2	Rounds
Beautification	5	Sarno
Beautification	2	Zamora
Family & Human Services	1	Sarno
Heritage Arts	1	Sarno
Heritage Arts	1	Trujillo
Historical	1	Rounds
Historical	3	Sarno
Historical	3	Trujillo
Historical	2	Zamora
Parks & Recreation	1	Moore
Parks & Recreation	2	Sarno
Parks & Recreation	1	Trujillo
Parks & Recreation	2	Zamora
Senior Citizens	3	Moore
Senior Citizens	2	Sarno
Senior Citizens	4	Trujillo
Sister City	1	Moore
Sister City	2	Rounds
Sister City	4	Sarno
Sister City	3	Zamora
Youth Leadership Committee	1	Rounds
Youth Leadership Committee	1	Sarno
Youth Leadership Committee	1	Trujillo
Traffic Commission	1	Trujillo

Applications Received: None

Recent Actions: Wayne M. Morrell to Historical Advisory Committee

Raymond R. Cruz

Attachments:
Committee Lists
Prospective Members

Raymond R. Cruz
City Manager

Prospective Members for Various Committees/Commissions

Beautification

Family & Human Services

Heritage Arts

Historical

Personnel Advisory Board

Parks & Recreation

Planning Commission

Senior Citizens Advisory

Sister City

Traffic Commission

Youth Leadership

BEAUTIFICATION COMMITTEE

Meets the fourth Wednesday of each month, except July, Aug, Dec.

9:30 a.m., Town Center Hall

Qualifications: 18 Years of age, reside or active in the City

Membership: 25 Residents appointed by City Council

APPOINTED BY	NAME	TERM EXPIRES JUNE 30 OF
Moore	Juliet Ray	(18)
	Guadalupe Placencia	(19)
	Francis Carbajal	
	Eileen Ridge	(19)
	Jeannie Hale	(19)
Zamora	Vacant	
	Charlotte Zevallos	(18)
	Doris Yarwood	(18)
	Vada Conrad	(19)
	Vacant	
Rounds	Sadie Calderon	(18)
	Vacant	(18)
	Mary Arias	(19)
	Marlene Vernava	(19)
	Vacant	(19)
Sarno	Vacant	
	Vacant	
	Vacant	
	Vacant	
	Vacant	
Trujillo	Jacqueline Martinez	(18)
	AJ Hayes	(18)
	Margaret Bustos*	(18)
	Debra Cabrera	(19)
	Kay Gomez	

**Indicates person currently serves on three committees*

FAMILY & HUMAN SERVICES ADVISORY COMMITTEE

Meets the third Wednesday of the month, except Jul., Aug., Sept., and Dec., at 5:45 p.m., Gus Velasco Neighborhood Center

Qualifications: 18 Years of age, reside or active in the City

Membership: 15 Residents Appointed by City Council

5 Social Service Agency Representatives Appointed by the Committee

APPOINTED BY	NAME	TERM EXPIRES JUNE 30 OF
Moore	Martha Villanueva	(18)
	Margaret Bustos*	(18)
	Miriam Herrera	
Zamora	Gaby Garcia	(18)
	Tina Delgado	(19)
	Gilbert Aguirre	(19)
Rounds	Annette Rodriguez	(18)
	Janie Aguirre	(19)
	Peggy Radoumis	(19)
Sarno	Vacant	(18)
	Linda Vallejo	(18)
	Hilda Zamora	(19)
Trujillo	Dolores H. Romero*	(18)
	Laurie Rios	(18)
	Bonnie Fox	(19)

Organizational Representatives: Nancy Stowe
(Up to 5) Evelyn Castro-Guillen
Elvia Torres
(SPIRITT Family Services)

**Indicates person currently serves on three committees*

HERITAGE ARTS ADVISORY COMMITTEE

Meets the Last Tuesday of the month, except Dec., at 9:00 a.m., at the Gus Velasco Neighborhood Center Room 1

Qualifications: 18 Years of age, reside or active in the City

Membership: 9 Voting Members
6 Non-Voting Members

APPOINTED BY	NAME	TERM EXPIRES JUNE 30 OF
Moore	Laurie Rios	6/30/2019
Zamora	Larry Oblea	6/30/2019
Rounds	Pauline Moore	6/30/2019
Sarno	Vacant	
Trujillo	Vacant	

Committee Representatives

Beautification Committee	Charlotte Zevallos	6/30/2019
Historical Committee	Sally Gaitan	6/30/2019
Planning Commission	Gabriel Jimenez	6/30/2019
Chamber of Commerce	Debbie Baker	6/30/2019

Council/Staff Representatives

Council Liaison	Richard Moore
Council Alternate	Jay Sarno
City Manager	Ray Cruz
Director of Community Services	Maricela Balderas
Director of Planning	Wayne Morrell

**Indicates person currently serves on three committees*

HISTORICAL COMMITTEE

Meets Quarterly - The 2nd Tuesday of Jan., April, July, and Oct., at 5:30 p.m.,
Heritage Park Train Depot

Qualifications: 18 Years of age, reside or active in the City

Membership: 20

APPOINTED BY	NAME	TERM EXPIRES JUNE 30 OF
Moore	Astrid Shesterkin	(18)
	Tony Reyes	(18)
	Amparo Oblea	(19)
	Wayne M. Morrell	(20)
Zamora	Francis Carbajal	(19)
	Vacant	
	Vacant	
	Larry Oblea	(18)
Rounds	Vacant	
	Adrienne Matte	(20)
	Mark Scoggins*	(19)
	Janice Smith	(19)
Sarno	Vacant	
	Vacant	
	Vacant	
	Sally Gaitan	(19)
Trujillo	Vacant	
	Vacant	
	Merrie Hathaway	(19)
	Vacant	

**Indicates person currently serves on three committees*

PARKS & RECREATION ADVISORY COMMITTEE

Meets the First Wednesday of the month, except Jul., Aug., and Dec., 7:00 p.m., Town Center Hall, Meeting Room #1

Subcommittee Meets at 6:00 p.m.

Qualifications: 18 Years of age, reside or active in the City

Membership: 25

APPOINTED BY	NAME	TERM EXPIRES JUNE 30 OF
Moore	Vacant	(18)
	Adrian Romero	(19)
	William Logan	(19)
	Ralph Aranda	(19)
	Kurt Hamra	(19)
Zamora	Michael Givens	(18)
	Ruben Gonzalez	(18)
	Frank Aguayo, Sr.	(18)
	Vacant	
	Vacant	
Rounds	Kenneth Arnold	(18)
	Mary Anderson	(18)
	Johana Coca*	(18)
	Tim Arnold	(19)
	Mark Scoggins*	(19)
Sarno	Rudy Lagarreta Jr.	(18)
	Vacant	(18)
	Lisa Garcia	(19)
	Vacant	(18)
	David Diaz-Infante	(19)
Trujillo	Dolores Romero	(19)
	Andrea Lopez	(18)
	Lydia Gonzalez	(19)
	Anthony Ambris	(19)
	Vacant	(19)

**Indicates person currently serves on three committees*

PERSONNEL ADVISORY BOARD

Meets Quarterly on an As-Needed Basis

Membership: 5 (2 Appointed by City Council, 1 by Personnel Board, 1 by Firemen's Association, 1 by Employees' Association)

Terms: Four Years

APPOINTED BY	NAME	TERM EXPIRES JUNE 30 OF
Council	Angel Munoz	6/30/2019
	Ron Biggs	6/30/2019
Personnel Advisory Board	Neal Welland	6/30/2020
Firemen's Association	Jim De Silva	6/30/2019
Employees' Association	Johnny Hernandez	6/30/2020

PLANNING COMMISSION

updated 10/17/17

Meets the second Monday of every Month at 4:30 p.m.,
Council Chambers

Qualifications: 18 Years of age, reside or active in the City

Membership: 5

APPOINTED BY

NAME

Moore

Ken Arnold

Rounds

Ralph Aranda

Sarno

John Mora

Trujillo

Frank Ybarra

Zamora

Gabriel Jimenez

SENIOR CITIZENS ADVISORY COMMITTEE

Meets the Second Tuesday of the month, except Jul., Aug., Sep., and Dec., at 9:30 a.m.,
Gus Velasco Neighborhood Center

Qualifications: 18 Years of age, reside or active in the City

Membership: 25

APPOINTED BY	NAME	TERM EXPIRES JUNE 30 OF
Moore	Paul Nakamura	(18)
	Astrid Shesterkin	(19)
	Vacant	
	Vacant	
	Vacant	
Zamora	Dolores Duran	(18)
	Elena Lopez Armendariz	(18)
	Rebecca Lira	(18)
	Amelia Acosta	(19)
	Gloria Madrid	(19)
Rounds	Sally Gaitan	(20)
	Bonnie Fox	(18)
	Gilbert Aguirre	(19)
	Lorena Huitron	(19)
	Janie Aguirre	(19)
Sarno	Yoko Nakamura	(18)
	Linda Vallejo	(18)
	Hilda Zamora	(19)
	Vacant	
	Vacant	
Trujillo	Vacant	
	Vacant	
	Vacant	
	Margaret Bustos*	(19)
	Vacant	

**Indicates person currently serves on three committees*

SISTER CITY COMMITTEE

Meets the First Monday of every month, except Dec., at 6:45 p.m., Town Center Hall, Mtg. Room #1. If the regular meeting date falls on a holiday, the meeting is held on the second Monday of the month.

Qualifications: 18 Years of age, reside or active in the City

Membership: 25

APPOINTED BY	NAME	TERM EXPIRES JUNE 30 OF
Moore	Martha Villanueva	(18)
	Laurie Rios	(18)
	Vacant	
	Peggy Radoumis	(19)
	Francis Carbajal	(19)
Zamora	Charlotte Zevallos	(18)
	Vacant	(19)
	Vacant	
	Doris Yarwood	(19)
	Vacant	
Rounds	Manny Zevallos	(18)
	Susan Johnston	(18)
	Jacqueline Martinez	(19)
	Vacant	
	Vacant	
Sarno	Jeannette Wolfe	(18)
	Vacant	
	Vacant	
	Vacant	
	Vacant	
Trujillo	Beverly Radoumis	(19)
	Andrea Lopez	(18)
	A.J. Hayes	(19)
	Marcella Obregon	(19)
	Debra Cabrera	(19)

**Indicates person currently serves on three committees*

TRAFFIC COMMISSION

Meets the Third Thursday of every month, at 6:00 p.m., Council Chambers

Membership: 5

Qualifications: 18 Years of age, reside or active in the City

APPOINTED BY	NAME
Moore	Bryan Collins
Rounds	Johana Coca
Sarno	Alma Martinez
Trujillo	Vacant
Zamora	Nancy Romo

*Albert Hayes removed on 7/19/17

YOUTH LEADERSHIP COMMITTEE

Meets the First Monday of every month, at 6:30 p.m., Gus Velasco Neighborhood Center

Qualifications: Ages 13-18, reside in Santa Fe Springs

Membership: 20

APPOINTED BY	NAME	Term Expires in Year Listed or upon Graduation
Moore	Kharisma Ruiz	(20)
	Destiny Cornejo	(19)
	Zachary Varela	(18)
	Jazmine A. Duque	(19)
Zamora	Metztli Mercado-Garcia	(18)
	Savanna Aguayo	(19)
	Valerie Melendez	(19)
	Christian Zamora	(19)
Rounds	Andrew Chavez	(18)
	Vacant	(19)
	Walter Alvarez	(18)
	Valerie Yvette A. Gonzales	(18)
Sarno	Angel M. Corona	(19)
	Vacant	(19)
	Ivan Aguilar	(19)
	Jennifer Centeno Tobar	(19)
Trujillo	Bernardo Landin	(18)
	Ionnis Panou	(18)
	Andrew Bojorquez	(20)
	Vacant	(18)