AGENDA
EL SEGUNDO CITY COUNCIL
COUNCIL CHAMBERS - 350 Main Street

The City Council, with certain statutory exceptions, can only take action upon properly posted and listed agenda items. Any writings or documents given to a majority of the City Council regarding any matter on this agenda that the City received after issuing the agenda packet, are available for public inspection in the City Clerk’s office during normal business hours. Such Documents may also be posted on the City’s website at www.elsegundo.org and additional copies will be available at the City Council meeting.

Unless otherwise noted in the Agenda, the Public can only comment on City-related business that is within the jurisdiction of the City Council and/or items listed on the Agenda during the Public Communications portions of the Meeting. Additionally, the Public can comment on any Public Hearing item on the Agenda during the Public Hearing portion of such item. The time limit for comments is five (5) minutes per person.

Before speaking to the City Council, please come to the podium and state: Your name and residence and the organization you represent, if desired. Please respect the time limits.

Members of the Public may place items on the Agenda by submitting a Written Request to the City Clerk or City Manager’s Office at least six days prior to the City Council Meeting (by 2:00 p.m. the prior Tuesday). The request must include a brief general description of the business to be transacted or discussed at the meeting. Playing of video tapes or use of visual aids may be permitted during meetings if they are submitted to the City Clerk two (2) working days prior to the meeting and they do not exceed five (5) minutes in length.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact City Clerk, 524-2305. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

MEETING OF THE EL SEGUNDO CITY COUNCIL
TUESDAY, MARCH 20, 2018 – 5:00 PM
CLOSED SESSION CANCELLED

REGULAR MEETING OF THE EL SEGUNDO CITY COUNCIL
TUESDAY, MARCH 20, 2018 - 7:00 P.M.

7:00 P.M. SESSION

CALL TO ORDER
INVOCATION – Rev. William Crawford – New City Church/formally First Baptist Church

PLEDGE OF ALLEGIANCE – Council Member Dugan

PRESENTATIONS

a) Presentation – Jairo Garcia, ESFD Principal Environmental Specialist, working within the CUPA.

b) Presentation – LA Metro on the Proposed I-105 ExpressLane Project.

ROLL CALL

PUBLIC COMMUNICATIONS – (Related to City Business Only – 5 minute limit per person, 30 minute limit total) Individuals who have received value of $50 or more to communicate to the City Council on behalf of another, and employees speaking on behalf of their employer, must so identify themselves prior to addressing the City Council. Failure to do so shall be a misdemeanor and punishable by a fine of $250. While all comments are welcome, the Brown Act does not allow Council to take action on any item not on the agenda. The Council will respond to comments after Public Communications is closed.

1. The following matter was placed on the agenda by John Federick as a member of the public as part of public communications:

   Consideration and possible action to request a formal Animal Permit Appeal cost waiver or temporary Animal Permit for one (1) year.
   (Fiscal Impact: $900.00)

   Recommendation – 1) Approve permit appeal/cost waiver; 2) or, approve temporary animal permit for one (1) year; 3) Alternatively, discuss and take other possible action related to this item.

[Members of the public write these requests without staff's assistance. This item is not a public hearing item but the Council has the authority to allow for a separate comment period related to this item. If the Council does not provide for a separate comment period, then members of the public that want to address this item should provide their comments during the Public Communications portion of the agenda. The Council may or may not discuss or take action on this item.]

CITY COUNCIL COMMENTS – (Related to Public Communications)
A. PROCEDURAL MOTIONS

Consideration of a motion to read all ordinances and resolutions on the Agenda by title only.
Recommendation – Approval.

B. SPECIAL ORDERS OF BUSINESS (PUBLIC HEARING)

Continued from February 20, 2018 City Council Meeting:

2. Consideration and possible action to open the Public Hearing and receive testimony concerning adopting a Resolution approving fee increase for Golf Course and Driving Range at The Lakes at El Segundo (400 S. Sepulveda Blvd.) as recommended by the Golf Course Subcommittee. (Fiscal Impact: Estimated Annual Revenue Increase of $75,000-$80,000 to Golf Course Enterprise Fund)
Recommendation – 1) Continue the public hearing and hear testimony regarding the proposed new fees for The Lakes at El Segundo; 2) Close the public hearing and adopt the proposed Resolution approving the new fee schedule; 3) Alternatively, discuss and take other possible action related to this item.

C. UNFINISHED BUSINESS

3. Consideration and possible action for the Council to receive and file a Fair Political Practices Commission Opinion, provided in response to a request from resident Ryan Baldino, finding that Council Member Don Brann, who is a Board Member of Da Vinci Charter School, has no financial conflicts of interests under the Political Reform Act or Government Code Section 1090 with regard to decisions the City Council makes regarding the Wiseburn Unified School District and/or DaVinci Charter School. (Fiscal Impact: $4600.00)
Recommendation – 1) Consideration and possible action for the Council to receive and file a Fair Political Practices Commission Opinion finding that Council Member Don Brann, who is a Board Member of Da Vinci Charter School, has no financial conflicts of interests under the Political Reform Act or Government Code Section 1090 with regard to decisions the City Council makes regarding the Wiseburn Unified School District and/or DaVinci Charter School; 2) Alternatively, discuss and take other possible action related to this item.
D. REPORTS OF COMMITTEES, COMMISSIONS AND BOARDS

4. Consideration and possible action to provide direction to staff and The Lakes RFP Task Force related to finalizing the Request for Proposals for The Lakes at El Segundo Site (400 S. Sepulveda Blvd.).
   (Fiscal Impact: None)
   Recommendation – 1) Provide direction to staff and The Lakes RFP Task Force to finalize the Request for Proposals for The Lakes at El Segundo Site (400 S. Sepulveda Blvd.); 2) Alternatively, discuss and take other possible action related to this item.

E. CONSENT AGENDA

All items listed are to be adopted by one motion without discussion and passed unanimously. If a call for discussion of an item is made, the item(s) will be considered individually under the next heading of business.

5. Warrant Numbers 3020243 through 3020469 and 9000282 through 9000324 on Register No. 11 in the total amount of $1,597,231.93 and Wire Transfers from 2/26/18 through 3/11/18 in the total amount of $1,158,937.19.
   Recommendation – Approve Warrant Demand Register and authorize staff to release. Ratify Payroll and Employee Benefit checks; checks released early due to contracts or agreement; emergency disbursements and/or adjustments; and wire transfers.

6. Regular City Council Meeting Minutes of March 6, 2018.
   Recommendation – Approval

7. Consideration and possible action to accept as complete the East of Sepulveda Boulevard Pavement Rehabilitation Project, Project No. PW17-27.
   (Fiscal Impact: $752,879.71)
   Recommendation – 1) Accept the work as complete; 2) Authorize the City Clerk to file a Notice of Completion in the County Recorder’s Office; 3) Alternatively, discuss and take other possible action related to this item.
8. Consideration and possible action to award a standard Public Works Contract to Cinbad Industry Inc., in a form approved by the City Attorney, for construction of the Police Department Floor Replacement, Project No. PW 18-02.  
(Fiscal Impact: $227,661.50)
Recommendation – 1) Authorize the City Manager to execute a standard Public Works Contract in a form approved by the City Attorney with Cinbad Industry Inc. in the amount of $206,965.00 and authorize an additional $20,696.50 for construction related contingencies; 2) Alternatively, discuss and take other possible action related to this item.

9. Consideration and possible action regarding the acceptance of grant funding from the U.S. Department of Homeland Security, through the Office of Grants and Training, under Fiscal Year 2016 State Homeland Security Grant Program (SHSGP).  
(Fiscal Impact: $36,360)
Recommendation – 1) Authorize the acceptance of $36,360 in grant funds from the SHSGP 2016 grant program and allow for Amendments as outlined in subsection 502 of the Sub-recipient agreement; 2) Authorize the City Manager to sign an Agreement with the County of Los Angeles who will serve as the grant administrator for the grant; 3) Alternatively, discuss and take other possible action related to this item.

10. Consideration and possible action regarding appointing the Director of Finance, Joseph Lillio, as a delegate to the Southern California Cities Consortium Joint Powers Authority (SCCCJPA).  
(Fiscal Impact: $0)
Recommendation – 1) Authorize the appointment of the Director of Finance, Joseph Lillio, as delegate to the SCCCJPA; 2) Alternatively, discuss and take other possible action related to this item.

F. NEW BUSINESS

G. REPORTS – CITY MANAGER

H. REPORTS – CITY ATTORNEY

I. REPORTS – CITY CLERK
J. REPORTS – CITY TREASURER

K. REPORTS – CITY COUNCIL MEMBERS

Council Member Brann –

Council Member Pirsztuk –

Council Member Dugan –

Mayor Pro Tem Boyles –

Mayor Fuentes –

11. Consideration and possible action to authorize the Mayor to execute a Memorandum of Understanding (MOU) between the City of El Segundo and the Los Angeles Air Force Base to participate in a Housing Partnership Program.

(Fiscal Impact: $0)

Recommendation – 1) Authorize the Mayor to execute the MOU on behalf of the City; 2) Alternatively, discuss and take other possible action related to this item.

12. Consideration and possible action to send a letter to United States Senate urging support to a proposed law, H.R. 620, also called the ADA Education and Reform Act of 2017.

(Fiscal Impact: N/A)

Recommendation – 1) Authorize the Mayor to sign a letter of support on behalf of the City; 2) Alternatively, discuss and take other possible action related to this item.

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MEMORIALS –

CLOSED SESSION

The City Council may move into a closed session pursuant to applicable law, including the Brown Act (Government Code Section §54960, at seq.) for the purposes of conferring with the City's Real Property Negotiator; and/or conferring with the City Attorney on potential and/or existing litigation; and/or discussing matters covered under Government Code Section §54957 (Personnel); and/or conferring with the City's Labor Negotiators.

REPORT OF ACTION TAKEN IN CLOSED SESSION (if required)

ADJOURNMENT

POSTED:

DATE: 3/14/18
TIME: 12:55 pm
NAME: [Signed]

[Handwritten Signature]
Presentation
Jairo Garcia, ESFD Principal Environmental Specialist,
working within the CUPA.
Presentation

LA Metro on the Proposed I-105 ExpressLane Project.
DESCRIPTION:

Animal Permit Appeal Cost Waiver
OR Temporary Permit for 1 year.

RECOMMENDATION:

1) Approve Permit Appeal Cost Waiver; OR;
2) Approve Temporary Animal Permit for 1 year.

John Frederick

[Signature]
City Council
3-2-18

To Whom It May Concern:

We are Requesting a waiver of the animal permit appeal fee of $900+ because we are senior citizens on a set income.

We were not aware that we needed a permit to raise a little goat on our property which is 2 lots and large. When we researched it online we did not see that requirement. Nor was "Goat" marked as prohibited. Our Grandson Christian has raised Bella since she was a week old. She has a proper holding pen and small shed with a weather covering.

We have been diligent in the upkeep of the Pen area and training Bella in positive behavior habits. Christian has trained her to lead and now to carry light bags. He is raising Bella for his 4H project and needs to be around her daily to fulfill his responsibility in her care and development.

Thank you,
Dawn and John Frederick
Grandson Christian Colombo
621 Penn St.
El Segundo, California
January 18, 2018

Dawn Frederick
621 Penn Street
El Segundo, CA 90245

Dear Mrs. Frederick:

Your request for an animal permit per ESMC 6-2-11 has been denied.

You may file an appeal with the planning commission. The appeal shall be in letter form accompanied by a filing fee in an amount set by resolution of the City Council (ESMC 6-2-15).

If you wish to file an appeal please contact Paul Samaras in the Planning Division (310-524-2340) and he will provide you with the application form and fee information for the appeal.

Sincerely,

Bill Whalen
Chief of Police (Animal Control Director)

By: Jeff Leyman, Lieutenant
Special Operations Division

"Working together to meet our community's needs"
El Segundo Police Department

APPLICATION FOR ANIMAL PERMIT
Pursuant to Section 6-2-12, El Segundo Municipal Code

Date: 12/2018

6-2-11: PERMITS REQUIRED:

A. Compliance; Permit: It is unlawful for any person to keep or maintain, or have in possession or under control in the city any animal except as permitted by this chapter.

B. Permit For Keeping Animals: The director may issue a permit to persons wishing to keep types of animals not identified in this chapter or a greater number of animals than allowed by this chapter. (Ord. 1340, 11-7-2001)

Applicant (Responsible party, if different from Property Owner):

Name (print or type)

Address

City/St/Zip

Phone

Fax

Email

Signature

Property Owner: ☑ Same as applicant

Dawn Frederick

Name (print or type)

621 Penn St.

Address

El Segundo, Calif. 90245

City/St/Zip

310-850-7025

Phone
dawnfrederick@hotmail.com

Fax

Email

Signature

Dawn A. Frederick
DECLARATION OF RESPONSIBLE PARTY

As the Property Owner, I am aware of and approve of the tenant's application for the keeping of animals in excess of the number/type allowed by Chapter 6-2 of the El Segundo Municipal Code. I also agree to comply with all of the conditions of approval for this permit.

[Signature]
Owner's Signature

[Date]

Type of Animal(s) Requested: Goat
Breed(s): Dzubian Boar
Gender: female
Age(s): 6 mos.
Total Number of Animals Requested: 1
Describe All Other Animals on Premises: Chickens - hens, layers

If outdoor animals, describe type and location of caging and provide a site plan which shows the caging and all other structures on the property:

- We have a pen, wire fencing + metal stakes 22' x 22' square...
- There is a 10' x 6' wooden structure with a roof for Bella (goat) to sleep in.
- Chickens have a chicken coop with a ceiling and egg-laying wooden nests.
- My grandson is raising Bella as a 4H livestock project. Part of that project is healthy, clean pen, proper feeding + training + record keeping of cost.
- Several other boys on the block are also benefiting from Bella's presence.
> December 12, 2017
> Dear Officer Camagong,
> I decided to take your suggestion about emailing our information to you to add to the permit application.
> For the record we were not aware that we needed a permit to raise a little goat on our property. When we researched the El Segundo website we did not see that requirement. We have always been upstanding citizens of ES wanting to support the good of the community. In fact we have a long legacy here. Our mother was in the first graduating class of ESHS and Father (Robert W. Frederick) was on the School Board for 20 years as well as an elected City Councilman for several terms until his death. Our Uncle Lee Maxwell was the Chief of Police in the 60s. So we would not want to do anything deliberately wrong to mar that commitment.
> We have been diligent in the upkeep of Bella's holding pen and training her in positive habits in her behavior. Christian has trained her to lead and now getting ready to carry light saddle bags. He is raising her for his 4 H project and needs to be around her daily to fulfill his responsibility in her care and development.
> Other children on the block have also enjoyed this somewhat rural experience in an urban setting and supported us by helping with Bella's care. Being a retired teacher I enjoy providing hands on learning experiences for children whenever possible.
> If there is anything we can do to lighten a seeming burden we have unintentionally put on other residents in the neighborhood please advise us.
> In the meantime, we hope you can see your way clear to consider letting us keep Bella for the purposes stated above. Christian has raised her since she was a week old and very attached to her.
> Thank you for your kind attention.
> Sincerely,
> Mrs. Dawn Frederick and
> Grandson Christian Colombo
> 
> Sent from my iPad
Activity
in 4th Xmas Parade
Christopher's Paranormal
To Be Completed By Staff:

1. Observations/Investigation:
   SEE ATTACH

2. Complaints previously filed with LA County Animal Control: YES ☐ NO ☒

3. Finding required by Chapter 6-2-13 prior to permit approval:
   a. That issuance of the permit will not adversely affect the public peace, health, or safety. ☒
   b. The keeping of the animals will not violate any provision of law. ☒
   c. That the facilities for keeping such animals are humane and adequate under the circumstances as to security and sanitation. ☒

4. Approved: ☐ Denied: ☒ Permit expires: Permit #

6-2-14: EXPIRATION OF PERMITS:

All permits issued on or before October 31 of any year will expire on December 31 of that year. Any permit issued on or after November 1 of any year will expire on December 31 of the next succeeding year. (Ord. 1340, 11-7-2001)

Animal Control Director

1-9-2018 Date
PLANNING APPLICATION

Environmental Assessment  □ General Plan Amendment  □ Lot Line Adjustment
Adjustment  □ Administrative Adjustment  □ Off-Site Parking Covenant
Administrative Adjustment  □ Administrative Determination  □ Parking Demand Study
Administrative Use Permit  □ Coastal Development Permit  □ Precise Plan Amendment
Conditional Development Permit  □ Conditional Use Permit  □ Preliminary Review
Development Agreement  □ Downtown Design Review  □ Smoky Hollow Site Plan
Subdivision

Date: 2/1/2018

Project address: 621 Penn St.

Applicant:

JOHN FREDERICK
Name (print or type)
621 Penn St.
Address
EL SEGUNDO, CA 90245
City/ST/Zip

Property Owner:

JOHN & DAWN FREDERICK
Name (print or type)
621 Penn St.
Address
EL SEGUNDO, CA 90245
City/ST/Zip

Representative of applicant: (i.e., agent, architect, attorney, engineer, expeditor, etc.)

Name (print or type)

Phone
Fax

Address

Email
Signature

Other: Animal Permit Appeal
Legal description: Lot 5 Sec 10 TRACT 2887

(Exact legal description. Provide attachment, if necessary).

Zoning Designation: [Residential]

General Plan Land Use Designation: 

El Segundo Municipal Code Section(s) Relating to Request: ESMC 6-2-11 (6-2-15)

Project Description (Attach a detailed written description of the project/request and respond to the questions on the attached application handout):

Findings Justification Statement (Attach a separate page and address in detail the required findings for the subject application(s)):

Note: An appointment is required for all application submittals. Contact the Planning Division at (310) 524-2344 in advance to schedule an appointment with a Planner.

For Staff Use Only

Date Received: ____________________________

Planner (print name): ____________________________

Signature: ____________________________

EA No.: ____________________________

Case Nos.: ____________________________

Fees Paid: ____________________________
NOTES: 1. Complete the owner and applicant/representative affidavits and owner authorization below.  
2. Separate Affidavits must be submitted if there are multiple owners.  
3. All of the signatures must be notarized before a Notary Public. The Notary Public must clearly identify the party involved (the owner, applicant, representative, etc.) and the type of document being notarized.

OWNER’S AFFIDAVIT

I/We, [John R. Frederick] being duly sworn depose and say that I/we am/are the OWNER of the property involved in this application and that I/we have familiarized myself (ourselves) with the rules and regulations of the City of El Segundo with respect to preparing and filing this application and that the foregoing statements herein contained and the information documents and all plans attached hereto are in all respects true and correct to the best of my/our knowledge and belief.

[Signature]  
[Date]

OWNER’S AUTHORIZATION

I/We hereby authorize ___________________________ to act for me/us in all matters relevant to this application. I understand that this person will be the exclusive contact on the project and will be sent all information and correspondence.

[Owner’s Signature]  
[Date]

APPLICANT/REPRESENTATIVE AFFIDAVIT

I/We ___________________________ being duly sworn depose and say that I/we am/are the APPLICANT/REPRESENTATIVE of the property involved in this application and that I/we have familiarized myself/ourselves with the rules and regulation of the City of El Segundo with respect to preparing and filing this application and that the foregoing statements herein contained and the information documents and all plans attached hereto are in all respects true and correct to the best of my/our knowledge and belief.

[Signature]  
[Date]
AGENDA DESCRIPTION:
Consideration and possible action to open the Public Hearing and receive testimony concerning adopting a Resolution approving fee increase for Golf Course and Driving Range at The Lakes at El Segundo (400 S. Sepulveda Blvd.) as recommended by the Golf Course Subcommittee. (Fiscal Impact: Estimated Annual Revenue Increase of $75,000-$80,000 to Golf Course Enterprise Fund)

RECOMMENDED COUNCIL ACTION:
(1) Open the public hearing and hear testimony regarding the proposed new fees for The Lakes at El Segundo;
(2) Close the public hearing and adopt the proposed Resolution approving the new fee schedule; and/or
(3) Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
(1) Proposed Fees and Analysis
(2) Resolution including Exhibit A, Schedule of Proposed Fees & Local Green Fee Comparison

STRATEGIC PLAN:

Goal: 5b El Segundo approaches its work in a financially strategic and responsible way.

Objective: 2 The City will maintain a stable, efficient, and transparent financial environment.

FISCAL IMPACT: Estimated Annual Revenue Increase of $75,000-$80,000 to Golf Course Enterprise Fund

Amount Budgeted: $0
Additional Appropriation: N/A
Account Number(s): N/A

ORIGINATED BY: Meredith Petit, Director of Recreation and Parks
REVIEWED BY: Meredith Petit, Director of Recreation and Parks
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND & DISCUSSION:
The City Council opened a Public Hearing on February 20, 2018, to discuss increases to fees at The Lakes at El Segundo Driving Range and Golf Course. The Public Hearing was continued to March 20, 2018, to allow the Golf Course Subcommittee to re-evaluate the proposed fees and determine if certain rate categories would warrant greater increases.

The Golf Course Subcommittee held a Special Meeting on March 5, 2018, and determined that the proposed rates for Non-Resident Weekday Greens Fees could be increased $2.00 per round instead of the original proposed increase of $1.00 per round. The subcommittee reviewed rates of the most comparable courses in the region and determined that based on the highest usage at The Lakes coming from non-residents during the weekdays, this slight increase would be most beneficial for revenue generation, while still remaining competitive in the market. The subcommittee has confirmed that the marginal
increase proposed for Resident and Junior rates remains competitive in the market and are not anticipated to cause undue burden on their ability to participate. The Golf Course Subcommittee approved raising the Junior rate age from 13 years and under to 17 years and under.

Overall, the proposed increases are as follows:
- $2 per round greens fee for Non-Resident Regular and Seniors
- $1 per round greens fee for Non-Resident Juniors
- $1 per round greens fee for all Resident rates (Regular, Seniors & Juniors)
- $2 per Large bucket of range balls
- $1 per Medium bucket of range balls
- $25 for Unlimited Monthly Pass for all Non-Residents
- $10 for Unlimited Monthly Pass for all Residents
- $15 for Punch Cards for Non-Residents (applies only to Seniors)
- $5 for Punch Cards for Residents (applies only to Seniors)
- $5 for the “Birdie” level Driving Range Discount Key

With the additional $1.00 added to the Non-Resident greens fees from the original proposal discussed on February 20, 2018, for a total of a $2.00 increase, an additional $10,000 per year in revenue is expected, for a combined total of $75,000-$80,000 estimated increase in annual revenue. If approved, the new fees will be effective April 15, 2018.
The Lakes at El Segundo Golf Course & Driving Range
Green Fees & Driving Range Fees - Proposed Fees and Analysis

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<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**DRIVING RANGE BUCKETS**

<table>
<thead>
<tr>
<th></th>
<th>Current</th>
<th>Proposed</th>
<th>Increase (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small</td>
<td>$6 (35 balls)</td>
<td>$6 (35 balls)</td>
<td>0%</td>
</tr>
<tr>
<td>Medium</td>
<td>$8 (70 balls)</td>
<td>$9 (75 balls)</td>
<td>12.50%</td>
</tr>
<tr>
<td>Large</td>
<td>$10 (105 balls)</td>
<td>$12 (110 balls)</td>
<td>20.00%</td>
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**DRIVING RANGE DISCOUNT KEYS**

<table>
<thead>
<tr>
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<th>Increase (%)</th>
<th>Discount (%)</th>
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<tbody>
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<td>no change</td>
<td>0%</td>
<td>14.29%</td>
</tr>
<tr>
<td>Birdie</td>
<td>$55 for $75</td>
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<td>9.09%</td>
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<tr>
<td>Eagle</td>
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<td>$250 for $400</td>
<td>no change</td>
<td>0%</td>
<td>37.50%</td>
</tr>
</tbody>
</table>
RESOLUTION NO. ____

A RESOLUTION ADOPTING GOLF COURSE FEES FOR
THE LAKES AT EL SEGUNDO GOLF COURSE

The City Council of the city of El Segundo resolves as follows:

SECTION 1: The City Council finds and declares as follows:

A. The City owns a golf course known as "The Lakes at El Segundo," which is managed and operated by a private company;

B. The City charges green fees and similar fees for use of the golf course and driving range; the fees were last increased in April 2013;

C. The Golf Course Subcommittee, the Recreation and Parks Commission and staff have recommended the City Council adopt new fees for use of the golf course;

D. Fees for the use of government property may be established at commercial rates and may be adopted by the City Council (Cal. Const. art. XIII C, § 1(e)(4); Plaza v. City of San Mateo (1954) 123 Cal.App.2d 103);

E. On February 20, 2018, and March 20, 2018, the City Council heard public testimony and considered evidence in a public hearing held and noticed in accordance with state law;

F. The City Council believes it is in the public interest to establish the recommended fees.

SECTION 2: Adoption. The City Council adopts the fees set forth in Exhibit "A," which is incorporated herein by this reference. The fees will take effect as of April 15, 2018.

SECTION 3: This resolution is exempt from review under the California Environmental Quality Act (Cal. Pub. Res. Code §§ 21000 et seq.; "CEQA") and CEQA regulations (14 Cal. Code Regs. §§ 15000 et seq.) because it establishes fees for the use of existing City property. This ordinance, therefore, does not have the potential to cause significant effects on the environment and is exempt from CEQA review under 14 Cal. Code Regs. § 15061(b)(3).

SECTION 4: This Resolution will become effective immediately upon adoption and will remain effective unless repealed or superseded.

SECTION 5: The City Clerk will certify to the passage and adoption of this Resolution; will enter the same in the book of original Resolutions of the City; and will make a
minute of the passage and adoption thereof in the record of proceedings of the City Council of the City, in the minutes of the meeting at which the same is passed and adopted.

PASSED AND ADOPTED this _____ day of March, 2018.

Suzanne Fuentes, Mayor

ATTEST:

Tracy Weaver, City Clerk

APPROVED AS TO FORM:

Mark D. Hensley, City Attorney
## EXHIBIT A

**The Lakes at El Segundo Golf Course and Driving Range**  
**Schedule of Proposed Fees – Public Hearing Continued, March 20, 2018**

### 9-HOLE PLAY

<table>
<thead>
<tr>
<th></th>
<th>WEEKDAY</th>
<th>WEEKEND</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Current</td>
<td>Proposed</td>
</tr>
<tr>
<td><strong>Non-Residents</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular</td>
<td>$15</td>
<td>$17</td>
</tr>
<tr>
<td>Senior</td>
<td>$12</td>
<td>$14</td>
</tr>
<tr>
<td>Junior</td>
<td>$11</td>
<td>$12</td>
</tr>
<tr>
<td>Twilight</td>
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<td>$10</td>
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<td><strong>Residents</strong></td>
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<td>$11</td>
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<tr>
<td>Senior</td>
<td>$8</td>
<td>$9</td>
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<tr>
<td>Junior</td>
<td>$8</td>
<td>$9</td>
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<tr>
<td>Twilight</td>
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<tr>
<td><strong>Replay Rate</strong></td>
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<td>$10</td>
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### MONTHLY PASSES

<table>
<thead>
<tr>
<th></th>
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<tbody>
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<td><strong>Non-Residents</strong></td>
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<td>$100</td>
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<td><strong>Residents</strong></td>
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<tr>
<td>w/ Rec ID Card</td>
<td>$50</td>
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<tr>
<td>Senior</td>
<td>$40</td>
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</table>

### PUNCH CARDS (5 Rounds + 1 Small Bucket)

<table>
<thead>
<tr>
<th></th>
<th>WEEKDAY</th>
<th>WEEKEND</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-Residents</strong></td>
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<td>$65</td>
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<tr>
<td><strong>Residents</strong></td>
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<tr>
<td>Senior</td>
<td>$35</td>
<td>$40</td>
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### DRIVING RANGE BUCKETS

<table>
<thead>
<tr>
<th></th>
<th>Current</th>
<th>Proposed</th>
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</thead>
<tbody>
<tr>
<td>Small</td>
<td>$6 (35 balls)</td>
<td>$6 (35 balls)</td>
</tr>
<tr>
<td>Medium</td>
<td>$8 (70 balls)</td>
<td>$9 (75 balls)</td>
</tr>
<tr>
<td>Large</td>
<td>$10 (105 balls)</td>
<td>$12 (110 balls)</td>
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</table>

### DRIVING RANGE DISCOUNT KEYS

<table>
<thead>
<tr>
<th></th>
<th>Current</th>
<th>Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Par</td>
<td>$30 for $35</td>
<td>no change</td>
</tr>
<tr>
<td>Birdie</td>
<td>$55 for $75</td>
<td>$60 for $75</td>
</tr>
<tr>
<td>Eagle</td>
<td>$110 for $150</td>
<td>no change</td>
</tr>
<tr>
<td>Hole In One</td>
<td>$250 for $400</td>
<td>no change</td>
</tr>
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</table>
## Local Green Fees For Comparison

<table>
<thead>
<tr>
<th>Course</th>
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<th>Weekend</th>
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<tbody>
<tr>
<td>Marriot 9 Holes</td>
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<tr>
<td>Regular</td>
<td>$19</td>
<td>$22</td>
</tr>
<tr>
<td>Senior 65+</td>
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<td>-</td>
</tr>
<tr>
<td>Junior</td>
<td>$15</td>
<td>-</td>
</tr>
<tr>
<td>Alondra 18 Holes Par 3</td>
<td></td>
<td></td>
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<tr>
<td>Regular</td>
<td>$13.75</td>
<td>$17</td>
</tr>
<tr>
<td>Senior</td>
<td>$8.25</td>
<td>-</td>
</tr>
<tr>
<td>Junior</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Rancho Park 9 Holes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular</td>
<td>$8</td>
<td>$9</td>
</tr>
<tr>
<td>Senior</td>
<td>$5.50</td>
<td>$6.50</td>
</tr>
<tr>
<td>Junior</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Penmar 9 Holes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular</td>
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<td>$20.50</td>
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<tr>
<td>Senior</td>
<td>$9.50</td>
<td>$13</td>
</tr>
<tr>
<td>Junior</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Westchester 18 Holes</td>
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<tr>
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<td>Junior</td>
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<td>-</td>
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<tr>
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<tr>
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<td>$60</td>
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<tr>
<td>Senior</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Junior</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
AGENDA DESCRIPTION:
Consideration and possible action for the Council to receive and file a Fair Political Practices Commission Opinion, provided in response to a request from resident Ryan Baldino, finding that Council Member Don Brann, who is a Board Member of Da Vinci Charter School, has no financial conflicts of interests under the Political Reform Act or Government Code Section 1090 with regard to decisions the City Council makes regarding the Wiseburn Unified School District and/or DaVinci Charter School. (Fiscal Impact – Approximately $4,600)

RECOMMENDED COUNCIL ACTION:
1. Consideration and possible action for the Council to receive an file a Fair Political Practices Commission Opinion finding that Council Member Don Brann, who is a Board Member of Da Vinci Charter School, has no financial conflicts of interests under the Political Reform Act or Government Code Section 1090 with regard to decisions the City Council makes regarding the Wiseburn Unified School District and/or DaVinci Charter School; and/or
2. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
2. March 9, 2018 letter from the Fair Political Practices Commission to the City Attorney’s Office.

FISCAL IMPACT: To Be Determined.

Amount Budgeted: N/A
Additional Appropriation: N/A
Account Number(s): N/A

STRATEGIC PLAN:

Goal: N/A
Objective: N/A
Generated By: Mark Hensley, City Attorney
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND:
On December 5, 2017, resident Ryan Baldino placed an item on the City Council agenda requesting that the City Council request an opinion from the Fair Political Practices Commission
regarding conflicts of interests that he believed existed with regard to Council Member Brann participating in City Council decisions involving the Wiseburn Unified School District or DaVinci Charter School. The Council directed the City Attorney’s Office to make such a request of the Fair Political Practices Commission. The Fair Political Practices Commission has issued an opinion that no such financial conflicts exist. Attached are copies of the letter request made to the Fair Political Practices Commission and its response.

As set forth in the letter to the Fair Political Practices Commission, the City Attorney’s Office is seeking an opinion from the Attorney General’s Office of whether there is an incompatibility of office issue under Government Code Section 1099 with regard to Council Member Brann serving as a Council Member and as a DaVinci Charter School Board Member. The Council did not direct that this opinion be sought, rather Council Member Brann requested that that the City Attorney’s Office seek the opinion to put this matter to rest.

The City Attorney’s Office sent a letter to Senator Benjamin Allen on January 12 requesting that the Senator seek the opinion from the Attorney General’s Office. The request has to come from Senator Allen’s Office. The Attorney General’s Office does not have to issue an opinion on the issue as it is completely within that Office’s discretion. An incompatibility of office issue does not affect Council Member Brann’s right to vote on matters involving the Wiseburn Unified School District or the DaVinci Charter School.
January 3, 2018

General Counsel
Fair Political Practices Commission
428 J Street
Suite 620
Sacramento, CA 95814

Re: Request for Formal Written Advice
City of El Segundo
City Councilmember Don Brann

Dear General Counsel:

I am the City Attorney for the City of El Segundo ("City") and have been directed by the City Council to make this request for formal advice on behalf of the City and Councilmember Don Brann. The request is made based upon the facts set forth below.

**FACTS**

El Segundo is a general law city. Located partially within the city limits is the Wiseburn Unified School District (the "Wiseburn District" or "District"). The Wiseburn District, formed in 2014\(^1\), currently operates three elementary schools and one middle school. It also serves as the authorizing agency for five independent charter schools operated by Da Vinci Schools ("Da Vinci"). About 50% of the Wiseburn District is located within the City.

Da Vinci Schools is a California non-profit public benefit corporation and is certified tax-exempt under Section 501(c)(3) of the Internal Revenue Code. Its bylaws authorize a board of directors consisting of not less than five nor more than fifteen members, as set by resolution. Currently, the number of directors is set at seven. Two of the seven directors must also be current

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\(^{1}\) The Wiseburn District was created after the voters overwhelmingly approved Measure W ("Wiseburn Unified School District Formation") on November 5, 2013. The measure incorporated part of the Centinela Valley Union High School District into the Wiseburn School District forming the Wiseburn Unified School District.
members of the Wiseburn Unified School District Board. The remaining five directors may be nominated and appointed by the board of the corporation; however, the Wiseburn District’s board first has 30 days to advise and consent on new individual nominations and appointments. Only if the District board disapproves five consecutive corporation director nominees or appointees may the corporation nominate and appoint one director without seeking the consent of the District. Each board member serves a term of three years and may be elected to an unlimited number of terms. Pursuant to its bylaws, Da Vinci’s directors serve without compensation “except that a reasonable fee may be paid to directors for attending regular and special meetings of the board.” The bylaws also authorize directors to be reimbursed for reasonable expenses incurred in the performance of their duties. To date, no fee has been authorized to be paid to Da Vinci directors.

In September 2012, the District’s predecessor, the Wiseburn School District (before it became a unified school district), purchased a 13.7-acre property in the City to become the new site for the Da Vinci charter high schools. The City raised several objections to the Draft Environmental Impact Report prepared for the project. The City and the District resolved their disputes by way of a settlement agreement in May 2013. The settlement agreement was subsequently amended in January 2016.

Pursuant to the amended settlement agreement, the District agreed to limit enrollment at the high schools to 1,600, and to develop a new aquatics center on the property which was already provided for in the original settlement agreement. The aquatics center will be used by the District and the City, as well as the El Segundo Unified School District and residents within the territorial boundaries of both the District and the City, with the City being responsible for its operation and maintenance. The District will contribute $6,000,000 for the design, development, planning, and construction of the center. The City will contribute $300,000 towards the design of the center and, at the City Council’s discretion, up to an additional $1,500,000 towards the overall cost in the event it exceeds $6,000,000. The settlement agreement also commits the parties to entering into a joint use agreement for use of the new aquatics center and the parties’ existing athletic fields. The joint use agreement has not yet been finalized, but its core terms are spelled out in the settlement agreement.

In May 2015, the District and Da Vinci entered into a Facilities Use Agreement ("FUA") wherein the District leased the entire campus property (excluding the aquatics facilities) to Da Vinci for a term of 40 years at a cost of $1 per year. Pursuant to the FUA, the District retains title to the property and all of the improvements but Da Vinci assumes primary responsibility for risks

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2 By law, the authorizing agency is entitled to have a representative on the board of directors of the nonprofit corporation operating the charter school(s). Education Code § 47604(b) ["The governing board of a school district that grants a charter for the establishment of a charter school formed and organized pursuant to this section shall be entitled to a single representative on the board of directors of the nonprofit public benefit corporation."]:3 There can never be more than two District Board members on the Da Vinci Board.

4 Council Member Brann as an original Director of Da Vinci is not subject to this process.

5 See Exhibit A ("Bylaws"), pp. 2-3.

6 See Exhibit B ("Settlement Agreement"), pp. 8-12; Exhibit C ("Amended Settlement Agreement"), pp. 5-9.
of ownership. Da Vinci is also responsible for all utility charges incurred in the operation, maintenance, use, occupancy and upkeep of the high school facilities.\textsuperscript{7}

In January 2016, the District and Da Vinci executed a memorandum of understanding referred to as the “Wiseburn Da Vinci Magna Carta.” The Magna Carta details the interconnected nature of the relationship between the District and Da Vinci.\textsuperscript{8} As the Magna Carta notes, “[Wiseburn Unified School District] and [Da Vinci] are highly cooperative, collaborative, and highly inter-dependent, but the [Da Vinci] charter schools operate as independent charter schools to take advantage of a high degree of flexibility and creative opportunities available in the charter world.” Some examples of the interconnectedness include the following:

- The District has the right to confirm nominees to Da Vinci’s Board of Directors. This effectively gives the District the right to veto such nominees. Only if the District vetoes five consecutive nominees may Da Vinci elect a board member without the District’s confirmation. According to Da Vinci’s bylaws, its directors may be removed from office, with or without cause, as permitted by and in accordance with the laws of the state of California.\textsuperscript{9} Da Vinci’s officers may be removed, either with or without cause, by the Board of Directors at any time.\textsuperscript{10}
- Joint meetings of the District’s Board of Trustees and Da Vinci’s Board of Directors are held at least twice annually.
- Da Vinci provides guaranteed enrollment in one of the three charter high schools for all applicants that reside in the District.
- Although the human resources departments for each organization operate autonomously and independently, the District and Da Vinci have agreed to have at least one representative from each organization participate in the hiring process of key personnel of the other organization, including the District’s Superintendent and Deputy Superintendent and Da Vinci’s CEO and CFO.
- Some employees serve both the District and Da Vinci, such as the Deputy Superintendent and the music teacher. In these cases, the employee is hired and compensated by the District and Da Vinci is invoiced for the compensation and benefits for the appropriate share of the costs.
- Da Vinci pays the District 1% of the State annual revenues per year for back office services.

Councilmember Brann is a founder of Da Vinci Schools (Circa 2008) and serves as Vice President of the Da Vinci Board of Directors. Brann receives no compensation from Da Vinci for his service on its Board of Directors, although the bylaws (adopted after Brann was first appointed to the Board) allow for limited compensation as detailed above. Again, no such compensation has been authorized by the Da Vinci Board of Directors.

\textsuperscript{7} See Exhibit D (“Facilities Use Agreement”).
\textsuperscript{8} See Exhibit E (“Wiseburn Da Vinci Magna Carta”).
\textsuperscript{9} See Exhibit A, p. 6.
\textsuperscript{10} Id. at p. 7.
Because of the relationship between the District and Da Vinci, and Councilmember Brann’s dual roles as a Da Vinci Director and a City Councilmember, members of the public have expressed concern over his participation in the making of the Joint Use Agreement between the City and the District. For the same reasons, there are concerns regarding his potential participation in other future decisions involving the District and/or Da Vinci. Although it appears that Councilmember Brann has no financial interest in the District that could give rise to a conflict of interest under the Political Reform Act or Government Code section 1090, the City, in an abundance of caution, nevertheless requests answers to the following questions.

QUESTIONS

1. Does the Political Reform Act (the “Act”) prohibit Councilmember Brann from participating in a City Council decision to approve the terms of a Joint Use Agreement between the City and the Wiseburn Unified School District?

2. To the extent that the FPPC believes Government Code 1090 applies to charter school officials, and given Councilmember Brann’s position on the Da Vinci Schools Board of Directors, does Government Code Section 1090 prohibit Councilmember Brann from participating in a Council decision regarding a Joint Use Agreement with the Wiseburn Unified School District? Does Government Code Section 1090 prohibit the City from entering into a Joint Use Agreement with the District?

3. Does the Act or Government Code Section 1090 prevent Councilmember Brann from participating in, or prevent the City from entering into, potential agreements between the City and Da Vinci itself—e.g., crossing guard agreements, use of facilities agreements, etc.?

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1 Councilmember Brann does not appear to have any of the financial interests described in subdivision (c)(6)(A-F) of 2 CCR § 18700. Although subdivision (c)(6)(D) provides that an official has a financial interest in any business entity in which he or she is a director, the term “business entity” for purposes of the regulation only includes for-profit organizations. (Gov’t Code § 82005.) Da Vinci is a non-profit public benefit corporation. With respect to Government Code section 1090, Councilmember Brann’s position on the Da Vinci Board appears to be immaterial as Da Vinci is not a party to, nor is it an advisory body to, the Joint Use Agreement. Regardless, it would appear that Brann’s role on the Da Vinci Board qualifies as a noninterest pursuant to Government Code section 1091.5, subdivisions (a)(7) and (a)(8). To the extent the City desires to enter into any future agreements directly with Da Vinci, these same noninterest provisions appear to apply.

2 The City Attorney’s Office will also be requesting an opinion from the California Attorney General’s office as to whether Council Member Brann’s roles as a councilmember and a Da Vinci Director constitute incompatible offices under Government Code Section 1099.
Should the FPPC need additional information to be able to fully respond to the above questions, please contact the undersigned.

Sincerely,

Mark D. Hensley, City Attorney
City of El Segundo

cc: Mayor Suzanne Fuentes and City Council Members
EXHIBIT A
AMENDED AND RESTATED BYLAWS
OF DA VINCI SCHOOLS

ARTICLE 1
OFFICES

SECTION 1. PRINCIPAL OFFICE

The principal office of the corporation is located in the County of Los Angeles, State of California.

SECTION 2. CHANGE OF ADDRESS

The designation of the county or state of the corporation’s principal office may be changed by amendment of the Bylaws. The Board of Directors may change the principal office from one location to another within the named county by noting the changed address and effective date below, and such changes of address shall not be deemed, nor require, an amendment of the Bylaws.

SECTION 3. OTHER OFFICES

The corporation may also have offices at such other places, within or without its state of incorporation, where it is qualified to do business, as its business and activities may require, and as the board of directors may, from time to time, designate.

ARTICLE 2
NONPROFIT PURPOSES

SECTION 1. IRC SECTION 501(C)(3) PURPOSES

This corporation is organized exclusively for one or more of the purposes as specified in Section 501(c)(3) of the Internal Revenue Code, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section (c)(3) of the Internal Revenue Code.

SECTION 2. SPECIFIC OBJECTIVES AND PURPOSES

The specific objectives and purposes of this corporation shall be to establish and operate public charter schools within the State of California that will provide education instruction and other education-related programs to students residing in California and to have in furtherance of the foregoing purpose, all powers which are now, or may hereafter be, conferred upon corporations organized under the Nonprofit Public Benefit Corporation Law.
ARTICLE 3
DIRECTORS

SECTION 1.    NUMBER

The corporation shall have not less than 5 nor more than 15 directors, as set by a resolution of the Board, and collectively they shall be known as the Board of Directors. As of January, 2013, the number of Board members has been set at 7 members by resolution. Prior to the adoption of any resolution changing the number of Board members, the Board of Directors shall consult with the Wiseburn School District board of directors regarding the qualifications and method of selection of the proposed board’s composition in light of the District’s rights of nomination and confirmation, as set forth in these Bylaws.

SECTION 2.    QUALIFICATIONS

Directors shall be of the age of majority in the state. Not fewer than three Directors shall be residents of the Wiseburn School District at the time of their election or appointment. Directors with legal, financial and pedagogical expertise shall be sought, and shall have a commitment to the communities served by the corporation. As long as the corporation operates a charter school, the authorizer of the charter or charters shall be entitled to a representative on the Board, provided that the representative shall not be an employee of the authorizer, provided that Wiseburn School District, as authorizer of a charter school operated by the Corporation, shall be entitled to two representatives, subject to the terms and conditions set forth in these Bylaws.

SECTION 3.    COMPOSITION OF BOARD; SPECIAL NOMINATION, SELECTION PROCESSES, ADDITIONAL QUALIFICATIONS

District Designees. Two of the seven members of the Board shall be current members of the Wiseburn Unified School District Board at the time of their designation by formal action by the District, and subject to confirmation by the Board of the corporation at its next regular meeting. Such confirmation and election will not be unreasonably withheld. Under no circumstances will there ever be more than two District Board members on the Board of the corporation. At all times, not fewer than three directors shall be residents of the Wiseburn Unified School District. If at any time there are not at least of three current Wiseburn Unified School District residents serving on the Board of the corporation, the next vacancy must be filled by such a resident.

Non-Designees. The remaining directors of the corporation (i.e., those not District-designated directors) may be nominated by the Board of the corporation (or a nominating committee established in accordance with these Bylaws) and may be elected by the Board of the corporation; provided however, that prior to such election, the Wiseburn Unified School District board shall first have 30 days to advise and consent to such nomination or election following receipt of written notice. Such consent will not be unreasonably withheld. In the event the District board fails to notify the corporation of its consent or its disapproval of the nomination or election of the candidate within 30 days, the nomination or election shall be deemed approved by the District, and no further consent shall be required for any subsequent nomination, election or re-election of such candidate. In the event the District board disapproves five consecutive corporation
director nominees or electees, the corporation may nominate and elect one Director without seeking the consent of the District.

SECTION 4.  POWERS

Subject of the provisions of the laws of this state and any limitations in the Articles of Incorporation and these Bylaws relating to action required or permitted to be taken or approved by the members, if any, of this corporation, the activities and affairs of this corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board of Directors.

SECTION 5.  DUTIES

It shall be the duty of the directors to:

(a) Perform any and all duties imposed on them collectively or individually by law, by the Articles of Incorporation, or by these Bylaws;

(b) Appoint and remove, employ and discharge, and, except as otherwise provided in these Bylaws, prescribe the duties and fix the compensation, if any, of all officers, agents and employees of the corporation;

(c) Supervise all officers, agents and employees of the corporation to assure that their duties are performed properly;

(d) Meet at such times and places as required by these Bylaws;

(e) Register their addresses with the Secretary of the corporation, and notices of meetings mailed or telegraphed to them at such addresses shall be valid notices thereof.

SECTION 6.  TERM OF OFFICE

Each director shall hold office for a period of three years and until his or her successor is elected and qualifies, and may be reelected for unlimited terms. Directors shall serve staggered terms, established in a manner approved by the Board, provided that so long as there are seven (7) directors, three shall be elected in one year, and two shall be elected in successive years. In implementing this rotation, no director’s term shall be shortened.

SECTION 7.  COMPENSATION

Directors shall serve without compensation except that a reasonable fee may be paid to directors for attending regular and special meetings of the board. In addition, they shall be allowed reasonable advancement in reimbursement of expenses incurred in the performance of their duties.

SECTION 8.  PLACE OF MEETINGS; MEETINGS GENERALLY
Meetings shall be held at the principal office of the corporation unless otherwise provided by the board or at such other place as may be designated from time to time by resolution of the Board of Directors. So long as the corporation operates a charter school, the Board shall conduct its meetings in accordance with the Brown Act.

SECTION 9. REGULAR MEETINGS; ANNUAL MEETING

Regular meetings of Directors shall be held at least bi-monthly. Annually, the Board shall establish a schedule of regular meetings.

If this corporation makes no provision for members, then, the meeting of directors held in September shall be deemed the Annual Meeting of the Board. At this meeting, directors shall be elected by the Board of Directors, provided that so long as the corporation operates at least one charter the authorizer may appoint a director as set forth in Section 2. Each director shall cast one vote per candidate, and may vote for as many candidates as the number of candidates to be elected to the board. The candidate receiving the highest number of votes up to the number of directors to be elected to shall be elected to serve on the board.

SECTION 10. SPECIAL MEETINGS

Special meetings of the Board of Directors may be called by the Chairperson of the Board, the President, the Vice-President, the Secretary, or by any two directors. Such meetings shall be held at the principal office of the corporation or, if different, at the place designated by the person or persons calling the special meeting.

SECTION 11. NOTICE OF MEETINGS

Unless otherwise provided by the Articles of Incorporation, these Bylaws, or provisions of law, the following provisions shall govern the giving of notice for meetings of the Board of Directors:

(a) **Regular Meetings.** Notice of regular meetings of the Board of Directors shall be provided at least seventy-two (72) hours in advance of the meeting.

(b) **Special Meetings.** At least 24 hours prior notice shall be given by the Secretary of the corporation to each director of each special meeting of the board, in addition to any other notices required by applicable law. Such notice may be oral or written, may be given personally, by first class mail, by telephone, or by facsimile machine, and shall state the place, date and time of the meeting and the matters proposed to be acted upon at the meeting. In the case of facsimile notification, the director to be contacted shall acknowledge personal receipt of the facsimile notice by a return message or telephone call within twenty four hours of the first facsimile.

(c) **Waiver of Notice:** Whenever any notice of a meeting is required to be given to any director of this corporation under provisions of the Articles of Incorporation, these Bylaws, or the law of this state, a waiver of notice in writing signed by the Director, whether before or after the time of the
meeting, or attendance at the meeting, shall be equivalent to the giving of such notice.

SECTION 12. QUORUM FOR MEETINGS

A quorum shall consist of a majority of directors then in office.

Except as otherwise provided under the Articles of Incorporation, these Bylaws, or provisions of law, no business shall be considered by the board at any meeting at which the required quorum is not present, and the only motion which the Chair shall entertain at such meeting is a motion to adjourn.

SECTION 13. MAJORITY ACTION AS BOARD ACTION

Every act or decision done or made by the majority of the directors present at a meeting duly held at which quorum is present is the act of the Board of Directors, unless the Articles of Incorporation, these Bylaws, or provisions of law require a greater percentage or different voting rules for approval of a matter by the board.

SECTION 14. CONDUCT OF MEETINGS

Meetings of the Board of Directors shall be presided over by the Chairperson of the Board, or, if no such person has been so designated or, in his or her absence, the Vice Chairman or, in his absence, or, in the absence of each of these persons, by a Chairperson chosen by a majority of the directors present at the meeting, pro tempore. The Secretary of the corporation shall act as secretary of all meetings of the board, provided that, in his or her absence, the presiding officer shall appoint another person to act as Secretary of the Meeting.

SECTION 15. VACANCIES

Vacancies on the Board of Directors shall exist (1) on the death, resignation or removal of any director, (2) whenever the number of authorized directors is increased and (3) as to any director nominated by Wiseburn School District and then serving as an elected trustee of the District, upon his or her District office becoming vacant pursuant to Government Code section 1770, et seq. or any similar provision of law. If a vacancy occurs and there are then fewer than two current Wiseburn Unified School District designee on the board of the corporation, the corporation shall notify the District of such vacancy or vacancies. Such vacancies shall be filled in the same manner as prescribed for designation and confirmation of other District-designated members, provided that whenever a vacancy occurs, the Wiseburn Unified School District Board shall have 30 days to nominate a designee subject to confirmation of the Board of the Corporation. Thereafter, the Board may fill the vacancy in accordance with these Bylaws.

Any director may resign effective upon giving written notice to the Chairperson of the Board, the President, the Secretary, or the Board of Directors, unless the notice specifies a later time for the effectiveness of such resignation. No director may resign if the corporation would then be left without a duly elected director or directors in charge of its affairs, except upon notice to the Office of the Attorney General or other appropriate agency of this state.

- 5 -

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Directors may be removed from office, with or without cause, as permitted by and in accordance with the laws of this state.

Unless otherwise prohibited by the Articles of Incorporation, these Bylaws or provisions of law, vacancies on the board may be filled by approval of the board of directors. If the number of directors then in office is less than a quorum, a vacancy on the board may be filled by approval of a majority of the directors then in the office or by a sole remaining director. A person elected to fill a vacancy on the board shall hold office until the next election of the Board of Directors or until his or her death, resignation or removal from office.

SECTION 16. NONLIABILITY OF DIRECTORS

The directors shall not be personally liable for the debts, liabilities, or other obligations of the corporation.

SECTION 17. INDEMNIFICATION BY CORPORATION OF DIRECTORS AND OFFICERS

The directors and officers of the corporation shall be indemnified by the corporation to the fullest extent permissible under the laws of this state.

SECTION 18. INSURANCE FOR CORPORATE AGENTS

Except as may be otherwise provided under provisions of law, the Board of Directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the corporation (including a director, officer, employee or other agent of the corporation) against liabilities asserted against or incurred by the agent in such capacity or arising out of the agent’s status as such, whether or not the corporation would have the power to indemnify the agent against such liability under the Articles of Incorporation, these Bylaws or provisions of law.

ARTICLE 4 OFFICERS

SECTION 1. DESIGNATION OF OFFICERS

The officers of the corporation shall be a President, a Vice President, a Secretary, and a Treasurer. The corporation may also have a Chairperson of the Board, one or more Vice Chairs, Vice Presidents, Assistant Secretaries, Assistant Treasurers, and other such officers with such titles as may be determined from time to time by the Board of Directors.

SECTION 2. QUALIFICATIONS

Any person may serve as officer of this corporation.

SECTION 3. ELECTION AND TERM OF OFFICE
Officers shall be elected by the Board of Directors, at any time, and each officer shall hold office until he or she resigns or is removed or is otherwise disqualified to serve, or until his or her successor shall be elected and qualified, whichever occurs first.

SECTION 4. REMOVAL AND RESIGNATION

Any officer may be removed, either with or without cause, by the Board of Directors, at any time. Any officer may resign at any time by giving written notice to the Board of Directors or to the President or Secretary of the corporation. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

The above provisions of this Section shall be superseded by any conflicting terms of a contract which has been approved or ratified by the Board of Directors relating to the employment of any officer of the corporation.

SECTION 5. VACANCIES

Any vacancy caused by death, resignation, removal, disqualification, or otherwise, of any officer shall be filled by the Board of Directors. In the event of a vacancy in any office other than that of President, such vacancy may be filled temporarily by appointment by the Chairman until such time as the Board shall fill the vacancy. Vacancies occurring in offices of officers appointed at the discretion of the board may or may not be filled as the board shall determine.

SECTION 6. DUTIES OF CHAIRMAN.

If a Chairman of the Board is elected, he or she shall preside at Board meetings and shall exercise and perform such other powers and duties as the Board may assign from time to time.

SECTION 7. DUTIES OF PRESIDENT

The President shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Directors, supervise and control the affairs of the corporation and the activities of the officers. He or she shall perform all duties incident to his or her office and such other duties as may be required by law, by the Articles of Incorporation, or by these Bylaws, or which may be prescribed from time to time by the Board of Directors. Except as otherwise expressly provided by law, by the Articles of Incorporation, or by these Bylaws, he or she shall, in the name of the corporation, execute such deeds, mortgages, bonds, contracts, checks, or other instruments which may from time to time be authorized by the Board of Directors.

SECTION 8. DUTIES OF VICE PRESIDENT

In the absence of the President, or in the event of his or her inability or refusal to act, the Vice President shall perform all the duties of the President, and when so acting shall have all the powers of, and be subjected to all the restrictions on, the President. The Vice President shall have other powers and perform such other duties as may be prescribed by law, by the Articles of Incorporation, or by these Bylaws, or as may be prescribed by the Board of Directors.
SECTION 9. DUTIES OF SECRETARY

The Secretary shall:

Certify and keep at the principal office of the corporation the original; or a copy, of these Bylaws as amended or otherwise altered to date.

Keep at the principal office of the corporation or at such other place as the board may determine, a book of minutes of all meetings of the directors, and, if applicable meetings of committees of directors and of members, recording therein the time and place of holding, whether regular or special, how called, how notice thereof was given, the names of present or represented at the meeting, and the proceedings thereof.

See that all notices are duly given in accordance with the provisions of the Bylaws or as required by law.

Be custodian of the records and of the seal of the corporation and affix the seal, as authorized by law or the provisions of these Bylaws, to duly executed documents of the corporation.

Keep at the principal office of the corporation membership book containing the name and address of each and any members, and in the case where any membership has been terminated, he or she shall record such fact in the membership book together with the date on which such membership ceased.

Exhibit at all reasonable times to any director of the corporation, or to his or her agent or attorney, on request thereof, the Bylaws, the membership book, and the minutes of the proceedings of the directors of the corporation.

In general, perform all duties incident to the office of the Secretary and such other duties as may be required by law, by the Articles of Incorporation, or by these Bylaws, or which may be assigned to him or her from time to time by the Board of Directors.

SECTION 10. DUTIES OF TREASURER

The Treasurer shall:

Have charge and custody of, and be responsible for, all funds and securities of the corporation, and deposit all such funds in the name the corporation in such banks, trust companies, or other depositories as shall be selected by the Board of Directors.

Receive, and give receipt for, monies due and payable to the corporation from any source whatsoever.

Disburse, or cause to be disbursed, the funds of the corporation as may be directed by the Board of Directors, taking proper vouchers for such disbursements.
Keep and maintain adequate and correct accounts of the corporation’s properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains and losses.

Exhibit at all reasonable time the books of account and financial records to any director of the corporation, or to his or her agent or attorney, on request thereof.

Reader to the President and directors, whenever requested, an account of any or all of his or her transactions as Treasurer and of the financial condition of the corporation.

Prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports.

In general, perform all duties incident to the office of Treasurer and such other duties as may be required by law, by the Articles of Incorporation of the corporation, or by these Bylaws, or which may be assigned to him or her from time to time by the Board of Directors.

**ARTICLE 5**

**COMMITTEES**

**SECTION 1. EXECUTIVE COMMITTEE**

The Board of Directors may, by a majority vote of its members, designate an Executive Committee consisting of 3 board members and may delegate to such committee the powers and authority of the board of management of the business and affairs of the corporation, to the extent permitted, and except as may otherwise be provided, by provisions of law.

By a majority vote of its members, the board may at any time revoke or modify any or all of the Executive Committee authority so delegated, increase or decrease but not below two (2) the number of the members of the board. The Executive Committee shall keep regular minutes of its proceedings, cause them to be filed with the corporate records, and report the same to the board from time to time as the board may require.

**SECTION 2. OTHER COMMITTEES**

The corporation shall have such other committees as may from time to time be designated by resolution of the Board of Directors. These committees may consist of persons who are not also members of the board if they act solely in an advisory capacity to the board.

**SECTION 3. MEETINGS AND ACTION OF COMMITTEES**

Meetings and action of committees shall be governed by, noticed, held and taken in accordance with the provisions of these Bylaws concerning meetings of the Board of Directors, with such changes in the context of such By law provisions as are necessary to substitute the committee and its members for the board of Directors or by the committee. The Board of Directors may also adopt rules and regulations pertaining to the conduct of meetings of committees to the extent that such rules and regulations are not inconsistent with the provisions of these Bylaws.
ARTICLE 6  
EXECUTION OF INSTRUMENTS, DEPOSITS AND FUNDS

SECTION 1.  EXECUTION OF INSTRUMENTS

The Board of Directors, except as otherwise provided in these Bylaws, may by resolution authorize any officer or agent of the corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances. Unless so authorized no officer, agent, or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

SECTION 2.  CHECKS AND NOTES

Except as otherwise specifically determined by resolution of the Board of Directors, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the corporation shall be signed by the Treasurer and countersigned by the President of the corporation.

SECTION 3.  DEPOSITS

All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

SECTION 4.  GIFTS

The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest, or devise for the nonprofit purposes of this corporation.

ARTICLE 7  
CORPORATE RECORDS, REPORTS AND SEAL

SECTION 1.  MAINTENANCE OF CORPORATE RECORDS

The corporation shall keep at its principal office:

(a) Minutes of all meetings of directors, committees of the board and, if this corporation has members, of all meetings of members, indicating the time and place of holding such meetings, whether regular or special, how called, the notice given, and the names of those present and the proceedings thereof;

(b) Adequate and correct books and records of account, including accounts of its Properties and business transaction and accounts of its assets, liabilities, receipts, disbursements, gains and losses;
(c) A record of its members, if any, indicating their names and addresses and, if applicable, the class membership held by each member and the termination date of any membership;

(d) A copy of the corporation's Articles of Uncorporation and Bylaws as amended to date, which shall be open to inspection by the members, if any, of the corporation at all reasonable times during office hours.

SECTION 2. CORPORATE SEAL

The Board of Directors may adopt, use, and at will alter, a corporate seal. Such seal shall be kept at the principal office of the corporation. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.

SECTION 3. DIRECTORS' INSPECTION RIGHTS

Every director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the corporation and shall have such other rights to inspect the books, records and properties of this corporation as may be required under the Articles of Incorporation, other provisions of these Bylaws, and provisions of law, subject to the confidentiality limitations imposed by state and federal law.

SECTION 4. RIGHT TO COPY AND MAKE EXTRACTS

Any inspection under the provisions of this Article may be made in person by agent or attorney and the right to inspection shall include the right to copy and make extracts.

SECTION 5. PERIODIC REPORT

The board shall cause any annual or periodic report required under the law to be prepared and delivered to an office of this state or to the members, if any, of this corporation, to be so prepared and delivered within the time limits set by law.

ARTICLE 8
IRC 501(C)(3) TAX EXEMPTION PROVISIONS

SECTION 1. LIMITATIONS ON ACTIVITIES

No substantial part of the activities of this corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation except as otherwise provided by Section 501(h) of the Internal Revenue Code, and this corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of, or in opposition to, any candidate for public office.

Notwithstanding any other provisions of these Bylaws, this corporation shall not carry on any activities not permitted to be carried on (a) by a corporation exempt from federal income tax...
under Section 501(c)(3) of the Internal Revenue Code, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code.

SECTION 2. PROHIBITION AGAINST PRIVATE INUREMENT

No part of the net earnings of this corporation shall inure to the benefit of, or be distributable to, its members, directors or trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes of this corporation.

SECTION 3. DISTRIBUTION OF ASSETS

Upon the dissolution of this corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code or shall be distributed to the federal government, or to the state or local government, for a public purpose. Such distribution shall be made in accordance with all applicable provisions of the laws of this state.

ARTICLE 9
AMENDMENT OF BYLAWS

SECTION 1. AMENDMENT

These Bylaws may be altered, amended or repealed and new Bylaws adopted by approval of the Board of Directors, except as otherwise expressly provided herein.

ARTICLE 10
CONSTRUCTION AND TERMS

If there is any conflict between the provisions of these Bylaws and the Articles of Incorporation of this corporation, the provisions of the Articles of Incorporation shall govern.

Should any of the provisions or portions of these Bylaws be held unenforceable or invalid for any reason, the remaining provisions and portions of these Bylaws shall be unaffected by such holding.

All references in these Bylaws to the Articles of Incorporation shall be to the Articles of Incorporation, Articles or Organization, Certificate of Incorporation, Organizational Charter, Corporate Charter, or other founding document of the corporation filed with an office of this state and used to establish the legal existence of the corporation.

All references in these Bylaws to a section or sections of the Internal Revenue Code shall be to such sections of the Internal Revenue Code of 1986 as amended from time to time, or to corresponding provisions of any future federal tax code.
CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting secretary of Da Vinci Schools, a California nonprofit public benefit corporation; that these Restated Bylaws, consisting of 12 pages, are the full and complete restatement of the bylaws of this corporation as adopted by the Board of Directors on June 25, 2015.

Executed at Hawthorne, California.

[Signature]

Printed Name: Jennifer Morgan

Title: Secretary
EXHIBIT B
SETTLEMENT AGREEMENT BETWEEN
THE WISEBURN SCHOOL DISTRICT AND
THE CITY OF EL SEGUNDO

This Agreement ("Agreement") is made and entered into this 22nd day of May, 2013, by
and between the Wiseburn School District, a school district organized in accordance with the
California Education Code ("District") and the City of El Segundo, a general law city and
municipal corporation ("City"). These parties may also be referred to in this Agreement
individually as a "Party" and collectively as "Parties."
1. RECITALS. This Agreement is entered into with reference to the following facts and
objectives:
   A. District’s boundaries overlap with City’s jurisdictional boundaries.
   B. District is currently relocating its two charter high schools, Da Vinci Design and
      Da Vinci Science (the "High School") to a permanent location.
   C. District determined that the preferred location for the new high school was the
      13.7 acre site located at 201 N. Douglas within City’s jurisdiction (the
      "Property"). The Property is developed with a 335,000 square foot, 4-story,
      building that is currently vacant.
   D. On or about September 13, 2012, District entered into a purchase and sale
      agreement with CDC Mar Douglas, LLC for the Property, which Agreement
      required compliance with the California Environmental Quality Act ("CEQA")
      before consummation of the Property sale.
   E. The project for the High School was defined to include: demolition of
      approximately 90,000 to 170,000 square feet of the existing building along the
      east elevation; 54 classrooms for an anticipated enrollment of 1,200 students,
      media center library, student union/multipurpose cafeteria, gymnasium, 400 seat
      theater, student services/administration, 12,000 square feet of District office space
      for 20 staff persons, six basketball courts, six tennis courts, and synthetic athletic
fields for soccer and baseball/softball all as more fully set forth in the final environmental impact report described below (the "Project").

F. District hired the Planning Center to prepare the necessary environmental assessment for the Project. A Notice of Preparation was prepared in September 2012. Public review of the Initial Study and Notice of Preparation occurred between September 18, 2012, and October 17, 2012.

G. On October 26, 2012, City's City Attorney sent a letter to District's Superintendent alleging, among other things, that District's approval of the Purchase and Sale Agreement violated CEQA.

H. A draft environmental impact report ("DEIR") was prepared for the Project. Public review of the DEIR occurred between January 11, 2013 and February 25, 2013. The DEIR concluded that there would not be any significant impacts that could not be mitigated below a level of significance.

I. The DEIR concluded that although Grand Avenue is shown in the El Segundo General Plan's Circulation Element to extend through the Property, the Project conformed with the General Plan because that portion of the Property was not being developed with any buildings and the road could still be constructed if required.

J. On February 25, 2013, City of El Segundo filed a comment letter regarding District's DEIR raising numerous objections.

K. On March 21, 2013, City of El Segundo filed another comment letter regarding the DEIR, the final EIR ("FEIR") and District's response to City's February 25, 2013 comment letter.

L. With the exception of the March 21, 2013 City letter, District believes it adequately responded to all comments that were received on the DEIR, in writing, and the responses are incorporated into the FEIR. To the extent that City's March
21, 2013 letter raised new issues, the District believes these were addressed at District's hearing on March 21, 2013.

M. On March 21, 2013, the District Board of Trustees ('District Board') certified a FEIR and approved the construction of the Project. Additionally, the District Board exempted District from City's zoning regulations in accordance with Government Code § 53094 since schools are not a specifically allowed use in the Urban Mixed-Use North zone, as identified by the El Segundo Municipal Code ('ESMC'), in which the Project is located. In accordance with the Purchase and Sale Agreement and as authorized by Resolution No. 12/13.27 adopted by the District Board March 21, 2013, the purchase of the Property was consummated. The City disputes the adequacy of the FEIR based upon the issues raised in the various communications prepared by the City and its attorneys as detailed above.

N. During District's search for a site for the High School, and through the review period, City has expressed concerns about the 13.7 acre site.

O. Subcommittees of City's City Council and the District Board have met during the last few months in an effort to try to resolve City's concerns.

P. For purposes of this Agreement, the City's contentions regarding CEQA, including the FEIR, and other concerns expressed during the subcommittee meetings and the issues raised in its correspondence to District is referred to as the "Dispute."

Q. District is sensitive to the concerns of City and would like to provide benefits to City to mitigate the concerns raised by the City. Both Parties seek to avoid costly and time-consuming litigation. To this end, District agrees to limit enrollment of the High School at 1200 students and develop a new aquatics center in conjunction with the development of the Project (as described in this Agreement) which may be used by both Parties and City has agreed to operate and maintain the aquatics center. Additionally, District and City are willing to commit to joint
use of their athletic fields and District is willing to make the Project available as an Emergency Shelter for the American Red Cross to help satisfy the City's Housing Element needs.

R. The District Board and City's City Council believe that the public interest is served by settling the Dispute on the terms provided in this Agreement. This Agreement is intended by the Parties to resolve the Dispute in all respects.

FOR AND IN CONSIDERATION of the above-referenced recitals and the promises and covenants contained in this Agreement, the Parties agree as follows:

2. AQUATICS CENTER.

A. As described below, District agrees to design, and, if approved by the District Board, District agrees to cause construction of an Aquatics Center on the Property. If the Aquatics Center is approved before construction of the Project (as previously reviewed by the FEIR), the construction of the Aquatics Center must take place concurrently with the construction of the Project. If the Project is ready to be constructed before final approval of the Aquatics Center, including any third party litigation challenging the Aquatics Center, construction of the Aquatics Center must commence immediately upon final approval or resolution of such litigation.

B. At a minimum, the Aquatics Center must encompass approximately two (2) acres at the northwest corner of the Property and include the following:

i. An outdoor 50 meter pool for swimming, water polo, and physical education/recreational use. In addition, if the Aquatics Center budget allows (as reasonably determined by District), the Aquatics Center should include a spring board diving board; a snack or small kitchen facility; and a 20 ft. X 40 ft. therapy pool with separate changing facilities for men and women.

ii. A moveable bulkhead for short course swim.
iii. Associated support structures/facilities to include at a minimum locker rooms and restrooms.

iv. Separate meters for electricity, water, and gas to be installed to differentiate the Aquatics Center from the rest of the High School facility.

v. The Aquatics Center may include solar panels to reduce the cost of utilities.

vi. A conceptual design for the Aquatics Center is attached as Exhibit “A,” and incorporated by reference (the “Conceptual Design”).

C. The Final Design.

i. The Final Design for the Aquatics Center must be consistent with all requirements of applicable law including, without limitation, the Education Code and California State high school facility requirements.

ii. The Final Design for the Aquatics Center will be consistent with, not be materially different from, and not be smaller than the Conceptual Design.

iii. District will form a Design Committee for the Aquatics Center and City will be entitled to representatives on this Committee. District will accommodate, to the extent reasonable and feasible, the comments of City. Except as set forth in clause (iv) with respect to equipment choices for the Aquatics Center, the determination of the ultimate Final Design for the Aquatics Center rests with the District Board.

iv. With respect to decisions about equipment choices relating to operation efficiencies of the Aquatics Center and the quality of the equipment, District must implement the recommendations of City provided that such recommendations do not cause District's total costs for the Aquatics Center to exceed $6,000,000 as specified in Section 6(A) below or City pays for any costs in excess of this amount.
v. Should City and District have a dispute regarding matters under clause (iv), District and City agree to submit such a dispute to nonbinding mediation as quickly as is practicable. The mediator must be someone who specializes in construction matters related to public agencies. If agreement can be reached, the Parties agree to enter into a written mediation settlement agreement setting forth the terms and conditions of the issues upon which the parties have come to an agreement. If the Parties enter into a mediation settlement agreement, it may be enforced in any court of competent jurisdiction. Both Parties agree to share the fees and costs of the mediation equally except that legal, witness, and expert costs are the direct responsibility of each individual Party.

D. None of the Parties may take any action in using, operating, or running the Aquatics Center that would jeopardize the tax exempt status of the bonds used to construct the Project and the Aquatics Center.

E. The Aquatics Center will be named "City of El Segundo—Wiseburn Unified School District Aquatics Center" or "City of El Segundo—Wiseburn School District Aquatics Center," as applicable, or such other name as mutually agreed to by District and City.

3. PROCESSING AQUATICS CENTER PROJECT.

A. The Final Design must be reviewed in accordance with CEQA. District will pay for such Additional Review.

B. The District Board must consider the Final Design following CEQA review and, if required, modify the Final Design to mitigate, to the extent possible, environmental impacts identified by such CEQA review. Any such change to the Final Design must be the minimum needed to conform with CEQA requirements while still conforming with the Conceptual Design and the Final Design.

C. If any challenge is brought to the modification of the Project or the Additional
Review by a third party, District will take all steps necessary to remedy any defect in the CEQA documentation and/or vigorously defend the approval and the CEQA documentation in court.

D. Timing Milestones/Requirements.

i. District must retain an environmental consultant (the 'Firm') to perform the Additional Review within 20 working days of final execution of this Agreement.

ii. The Firm must make initial recommendations to District as to the level of Additional Review that is required for the Aquatics Center within 6 weeks of being provided with information by District and City sufficient to make this recommendation ('Initial Determination'). If there is a reasonable delay in needed information being provided by City, the time period will be extended for the same number of days as any delay by City.

iii. If the Additional Review is to be an Addendum, as defined by CEQA, a draft of the document must be provided to City for review and comment within 10 weeks of the Initial Determination and absent any substantial comments on the part of City, must be considered by District Board within 30 days after receiving City's comments.

iv. If the Additional Review is a Subsequent or Supplemental EIR, as defined by CEQA, a draft of the document must be provided to City for review and comment within 16 weeks of the Initial Determination. Absent any substantial comments on the part of City, within 10 working days after receipt of City's comments, the Additional Review document must be circulated for the appropriate public review period as determined by applicable law. Thereafter, the District Board must consider the Additional Review document and the approval of the Aquatics Center within 30 days after the close of the public review period.
v. If the Aquatics Center is approved by District Board, District must immediately modify its Project plans to include the Aquatics Center and submit such plans to the Division of State Architect ("DSA") as soon as reasonably practical.

vi. Once DSA approves the Aquatics Center plans, District must undertake construction pursuant to its normal procedures in a timely fashion. District must inform City on an ongoing basis regarding District's progress and be provided the Notice Inviting Bids, as well as construction schedules submitted by the successful bidder.

vii. In no event can District begin actual construction of the Project before rendering a decision on whether to approve the Aquatics Center after the Additional Review is completed.

E. District is the lead agency for purposes of CEQA and retains final discretion regarding the Additional Review. For any future change to the Aquatics Center, District will remain lead agency for CEQA purposes. Designation as lead agency does not require District to bear any or all costs of any future modification.

4. AQUATICS CENTER JOINT USE AGREEMENT.

A. The Parties agree to separately enter into a Joint Use Agreement ("JUA") for use of the Aquatics Center in accordance with the requirements of this Agreement.

B. The JUA for the Aquatics Center must, at a minimum, provide as follows:
   i. The term must be at least 25 years with a 25 year renewal option.
   ii. The form of the JUA must be substantially similar to existing joint facility use agreements between school districts and cities in California.
   iii. Unless otherwise provided in the JUA, District and ESUSD will have exclusive (i.e., public use is prohibited during these times) and equal use of the Aquatics Center, including the therapy pool, Monday through Friday, for a maximum of six shared hours per day for the period
commencing one week before the start of the Wiseburn School Year through the end of the Wiseburn School Year, and on select pre-agreed upon, non-school days which days cannot exceed twelve (12) days per year. All remaining eighteen (18) hours will be governed in accordance with Section 4(B)(vi) of this Agreement. The JUA may utilize a method for making changes to this schedule without amending this Agreement. For any such schedule, however, District and ESUSD uses must have priority over other recreational uses. Before the academic year commences, District, ESUSD and City will develop a master calendar for Aquatics Center use.

iv. District’s and ESUSD’s use of the Aquatics Center must be equitably determined by the JUA to accommodate, among other things, the El Segundo High School swim teams or water polo teams during times identified by the JUA to which the ESUSD may be a party.

v. City will have exclusive use of the Aquatics Center, including the therapy pool, during all days and times that District and/or ESUSD do not have such exclusive use. If District and ESUSD have different exclusive use periods and ESUSD has no objection, City may use the therapy pool during ESUSD’s sole exclusive use period.

vi. At all times during which City has use of the Aquatics Center, City may utilize its park permitting regulations as set forth in El Segundo Municipal Code (‘ESMC’) §§ 9-8-1, et seq. for purposes of scheduling events at the Aquatics Center with the understanding that all persons residing in the Wiseburn School District are considered City residents for purposes of the Aquatics Center only and entitled to use the Aquatics Center on the same terms and conditions as residents of the City. If it is determined that the
park permitting regulations violate the bond restrictions, appropriate adjustments will be made by the City.

vii. City will operate the Aquatics Center for a minimum of one full year after completion and opening of the Aquatics Center. City will also, at a minimum, maintain and repair the pool and therapy pool for use by District students for five years after opening.

viii. City will provide as much notice as practicable before terminating the JUA. Such notice may include, without limitation, notice of adoption of any budget for an upcoming fiscal year which does not include funds to operate and maintain the Aquatics Center.

ix. The JUA must contain a mutual defense, indemnification and hold harmless provision.

x. The JUA must contain a requirement that each Party maintain appropriate levels of insurance to cover their respective use of the Aquatics Center in an amount to be agreed upon in the JUA.

xi. The cost of utilities will be allocated between District and City based on their respective exclusive use periods for the Aquatics Center.

xii. During the term of the JUA, District's share of revenue from the operation of the Aquatics Facility must be allocated to City to offset City's share of operation and maintenance costs.

xiii. ESUSD's use of the Aquatics Center will be conditioned, at minimum, upon ESUSD agreeing to the mutual defense, indemnification and hold harmless, and providing necessary insurance.

C. Replacement Reserve Fund.

i. District and City will establish a replacement reserve fund to be maintained by District. The timing of the payments will be governed by the JUA. The Replacement Reserve funds must be used by District to
make necessary capital improvements. City is not entitled to reimbursement of any such funds if it terminates the JUA, or the JUA expires, before the expenditure of such funds.

ii. For the first twenty-five (25) year term of the JUA, City must contribute the sum of $26,000 annually to the Replacement Reserve fund. District is not required to make contributions to the fund until after the fifth year of the operation of the Aquatics Center in order to help offset District's development and construction costs. Thereafter, District must contribute the sum of $14,000 annually to the Replacement Reserve fund for the remainder of the first twenty-five (25) year term of the JUA.

iii. During the second twenty-five (25) year term of the JUA, District and City must each contribute the sum of $20,000 annually to the Replacement Reserve fund.

D. The terms of the JUA for the Aquatics Center must incorporate the deal points set forth above as well as other provisions of this Agreement and neither Party may object to the JUA if it substantially conforms to such terms. Failure of the Parties to agree in the JUA on minor, non-substantive issues and immaterial deviations are not grounds for invalidating this Settlement Agreement.

E. The JUA must include a provision requiring the Parties to submit any dispute involving the JUA to arbitration before any party can file a petition with the Los Angeles Superior Court.

i. Any dispute must be resolved by arbitration before a retired judge of the Superior Court of the State of California (the "Arbitrator") under the auspices of Judicial Arbitration & Mediation Services, Inc. ("JAMS").
ii. The arbitration must be conducted in Los Angeles County, California. Any Party may be represented by counsel or other authorized representative.

iii. The decision rendered by the arbitrator will become binding upon the Parties unless appealed to the Los Angeles County Superior Court within thirty (30) days of the decision. If subsequent litigation results in an award to the Party appealing the arbitration that is less than or equal to that of the arbitration decision, or if the litigation results in a decision in favor of the nonappealing Party, then the Party appealing the arbitration will pay the nonappealing Party's attorney's fees and court costs.

iv. Should a Party timely object to the arbitration decision, it may file a petition with the Los Angeles County Superior Court in accordance with California Code of Civil Procedure ('CCP') §§ 1285, et seq. Notwithstanding the limitations set forth in CCP § 1286.2, the court may vacate, correct, or adjust an arbitration award, and enter judgment in accordance with CCP § 1287.4, for any legal or equitable basis including, without limitation, error of law. The court will apply the substantial evidence standard of review when considering the appeal of an objecting Party.

5. ATHLETIC FACILITIES JUA. The Parties agree to enter into a JUA for use of the fields at the Project and at Campus El Segundo and cooperate to identify other facilities where joint, and reciprocal, use of athletic facilities may be possible. This JUA may be part of the Aquatics Center JUA or a separate JUA.

6. DISTRICT RESPONSIBILITIES. Without admitting that the FEIR is deficient, the District must undertake the following obligations in response to City's concerns regarding the FEIR and the Project:

   A. District must pay up to $6,000,000 for the design, development, planning and
construction of the Aquatics Center.

B. District will hold title to the Property and all improvements including, without
limitation, the Aquatics Center.

C. District will cap daytime high school enrollment at the Property at 1,200 students
to ensure a Small Learning Community.

D. District will devote appropriate and sufficient resources to maintain a safe and
secure environment on the Property during school hours, including having a full
time Security Coordinator on the campus.

E. District will implement the mitigation measures set forth in the FEIR to ensure
safe student drop-off areas, which do not pose either a pedestrian or a vehicular
hazard on the surrounding public streets. If issues develop relating to drop-off and
pick-up, District will work with City to resolve such matters.

F. District will make the Property available as an Emergency Shelter for the
American Red Cross.

7. CITY RESPONSIBILITIES.

A. Administrative Determination regarding District Office.

i. Within 10 days after this Agreement becomes effective, District will file
an application with the El Segundo Planning and Building Safety
Department to seek a determination pursuant to ESMC § 15-5E-2(K) that
the use of up to 12,000 square feet of the Project building for office space
by the Wiseburn School District and the Da Vinci Charter Schools staff is
similar to other allowed uses in the Urban Mixed-Use North zone and may
be allowed as a land use. City will process such application in accordance
with CEQA and ESMC Chapter 22. City agrees that it will recommend to
the Director that District's application be approved.

13
ii. If City does not approve the District's application within one hundred twenty (120) days after this Agreement becomes effective, District may act to void this Agreement. If District seeks to void this Agreement, it must provide written notice to City and City then has a new 30-day statute of limitations period in which to challenge the original approval of the Project based on any timely claims that could have been made at such time. The 30-day period commences upon receipt of written notice by City. In the event District elects to void this Agreement pursuant to this Section, any remedy for non-performance set forth in Section 9 will be unavailable to City. This Section will survive any voiding of the remaining Agreement.

B. Operation and Maintenance. Once the Aquatics Center receives its final certificate of occupancy and is open to the public, City will operate and maintain it in accordance with the JUA.

C. Grand Extension. Unless required by law, City will not undertake a public works project to implement an east-west extension of Grand Avenue during the term of the JUA and so long as the Property is operated as a school.

8. NO LIMITATION OF POWERS.

A. Nothing in this Agreement is intended to, nor can it, act as a limitation on City's present or future exercise of municipal powers in accordance with the California Constitution and applicable law.

B. Nothing in this Agreement is intended to, nor can it, require the District Board to exercise its discretion in any way when considering whether to approve the Final Design.
9. REMEDIES/GUARANTEES OF PERFORMANCE.

A. District must build the Aquatics Center in accordance with this Agreement. The Parties agree that failure of District to meet this standard constitutes a default of this Agreement. The Parties agree that this default will result in damage and injury to City. The Parties further agree, however, that actual damages incurred by City as result of such default is difficult if not impossible to ascertain with any degree of certainty or accuracy. Accordingly, the Parties have negotiated and have agreed that District is liable to, and must pay, City for liquidated damages, and not as a penalty, $1.5 million for District's failure to construct the Aquatics Center. If for any reason District does not approve or construct the Aquatics Center, City is entitled to the sum of $1.5 million in liquidated damages to fully compensate the City for the loss of the ability to use the pool and the impacts on the City's ability to provide adequate recreational facilities to its citizens. Recovering liquidated damages is the sole and exclusive remedy of City if the District does not approve or does not construct the Aquatics Center.

i. District must give at least 10 business days notice to City of the date and time of the meeting at which the District Board will consider the Aquatics Center. If District does not approve the Aquatics Center within two hundred ten (210) days after this Agreement becomes effective, City is immediately entitled to such funds. The Parties may extend this date for good cause shown and by mutual written agreement.

ii. If, after any approval of the Aquatics Center, District decides not to construct the Aquatics Center, District will give City written notice of this decision and City is immediately entitled to liquidated damages.

iii. Absent third party litigation which delays the construction of the Aquatics Center, if no formal action is taken by District but the Aquatics Center is not under construction by the time the High School opens, City is entitled to liquidated damages.
iv. A notice of completion for the Aquatics Center must be recorded not later than June 30, 2017. If a notice of completion is not recorded by that date, City is entitled to liquidated damages. City’s entitlement to liquidated damages will be extinguished upon a notice of completion being recorded for the Aquatics Center.

B. City guarantees that it will operate the Aquatics Center for one full year and it is anticipated that City will operate and maintain the Aquatics Center for the full term of the JUA. If, however, City terminates the JUA after the first full year, but before the end of the fifth year, City agrees to continue to maintaining and repairing the pool and therapy pool in such condition so that it may be used by District students for District’s exclusive use period as defined in the JUA through the end of the fifth year.

10. COMPROMISE, SETTLEMENT, AND RELEASE. Except to the extent that City may exercise its police powers to enforce applicable law after the Aquatics Center is approved, in consideration of the mutual terms and conditions set forth in this Agreement, the Parties compromise and settle any and all past, present, or future claims, demands, obligations, or causes of action for compensatory or punitive damages, costs, losses, expenses, and compensation, whether based on tort, contract, or other theories of recovery, that the Parties have or might accrue arising from the Dispute or the Additional Review. Further, the Parties, on their respective behalves and those of their heirs, executors, administrators, and assigns fully release the other Party, its elected and appointed officials, employees, agents, and all other persons and associations, known or unknown, from any obligation or liability arising from the Dispute or the Additional Review. The Parties agree that this compromise, settlement, and release constitutes a bar to any claim involving the Dispute or the Additional Review.

11. GENERAL RELEASE OF ALL KNOWN OR UNKNOWN CLAIMS. The Parties acknowledge and agree that this Agreement applies to all claims that the Parties may have against each other arising out of the Dispute for injuries, damages, or losses to person and property, real or
personal, whether those injuries, damages, or losses are known or unknown, foreseen or unforeseen, or patent or latent, including those that may arise from the Additional Review.

12. CIVIL CODE § 1542. The Parties, or their representatives, certify that he or she read Civil Code § 1542, set forth below, and indicates that fact by initialing here: ______[CITY] ______[DISTRICT].

"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

13. WAIVER OF § 1542 PROTECTIONS. After reading and understanding Civil Code § 1542, City and District voluntarily waive their application to this Agreement. City and District understand and acknowledge that the significance and consequence of this waiver is that even if City or District should eventually suffer additional damages arising out of the Dispute or the Additional Review, City and District will not be permitted to make any claim against the other Party for those damages. Furthermore, City and District acknowledge that City and District intend these consequences even as to claims for damages that may exist, and which, if known, would materially affect City's and District's decision to execute this Agreement, regardless of whether City's or District's lack of knowledge is the result of ignorance, oversight, error, negligence, or any other cause.

14. NO ASSISTANCE TO THIRD PARTY LITIGATION. City agrees that it will not directly or indirectly assist in any challenge brought by a third party against the District with respect to the Project, the Dispute or the Additional Review.

15. THIRD PARTY LITIGATION. If litigation is brought by a third party to challenge the construction, development or funding of the Project, District may act to void this Agreement. If District seeks to void this Agreement, it must provide written notice to City and City then has a new 30-day statute of limitations period in which to challenge the original approval of the Project based on any timely claims that could have been made as such time. The 30-day period commences upon
receipt of written notice by District. In the event, the District elects to void this Agreement pursuant to this Section 15, any remedy for non-performance set forth in Section 9 will unavailable to City. This Section will survive any voiding of the remaining Agreement.

16. LEGAL ADVICE. Each Party warrants and represents that in executing this Agreement, each Party sought legal advice from the attorney of their choice, that the terms of this Agreement and its consequences were completely read and explained to each Party by that attorney, and that each Party fully understands the terms of this Agreement.

17. FULL DISCLOSURE. Each Party acknowledges and represents that each Party was apprised of all relevant information and data relevant to the Dispute and this Agreement, including, without limitation, future risks, complications, and costs. Each Party further acknowledges and represents that, in executing this Agreement, the Party has not relied on any inducements, promises, or representations made by the other Party or any representative of the other Party.

18. WAIVER. A waiver by either Party of any breach of any term, covenant, or condition contained in this Agreement will not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition contained in this Agreement, whether of the same or different character.

19. NOTICES. All communications to either Party by the other Party will be deemed made when received by such Party at its respective name and address as follows:

CITY
City of El Segundo
350 Main Street
El Segundo, California 90245
Attention: City Manager

DISTRICT
Wiseburn School District
13530 Aviation Boulevard
Hawthorne, California 902500
Attention: Superintendent

Any such written communications by mail will be conclusively deemed to have been received by the addressee upon deposit thereof in the United States Mail, postage prepaid and properly addressed as noted above. In all other instances, notices will be deemed given at the time of
actual delivery. Changes may be made in the names or addresses of persons to whom notices are to be given by giving notice in the manner prescribed in this Section.

20. ATTORNEYS' FEES AND COSTS. The Parties each agree to waive any entitlement of attorneys' fees and costs incurred with respect to the Dispute and the negotiation of this Agreement.

21. NO ADMISSION OF LIABILITY. It is understood and agreed that this settlement is a compromise of the Dispute, and that entry into this Agreement cannot be construed as an admission of liability on District's behalf.

22. INTERPRETATION. This Agreement was drafted in and will be construed in accordance with the laws of the State of California, and exclusive venue for any action involving this Agreement will be in Los Angeles County.

23. ENTIRE AGREEMENT. This Agreement sets forth the entire understanding of the Parties. There are no other understandings, terms or other agreements, expressed or implied, oral or written.

24. RULES OF CONSTRUCTION. Each Party had the opportunity to independently review this Agreement with legal counsel. Accordingly, this Agreement will be construed simply, as a whole, and in accordance with its fair meaning; it will not be interpreted strictly for or against either Party.

25. SEVERABILITY. If any portion of this Agreement is declared by a court of competent jurisdiction to be invalid or unenforceable, then such portion will be deemed modified to the extent necessary in the opinion of the court to render such portion enforceable and, as so modified, such portion and the balance of this Agreement will continue in full force and effect.

26. CAPTIONS. The captions of the Sections of this Agreement are for convenience of reference only and will not affect the interpretation of this Agreement.

27. TIME IS OF ESSENCE. Time is of the essence for each and every provision of this Agreement.

SETTLEMENT AGREEMENT
28. FORCE MAJEURE. Should performance of this Agreement be prevented due to fire, flood, earthquake, explosion, acts of terrorism, war, embargo, government action, civil or military authority, the natural elements, or other similar causes beyond the Parties' reasonable control, then the time periods within this Agreement will be automatically extended for the time period during which it is impracticable for the Parties to perform.

29. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which will be deemed an original.

[signatures on next page]
IN WITNESS WHEREOF the Parties hereto have executed this Agreement the day and year first hereinabove written.

City of El Segundo

Dated: 

Bill Fisher, 
Mayor

Approved as to form:

Dated: 

Karl H. Berger, 
Assistant City Attorney

Wiseburn School District

Dated: 

Nelson Martinez, 
President, Board of Trustees

Approved as to form:

Dated: 

John W. Dietrich 
Atkinson, Andelson, Loya, Ruud & Romo, 
Attorneys for the Wiseburn School District
IN WITNESS WHEREOF the Parties hereto have executed this Agreement the day and year first hereinabove written.

City of El Segundo

Dated: ________________________________

Bill Fisher,
Mayor

Approved as to form:

Dated: May 30, 2013

Karl H. Berger,
Assistant City Attorney

Wiseburn School District

Dated: ________________________________

Nelson Martinez,
President, Board of Trustees

Approved as to form:

Dated: ________________________________

John W. Dietrich
Atkinson, Andelson, Loya, Ruud & Romo,
Attorneys for the Wiseburn School District

SETTLEMENT AGREEMENT
IN WITNESS WHEREOF the Parties hereto have executed this Agreement the day and
year first hereinabove written.

City of El Segundo

Dated: 

Bill Fisher,
Mayor

Approved as to form:

Dated:

Karl H. Berger,
Assistant City Attorney

Wiseburn School District

Dated:

Nelson Martinez,
President, Board of Trustees

Approved as to form:

Dated:

John W. Dietrich
Atkinson, Andelson, Loya, Ruud & Romo,
Attorneys for the Wiseburn School District

SETTLEMENT AGREEMENT
EXHIBIT C
FIRST AMENDED AND RESTATED SETTLEMENT AGREEMENT BETWEEN
THE WISEBURN UNIFIED SCHOOL DISTRICT AND
THE CITY OF EL SEGUNDO

This Agreement ("Agreement") is made and entered into this 19th day of January 2016 by and between the Wiseburn Unified School District, a school district organized in accordance with the California Education Code ("District") and the City of El Segundo, a general law city and municipal corporation ("City"). These parties may also be referred to in this Agreement individually as a "Party" and collectively as "Parties."

1. RECITALS. This Agreement is entered into with reference to the following facts and objectives:

A. On May 22, 2013, the Parties entered into a Settlement Agreement that resolved a dispute regarding District's High School and the Property (the "Original Agreement"). To the extent they are applicable, the definitions set forth in the Original Agreement are incorporated into this Agreement by reference.

B. To the extent they continue to be relevant for purposes of this Agreement, the recitals set forth in Section 1 of the Original Agreement are incorporated by reference.

C. Since the Original Agreement was executed, representatives from each Party met to implement the terms and conditions of the Original Agreement.

D. Following a revision to the Project and an Addendum to the FEIR approved on November 20, 2014, the Parties identified additional mutual interests for helping to resolve the Dispute. Among other things, the Parties seek to construct a larger Aquatics Center than anticipated in the Original Agreement.

E. The District Board and City’s City Council believe that the public interest is served by settling the Dispute on the terms provided in this Agreement. This Agreement is intended by the Parties to resolve the Dispute in all respects.
FOR AND IN CONSIDERATION of the above-referenced recitals and the promises and covenants contained in this Agreement, the Parties agree as follows:

2. AQUATICS CENTER.

A. As described below, District agrees to design, and, if approved by the District Board, District agrees to cause construction of an “Aquatics Center” on the Property.

B. At a minimum, the Aquatics Center must encompass approximately two (2) acres at the northwest corner of the Property and include the following:

   i. An outdoor 54 x 25 meter pool for swimming, water polo, physical education/recreational use. In addition, based on the El Segundo “Upgrade Option,” the Aquatics Center should include a snack or small kitchen facility and a four lane shallow warm up pool with separate changing facilities for men and women. If the Aquatics Center budget allows (as reasonably determined by each Party), the Aquatics Center should include spring board diving board.

   ii. Two moveable bulkheads for short course swim.

   iii. Associated support structures/facilities to include at a minimum locker rooms and restrooms with an additional family restroom.

   iv. Separate meters for electricity, water, and gas to be installed to differentiate the Aquatics Center from the rest of the High School. If the Aquatics Center budget allows (as reasonably determined by each Party), the Aquatics Center should include a Cogeneration system.

   v. The Aquatics Center may include solar panels to reduce the cost of utilities.

   vi. The original conceptual design for the Aquatics Center is attached as Exhibit “A,” and incorporated by reference (the “Conceptual Design”) and
the New El Segundo Upgrade Option is attached in Exhibit “B” and incorporated by reference “New El Segundo Upgraded Option.”

C. If, before construction commences on the Aquatics Center, the final budget for the Aquatics Center provides inadequate funding for all of the options identified in Section 2(B), then the Parties agree to cooperate to reduce the cost of the Aquatic Center through value engineering; eliminating or reducing elements; and otherwise redesigning the Aquatics Center to make it more cost effective.

D. The Final Design.

i. The Final Design for the Aquatics Center must be consistent with all requirements of applicable law including, without limitation, the Education Code and California State high school facility requirements.

ii. The Final Design for the Aquatics Center will be consistent with, not be materially different from, and not be smaller than the Conceptual Design.

iii. District will form a Design Committee for the Aquatics Center and City will be entitled to representation on this Committee. District will accommodate, to the extent reasonable and feasible, the comments of City. Except as set forth in clause (iv) with respect to equipment choices for the Aquatics Center, the determination of the ultimate Final Design for the Aquatics Center rests with the District Board.

iv. With respect to decisions about equipment choices relating to operation efficiencies of the Aquatics Center and the quality of the equipment, District must implement the recommendations of City provided that such recommendations do not cause District’s total costs for the Aquatics Center to exceed project funding/budget of $6,000,000 as specified in Section 6(A) below, or City pays for any costs in excess of this amount.

v. Should City and District have a dispute regarding matters under clause (iv), District and City agree to submit such a dispute to nonbinding
mediation as quickly as is practicable. The mediator must be a person specializing in construction matters related to public agencies. If agreement can be reached, the Parties agree to enter into a written mediation settlement agreement setting forth the terms and conditions of the issues upon which the parties have come to an agreement. If the Parties enter into a mediation settlement agreement, it may be enforced in any court of competent jurisdiction. Both Parties agree to share the fees and costs of the mediation equally except that legal, witness, and expert costs are the direct responsibility of each individual Party.

E. None of the Parties may take any action in using, operating, or running the Aquatics Center that would jeopardize the tax exempt status of the bonds used to construct the Project and the Aquatics Center.

F. The Aquatics Center will be named “City of El Segundo – Wiseburn Unified School District Aquatics Center”, or such other name as mutually agreed to by District and City.

3. PROCESSING AQUATICS CENTER PROJECT.

A. Timing Milestones/Requirements:
   i. If the amended settlement agreement is approved by District Board, District must immediately modify its Project plans to include the Aquatics Center and submit such plans to the Division of State Architect (“DSA”) as soon as reasonably practical.
   ii. Once DSA approves the Aquatics Center plans, District must undertake construction pursuant to its normal procedures in a timely fashion. District must inform City on an ongoing basis regarding District’s progress and be provided the Notice Inviting Bids, as well as construction schedules submitted by the successful bidder.
iii. For any future change to the Aquatics Center, District will remain lead agency for CEQA purposes. Designation as lead agency does not require District to bear any or all costs of any future modification.

4. AQUATICS CENTER JOINT USE AGREEMENT.

A. The Parties agree to separately enter into a Joint Use Agreement ("JUA") for use of the Aquatics Center in accordance with the requirements of this Agreement. The JUA will be executed by the Parties to this Agreement only; no other person including, without limitation, the ESUSD, will be a party to the JUA or a third-party beneficiary. City may, in its sole discretion, determine how (or if) ESUSD may access or use the Aquatics Center other than as provided in this Agreement.

B. The JUA for the Aquatics Center must, at a minimum, provide as follows:

i. The term must be at least 25 years with a 25 year renewal option, and a subsequent 25 year renewal option that may only be exercised at City's request.

ii. The form of the JUA must be substantially similar to existing joint facility use agreements between school districts and cities in California.

iii. Unless otherwise provided in the JUA, District and ESUSD will have exclusive (i.e., public use is prohibited during these times) and equal use of the Aquatics Center, including the therapy pool, Monday through Friday, for a maximum of six hours per day for the period commencing one week before the start of the District's School Year through the end of the District's School Year, and on select pre-agreed upon, non-school days which days cannot exceed twelve days per year. All other hours will be governed in accordance with Section 4(B)(vi) of this Agreement. The JUA may utilize a method for making changes to this schedule without amending this Agreement. For any such schedule, however, District and ESUSD uses must have priority over other recreational uses. Before the
academic year commences, District, ESUSD and City will develop a master calendar for Aquatics Center use. The District and the City agree to cooperate and entertain flexibility concerning scheduling of the uses of the Aquatic Center.

iv. District’s and ESUSD’s use of the Aquatics Center must be equitably determined by the JUA to accommodate, among other things, the El Segundo High School swim teams or water polo teams during times identified by the JUA to which the ESUSD may be a party.

v. City will have exclusive use of the Aquatics Center, including the therapy pool, during all days and times that District and/or ESUSD do not have such exclusive use. If District and ESUSD have different exclusive use periods and ESUSD has no objection, City may use the therapy pool during ESUSD’s sole exclusive use period. At all times during which City has use of the Aquatics Center, City may utilize its park permitting regulations as set forth in El Segundo Municipal Code (“ESMC”) §§ 9-8-1, et seq. for purposes of scheduling events at the Aquatics Center with the understanding that all persons residing in the District’s boundaries are entitled to use the Aquatics Center on the same terms and conditions as residents of the City. If it is determined that the park permitting regulations violate the bond restrictions, appropriate adjustments will be made by the City.

vi. Except as otherwise provided, City will operate the Aquatics Center for the term of the JUA. After the Aquatics Center receives its certificate of occupancy, however, City may cease operations after providing District with a two-year written notice. Notwithstanding City’s ability to cease operations, City will nevertheless, at a minimum, maintain and repair the
pool and therapy pool for use by District students for at least five years after the Aquatics Center receives its certificate of occupancy.

vii. City will provide as much notice as practicable before terminating the JUA.

viii. The JUA must contain a mutual defense, indemnification and hold harmless provision.

ix. The JUA must contain a requirement that each Party maintain appropriate levels of insurance to cover their respective use of the Aquatics Center in an amount to be agreed upon in the JUA.

x. The cost of utilities will be allocated between District and City based on their respective exclusive use periods for the Aquatics Center.

xi. During the term of the JUA, District’s share of revenue from the operation of the Aquatics Facility must be allocated to City to offset City’s share of operation and maintenance costs.

xii. ESUSD’s use of the Aquatics Center will be conditioned, at minimum, upon ESUSD agreeing to the mutual defense, indemnification and hold harmless, and providing necessary insurance.

C. Replacement Reserve Fund.

i. District and City will establish a replacement reserve fund ("Replacement Reserves") to be maintained by District. The timing of the payments will be governed by the JUA. The Replacement Reserves must be used by District to make necessary capital improvements. City is not entitled to reimbursement of any Replacement Reserves if it terminates the JUA, or the JUA expires, before the expenditure of such funds.

ii. For the initial 25 year term of the JUA, District must contribute the sum of $40,000 annually to the Replacement Reserves.
iii. If the second 25-year term of the JUA is exercised, District will annually contribute $40,000 to the Replacement Reserves.

iv. In any subsequent terms of the JUA beyond a total of 50 years, if they are exercised, District and City must each annually contribute $20,000 to the Replacement Reserves.

D. The terms of the JUA for the Aquatics Center must incorporate the deal points set forth above as well as other provisions of this Agreement and neither Party may object to the JUA if it substantially conforms to such terms. Failure of the Parties to agree in the JUA on minor, non-substantive issues and immaterial deviations are not grounds for invalidating this Agreement.

E. The JUA must include a provision requiring the Parties to submit any dispute involving the JUA to arbitration before any party can file a petition with the Los Angeles Superior Court.

i. Any dispute must be resolved by arbitration before a retired judge of the Superior Court of the State of California (the “Arbitrator”) under the auspices of Judicial Arbitration & Mediation Services, Inc. (“JAMS”).

ii. The arbitration must be conducted in Los Angeles County, California. Any party may be represented by counsel or other authorized representative.

iii. The decision rendered by the arbitrator will become binding upon the parties unless appealed to the Los Angeles County Superior Court within thirty (30) days of the decision. If subsequent litigation results in an award to the party appealing the arbitration that is less than or equal to that of the arbitration decision, or if the litigation results in a decision in favor of the nonappealing party, then the party appealing the arbitration will pay the nonappealing party’s attorney’s fees and court costs.

iv. Should a party timely object to the arbitration decision, it may file a petition with the Los Angeles County Superior Court in accordance with
California Code of Civil Procedure ("CCP") §§ 1285, et seq. Notwithstanding the limitations set forth in CCP § 1286.2, the court may vacate, correct, or adjust an arbitration award, and enter judgment in accordance with CCP § 1287.4, for any legal or equitable basis including, without limitation, error of law. The court will apply the substantial evidence standard of review when considering the appeal of an objecting party.

5. ATHLETIC FACILITIES JOINT USE AGREEMENT. The Parties agree to enter into an agreement for use of the fields at the Project and at City-owned athletic fields at the northeast corner of Mariposa Avenue and Nash Street (the "Athletic Field Agreement" or "AFA"). Further, the Parties agree to cooperate in identifying other athletic facilities where joint and reciprocal use of athletic facilities may be possible. The AFA may be part of the JUA or a separate agreement.

6. DISTRICT RESPONSIBILITIES. Without admitting that the FEIR is deficient, District must undertake the following obligations in response to City's concerns regarding the FEIR and the Project:

A. District must pay up to $6,000,000 for the design, development, planning and construction of the Aquatics Center.

B. District will hold title to the Property and all improvements including, without limitation, the Aquatics Center.

C. District will cap daytime high school enrollment at the Property at 1600 students to ensure Small Learning Communities.

D. District will devote appropriate and sufficient resources to maintain a safe and secure environment on the Property during school hours, including having a full time Security Coordinator on the campus.

E. District will implement the mitigation measures set forth in the FEIR to ensure safe student drop-off areas which do not pose either a pedestrian or a vehicular
hazard on the surrounding public streets. If issues develop relating to drop-off and pick-up, District will work with City to resolve such matters.

F. District will make the Property available as an Emergency Shelter for the American Red Cross.

7. CITY RESPONSIBILITIES.

A. Operation and Maintenance. Once the Aquatics Center receives its final certificate of occupancy and is open to the public, City will operate and maintain it in accordance with the JUA.

B. Grand Extension. Unless required by law, City will not undertake a public works project to implement an east-west extension of Grand Avenue during the term of the JUA and so long as the Property is operated as a school.

C. Both Parties agree to cooperate in efforts to seek outside funding – whether through grants, donations, or corporate sponsorship – to help fund the Aquatics Center budget.

D. Should the budget be inadequate to construct the Aquatic Center as anticipated by this Agreement, and as otherwise modified in accordance with Section 2 of this Agreement, City may (in the City Council’s sole discretion) provide up to $1,800,000 in funding.

E. Notwithstanding any other provision, City agrees to provide $300,000 to the Aquatics Center budget for design costs, payable within 30 days of District receiving approved (stamped) plans from the Division of the State Architect (DSA). Should City opt to provide additional funds to the Aquatics Center budget, i.e., up to an additional $1,500,000, those funds will be provided to the Aquatics Center budget before bidding commences, in addition to all necessary funds to complete the Aquatic Center Project. City understands and agrees that the $300,000 provided for design costs will not be refunded to City even if this Agreement terminates or if District fails to build the Aquatics Center.
8. NO LIMITATION OF POWERS.
   A. Nothing in this Agreement is intended to, nor can it, act as a limitation on City’s present or future exercise of municipal powers in accordance with the California Constitution and applicable law.
   B. Nothing in this Agreement is intended to, nor can it, require the District Board to exercise its discretion in any way when considering whether to approve the Final Design.

9. REMEDIES/GUARANTEES OF PERFORMANCE.
   A. District must build the Aquatics Center in accordance with this Agreement. The Parties agree that failure of District to meet this standard constitutes a default of this Agreement. The Parties agree that this default will result in damage and injury to City. The Parties further agree, however, that actual damages incurred by City as result of such default is difficult if not impossible to ascertain with any degree of certainty or accuracy. Accordingly, the parties have negotiated and have agreed that District is liable to, and must pay, City for liquidated damages, and not as a penalty, $1.5 million for District’s failure to construct the Aquatics Center. If for any reason District does not approve or construct the Aquatics Center, City is entitled to the sum of $1.5 million in liquidated damages to fully compensate the City for the loss of the ability to use the pool and the impacts on the City’s ability to provide adequate recreational facilities to its citizens. Recovering liquidated damages is the sole and exclusive remedy of City if the District does not approve or does not construct the Aquatics Center.
   i. District must give at least 10 business days notice to City of the date and time of the meeting at which the District Board will consider the Aquatics Center. If District does not approve the Aquatics Center within two hundred ten (210) days after this Agreement becomes effective, City is
immediately entitled to such funds. The Parties may extend this date for
good cause shown and by mutual written agreement.

ii. If, after any approval of the Aquatics Center, District decides not to
construct the Aquatics Center, District will give City written notice of this
decision and City is immediately entitled to liquidated damages.

iii. Absent third party litigation which delays the construction of the Aquatics
Center, if no formal action is taken by District but the Aquatics Center is
not under construction by the time the High School opens, City is entitled
to liquidated damages.

iv. A notice of completion for the Aquatics Center must be recorded not later
than July 31, 2018. If a notice of completion is not recorded by that date,
City is entitled to liquidated damages. City’s entitlement to liquidated
damages will be extinguished upon a notice of completion being recorded
for the Aquatics Center.

10. COMPROMISE, SETTLEMENT, AND RELEASE. Except to the extent that City may
exercise its police powers to enforce applicable law after the Aquatics Center is approved, in
consideration of the mutual terms and conditions set forth in this Agreement, the Parties
compromise and settle any and all past, present, or future claims, demands, obligations, or causes of
action for compensatory or punitive damages, costs, losses, expenses, and compensation, whether
based on tort, contract, or other theories of recovery, that the Parties have or might accrue arising
from the Dispute or the Additional Review. Further, the Parties, on their respective behalves and
those of their heirs, executors, administrators, and assigns fully release the other Party, its elected
and appointed officials, employees, agents, and all other persons and associations, known or
unknown, from any obligation or liability arising from the Dispute or the Additional Review. The
Parties agree that this compromise, settlement, and release constitutes a bar to any claim involving
the Dispute or the Additional Review.
11. GENERAL RELEASE OF ALL KNOWN OR UNKNOWN CLAIMS. The Parties acknowledge and agree that this Agreement applies to all claims that the Parties may have against each other arising out of the Dispute for injuries, damages, or losses to person and property, real or personal, whether those injuries, damages, or losses are known or unknown, foreseen or unforeseen, or patent or latent, including those that may arise from the Additional Review.

12. CIVIL CODE § 1542. The Parties, or their representatives, certify that he or she read Civil Code § 1542, set forth below, and indicates that fact by initialing here: [CITY] [DISTRICT].

"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

13. WAIVER OF § 1542 PROTECTIONS. After reading and understanding Civil Code § 1542, City and District voluntarily waive their application to this Agreement. City and District understand and acknowledge that the significance and consequence of this waiver is that even if City or District should eventually suffer additional damages arising out of the Dispute or the Additional Review, City and District will not be permitted to make any claim against the other Party for those damages. Furthermore, City and District acknowledge that City and District intend these consequences even as to claims for damages that may exist, and which, if known, would materially affect City’s and District’s decision to execute this Agreement, regardless of whether City’s or District’s lack of knowledge is the result of ignorance, oversight, error, negligence, or any other cause.

14. NO ASSISTANCE TO THIRD PARTY LITIGATION. City agrees that it will not directly or indirectly assist in any challenge brought by a third party against the District with respect to the Project, the Dispute or the Additional Review.

15. THIRD PARTY LITIGATION. If litigation is brought by a third party to challenge the construction, development or funding of the Project, District may act to void this Agreement. If
District seeks to void this Agreement, it must provide written notice to City and City then has a new 30-day statute of limitations period in which to challenge the original approval of the Project based on any timely claims that could have been made at such time. The 30-day period commences upon receipt of written notice by District. In the event, the District elects to void this Agreement pursuant to this Section 15, any remedy for non-performance set forth in Section 9 will unavailable to City. This Section will survive any voiding of the remaining Agreement.

16. LEGAL ADVICE. Each Party warrants and represents that in executing this Agreement, each Party sought legal advice from the attorney of their choice, that the terms of this Agreement and its consequences were completely read and explained to each Party by that attorney, and that each Party fully understands the terms of this Agreement.

17. FULL DISCLOSURE. Each Party acknowledges and represents that each Party was apprised of all relevant information and data relevant to the Dispute and this Agreement, including, without limitation, future risks, complications, and costs. Each Party further acknowledges and represents that, in executing this Agreement, the Party has not relied on any inducements, promises, or representations made by the other Party or any representative of the other Party.

18. WAIVER. A waiver by either Party of any breach of any term, covenant, or condition contained in this Agreement will not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition contained in this Agreement, whether of the same or different character.

19. NOTICES. All communications to either Party by the other Party will be deemed made when received by such Party at its respective name and address as follows:

CITY
City of El Segundo
350 Main Street
El Segundo, California 90245
Attention: City Manager

DISTRICT
Wiseburn Unified School District
13530 Aviation Boulevard
Hawthorne, California 90250
Attention: Superintendent

SETTLEMENT AGREEMENT
Any such written communications by mail will be conclusively deemed to have been received by
the addressee upon deposit thereof in the United States Mail, postage prepaid and properly
addressed as noted above. In all other instances, notices will be deemed given at the time of
actual delivery. Changes may be made in the names or addresses of persons to whom notices are
to be given by giving notice in the manner prescribed in this Section.

20. ATTORNEYS’ FEES AND COSTS. The Parties each agree to waive any entitlement of
attorneys’ fees and costs incurred with respect to the Dispute and the negotiation of this
Agreement.

21. NO ADMISSION OF LIABILITY. It is understood and agreed that this settlement is a
compromise of the Dispute, and that entry into this Agreement cannot be construed as an
admission of liability on District’s behalf.

22. INTERPRETATION. This Agreement was drafted in and will be construed in accordance
with the laws of the State of California, and exclusive venue for any action involving this
Agreement will be in Los Angeles County.

23. ENTIRE AGREEMENT. This Agreement sets forth the entire understanding of the
Parties. Except as otherwise provided, there are no other understandings, terms or other
agreements, expressed or implied, oral or written.

24. RULES OF CONSTRUCTION. Each Party had the opportunity to independently review
this Agreement with legal counsel. Accordingly, this Agreement will be construed simply, as a
whole, and in accordance with its fair meaning; it will not be interpreted strictly for or against
either Party. This Agreement is intended to, and does, amend and restate the Original Agreement.
While specific provisions of the Original Agreement were incorporated by reference, the text of
this Agreement takes precedence over any conflicting provision of the Original Agreement and
accurately reflects the Parties’ understandings.

25. SEVERABILITY. If any portion of this Agreement is declared by a court of competent
jurisdiction to be invalid or unenforceable, then such portion will be deemed modified to the

SETTLEMENT AGREEMENT
extent necessary in the opinion of the court to render such portion enforceable and, as so modified, such portion and the balance of this Agreement will continue in full force and effect.

26. CAPTIONS. The captions of the Sections of this Agreement are for convenience of reference only and will not affect the interpretation of this Agreement.

27. TIME IS OF ESSENCE. Time is of the essence for each and every provision of this Agreement.

28. FORCE MAJEURE. Should performance of this Agreement be prevented due to fire, flood, earthquake, explosion, acts of terrorism, war, embargo, government action, civil or military authority, the natural elements, or other similar causes beyond the Parties' reasonable control, then the time periods within this Agreement will be automatically extended for the time period during which it is impracticable for the Parties to perform.

29. AUTHORITY/MODIFICATION. The Parties represent and warrant that all necessary action has been taken by the Parties to authorize the undersigned to execute this Agreement and to engage in the actions described herein. This Agreement may be modified by written agreement. City's city manager may execute any such amendment on behalf of City.

30. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which will be deemed an original.

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IN WITNESS WHEREOF the parties hereto have executed this Agreement the day and year first hereinabove written.

Wiseburn Unified School District

[Signature]

Israel Mora
President, Board of Trustees

1/20/16

City of El Segundo

[Signature]

Suzanne Fuentes
Mayor

[Signature]

Greg Carpenter
City Manager

2-2-16

Approved as to Form:

[Signature]

John Dietrich
Attinson, Andelson, Loya, Ruud & Romo
Attorneys for Wiseburn Unified School District

Approved as to Form:

[Signature]

Mark D. Hensley
City Attorney

17

SETTLEMENT AGREEMENT
EXHIBIT D
FACILITIES USE AGREEMENT BETWEEN WISEBURN UNIFIED SCHOOL DISTRICT AND DA VINCI SCHOOLS CONCERNING PROPOSITION 1D STATE SCHOOL FACILITIES PROGRAM FUNDS

This Facilities Use Agreement Between Wiseburn Unified School District And Da Vinci Schools Concerning Proposition 1D State School Facilities Program Funds (referred to herein as the "FUA" or "Agreement") is entered into on May 14, 2015 (the "Effective Date"), by and between Wiseburn Unified School District, a school district duly organized and validly existing under and by virtue of the laws of the State of California ("District"), and Da Vinci Schools, a California nonprofit public benefit corporation that operates charter schools, including Da Vinci Design, Da Vinci Science and Da Vinci Communications charter schools, (herein collectively referred to as "Da Vinci").

RECITALS

WHEREAS, Da Vinci Design, a charter school operated by Da Vinci Schools, applied to the State Allocation Board and the California School Finance Authority (individually or collectively referred to as the "State") for financing of the acquisition and construction of high school facilities ("High Schools Facility") on real property acquired by the District and located at 201 N. Douglas St., El Segundo, CA 90245, more particularly described in Exhibit "A," attached hereto and incorporated herein (the "School Site"); and

WHEREAS, the District shall provide the use of the School Site to Da Vinci for development and use of the High Schools Facility in the operation of Da Vinci Design and its other charter school programs; and

WHEREAS, the High Schools Facility shall, for the purposes of this FUA, and for the application of the Education Code section 17078.52, be defined as and limited to the design and construction of the project ("Project") as described with more particularity in Exhibit "B", "Application for Charter School Preliminary Apportionment School Facility Program SAB 50-09, Application No. 54/76869-00-001" (the "Application"), attached hereto and incorporated herein; and

WHEREAS, the Office of Public School Construction has notified Da Vinci that it is eligible for a charter school preliminary apportionment of $52.7 million under the School Facilities Program; and

WHEREAS, the Charter Schools Facilities Program defines both the District and Da Vinci as "eligible applicants" to apply for and receive State financing for the Project, and Da Vinci and the District now desire to take the necessary steps to convert the Application to name the District as the applicant, as permitted under Education Code section 17078.53(b); and

WHEREAS, the parties also desire that the District continue to hold title to the School Site and serve as Da Vinci's fiscal agent to receive State and other financing for the Project, provided that Da Vinci will assume primary responsibility for the risks and responsibilities of ownership of the School Site upon completion of the Project. District will have the authority for approval of all contracts, contract modifications and fund disbursements related to the Project.
and provide quarterly reports to Da Vinci Schools on the progress of the High Schools Facility project; and

WHEREAS, in addition to the Project, the District intends to use local bonds and other funds and parcel tax revenues (supplementing Proposition 1D funds) to construct additional facilities, including parking, gymnasium and playing fields ("Recreational Facilities") at the School Site to be used, managed and operated by Da Vinci, and desires to grant Da Vinci a 40-year, lease to use the entire campus (excluding pool complex) for the operation of its charter school-related programs, and manage all facilities (excluding pool complex) for benefit of Da Vinci and the Wiseburn community, based on the terms and conditions described herein; and

WHEREAS, the District also intends to construct, maintain and operate swimming pool facilities on the School Site in conjunction with the community, to be used in cooperation with Da Vinci for the benefit of the District, Da Vinci and the community; and

WHEREAS, Da Vinci currently uses facilities owned by the District and located at 13500 Aviation Blvd., Hawthorne, CA 90250 and 12501 S. Isla Ave., Hawthorne, CA 90250, ("Existing Schools", described in Exhibit "C", attached hereto and incorporated herein), for the operation of its charter school programs; and

WHEREAS, until move-in to the completed High Schools Facility by Da Vinci Design, Da Vinci Communications and Da Vinci Science, the parties intend for Da Vinci Schools to continue to use the Existing School Sites under the terms and conditions set forth herein; and

WHEREAS, the District and Da Vinci now desire to enter into this FUA for the design and construction of the Project and use of the School Site, subject to the terms and conditions contained in this FUA; and

WHEREAS, the parties intend that this FUA shall operate in conjunction with the Charter School Facilities Program Memorandum of Understanding by and among the State, District and Da Vinci ("State MOU") attached hereto as Exhibit "D" and hereby incorporated by reference; and

WHEREAS, the Parties Intend that this FUA constitutes full and complete satisfaction of the District's obligation to provide facilities to Da Vinci Design, Da Vinci Communications, and Da Vinci Science charter schools under Education Code section 47614 and the Proposition 39 regulations (CCR, Title 5, Section 11969.9) or any successor law or regulation for the term of the FUA.

NOW, THEREFORE, for and in consideration of the promises and the mutual covenants hereinafter contained, the parties hereby agree as follows:

ARTICLE 1
USE OF THE SCHOOL SITE

1.1 Use of the School Site. Pursuant to California Education Code section 17078.62, the District shall make the School Site and High Schools Facility available to Da Vinci for the operation of charter school programs, subject to the terms and conditions set forth in this FUA.
Prior to commencing use of the High Schools Facility, the District will obtain a valid certificate of occupancy or equivalent issued by the California Division of the State Architect ("DSA").

1.2 Design and Construction of High Schools Facility.

1.2.1 Substitution of District as Applicant. As soon as is practicable after execution of this FUA, Da Vinci and the District shall take the necessary steps to convert the Application to name the District as the applicant for the Project apportionment under the School Facilities Program, as permitted under Education Code section 17078.53(b).

1.2.2 Responsibility for Construction of Project. The District shall serve as the fiscal agent for Da Vinci to receive State and other financing for the Project on behalf of Da Vinci, and shall fund all design, construction and improvements on the High Schools Facility, as well as pay for any and all costs related to infrastructure upgrades in accordance with District and Da Vinci-approved building and improvement plans, as well as all applicable laws, rules and regulations. As the fiscal agent for Da Vinci, the District shall consult with Da Vinci regarding any contracts, contract modifications, fund disbursements or other decisions related to the Project.

1.2.3 Alterations and Improvements. Subject to the terms of this FUA, and following completion of the Project, Da Vinci shall have the right to make additions, alterations, changes or improvements to the High Schools Facility that are not part of the Project, in, on or to the School Site, and shall pay, prior to delinquency, for all such work done by it or upon its order. Da Vinci may use such improvements, including fixtures, as collateral for lending purposes. Da Vinci shall make, at its own expense, any and all necessary repairs to, or replacement of, any equipment, structures or other physical improvements placed by it upon the School Site in order to comply with any and all applicable regulations, laws or ordinances of the State, including maintenance. All work shall be performed in compliance with Education Code Section 17280 et seq. ("Field Act") and subject to DSA approval, as applicable.

1.2.4 District/DSA Review and Approval.

1.2.4.1 District acknowledges and agrees that the DSA is the agency that has the formal project review and approval function for the construction of the Project. The parties acknowledge DSA shall receive and approve the District's and Da Vinci's plans and specifications for the construction of the High Schools Facility funded as part of the Project and any upgrades or revisions, as applicable. To the extent other agencies may approve Project related improvements in the future, the parties agree that such alternate submissions are acceptable as long as the structure remains Field Act compliant.
1.2.4.2 Da Vinci and District shall require all contractors and subcontractors to maintain contractor’s insurance and payment and performance bonds for the duration of the Project. All contractors shall be certified by California Department of Industrial Relations ("DIR") for the Project.

1.2.4.3 The District shall, with Project funds, ensure that all workers on the Project, as well as any construction project at the School Site, shall be paid prevailing wage rates as those rates are set in accordance with Labor Code Section 1770 et seq.

1.2.5 Government Approvals. The District, with Project funds, shall obtain all licenses and permits required to perform the work related to the Project and shall comply with all applicable laws affecting the work.

1.3 Installation of Charter School’s Equipment. Da Vinci may at any time, and from time to time, in its sole discretion and at its own expense, install or permit to be installed other items of equipment in or upon the School Site. All such items, excluding fixtures, shall remain the sole property of Da Vinci and may be removed or modified by Da Vinci at any time, provided that Da Vinci shall repair and restore any and all damage to the School Site resulting from the installation, modification, or removal of any such items.

1.4 Working Group. District and Da Vinci shall form a working group to create maintenance schedules, priority lists and budgets; coordinate on applications for future grants and funding; and address building alterations desired by either party and deal with any disagreements or adjustments to the above ("Working Group"). The Working Group shall include an equal number of members from the District and from Da Vinci, and shall meet regularly, or as requested by either party.

1.5 District’s Disclaimer of Warranties. The District is not aware of any defect in or condition of the School Site that would prevent its use for Da Vinci’s purposes or for the Project. The District has not received any notices of any violation of statute, ordinance, regulation, order or holding from any state or federal agency with jurisdiction over the School Site that calls into question the appropriateness or sufficiency of the premises for their intended purpose. Da Vinci acknowledges that neither the District nor District’s agents have made any representation or warranty as to the suitability of the Premises for the Project or to the conduct of Da Vinci’s business. Any agreements, warranties or representations not expressly contained herein shall in no way bind either District or Da Vinci, and District and Da Vinci expressly waive all claims for damages by reason of any statement, representation, warranty, promise or agreement, if any, not contained in this FUA.

1.6 License for Use of the Recreational Facilities. In addition to the Project, the District may use its own bond funds (not Proposition 1D funds), parcel tax revenues or other funds to finance and construct Recreational Facilities and swimming pool facilities on the School Site. The District hereby grants Da Vinci a non-transferable license to use and be responsible for the use of the Recreational Facilities in any manner in connection with the operation of Da Vinci’s charter school programs ("License"), and to operate community programs in
collaboration with District, municipal partners or others. Da Vinci shall have the ability to sub-license use of the Recreation Facilities. Any sub-license to use the Recreational Facilities shall be subordinate to this License and shall not interfere with Da Vinci’s school use of the Recreational Facilities, which shall take precedence over other uses. District shall retain primary responsibility for the financing, construction and operation of the swimming pool facilities, and shall cooperate with Da Vinci in the use of such facilities for high school purposes.

1.6.1 The parties agree that nothing in the License Agreement or this FUA shall give Da Vinci any right, title or interest in said Recreational Facilities other than the right to control the use of said Recreational Facilities in accordance with the License and this FUA.

1.6.2 In exchange for and in consideration of the License, Da Vinci shall be responsible for management of the use of the Recreational Facilities by any other leagues, schools, organizations or municipalities, in the same manner as use of such facilities would be allowed under Education Code section 38131 et seq. (“Civic Center Act”). Such management may include the collection of fees, procurement of insurance, payment of utilities and maintenance of the Recreational Facilities. The District shall not seek rent, payment and/or other consideration in exchange for Da Vinci’s use of the Recreational Facilities. Revenues from such activities in the Recreational Facilities shall be first used by Da Vinci to offset the cost of high school sports programs utilizing such facilities.

1.6.3 The parties agree to undertake and perform any and all actions necessary, and deliver any and all documents required, for the full accomplishment of the License, including but not limited to providing documents and/or other evidence required to use and/or manage the Recreational Facilities.

1.6.4 The parties agree to refrain from taking any action, in any form, that would frustrate, impede, compromise, delay or otherwise hinder Da Vinci’s or the District’s use of the Recreational Facilities.

1.6.5 This License shall commence upon the execution of this FUA by both parties and the construction of any Recreational Facilities, and shall continue in full force and effect for the Term of this FUA.

**ARTICLE 2**

**GOVERNANCE**

2.1 **Governance.** Governance is included in this FUA because it is inseparably linked to the length of the Term of the FUA.

2.2 The Da Vinci Board of Directors shall be comprised of seven members. Each member is elected by the Da Vinci Board and confirmed by the WUSD Board; except as noted in section 2.4. Each board member shall serve a term of three years, except as noted in section 2.4. The terms of the board members will run in staggered years, with a class of three members
ending in one year, a class of two ending in the subsequent year, and a class of two members ending in the next subsequent year. For purposes of clarity, this means that every year either two or three terms conclude their previous three-year term and begin their new three-year term cycle.

2.3 Members can be elected to an unlimited number of terms.

2.4 Two of the seven members of the Da Vinci Board shall also be current and concurrent members of the WUSD Board, appointed by the WUSD Board by WUSD Board majority vote, to serve on the Da Vinci Board, and will be confirmed by board election at the next regularly scheduled Da Vinci Board meeting by the Da Vinci Board of Directors. If at any time there are fewer than two current WUSD members on the Da Vinci Board, and there is a vacancy on the Da Vinci Board, the Da Vinci Board will notify the WUSD Board of such vacancy or vacancies. The WUSD Board has the option of appointing one of its current Board Members then in good standing to serve on the Da Vinci Board, up to a maximum of two members, when vacancies arise. The process for WUSD to appoint shall be the WUSD Board selecting its prospective Da Vinci Board representatives, presenting those candidates to the Da Vinci Board for Da Vinci Board election, and the Da Vinci Board electing those candidates. Such election will not be unreasonably withheld by the Da Vinci Board. Under no circumstances will there ever be more than two WUSD Board Members on the Da Vinci Board. Whenever a vacancy on the Da Vinci Board occurs, for the WUSD Board Representative seats, the WUSD Board must appoint a sitting WUSD Board member to serve within 30 days of said vacancy. The WUSD Board shall adopt a Board Policy at a future board meeting establishing such positions and process for appointments; so as to ensure that representation by the WUSD Board on the Da Vinci Board is always maintained. If the WUSD Board chooses not to appoint a current member of the WUSD Board for confirmation within 30 days of notification of vacancy and eligibility by the Da Vinci Board, the Da Vinci Board may nominate and elect a non-WUSD Board member, however the Da Vinci Board must maintain three Wiseburn Unified School District residents. Once a future vacancy on the Da Vinci Board occurs, the option for WUSD Board appointment reopens. At any time that a WUSD Board Members resigns, is removed, voluntarily leaves, involuntarily leaves, or otherwise is no longer a current member of the WUSD Board, that person shall automatically and immediately also be removed from the Da Vinci Board, be it by resignation, dismissal, or other action.

2.5 In addition to the maximum of two WUSD Board Members that may be serving on the Da Vinci Board, one additional Da Vinci Board member, at minimum, shall be a continual resident of the Wiseburn Unified School District. If at any time that there are not a minimum of three current Wiseburn Unified School District residents on the Da Vinci Board, the next Da Vinci Board vacancy will be filled with a Wiseburn resident.

2.6 The process for electing new Da Vinci Board Members who are not the WUSD Board appointees shall be, first, nomination by the Da Vinci Board or a nominating committee empowered by the Da Vinci Board. Second, confirmation of said nomination to be considered and performed by the WUSD Board. Such confirmation will not be unreasonably withheld. If such confirmation is not considered or explicitly denied within 30 days of Da Vinci nomination, the right of the WUSD to confirm that board member will expire and no longer apply for the candidate under consideration. Once a Da Vinci nominee or board member has been confirmed.
by the WUSD Board, or becomes a Da Vinci Board member because the WUSD Board did not
consider or did not explicitly deny confirmation, that Da Vinci Board Member will never be
subject to or require WUSD Board confirmation again during his or her continuous tenure on the
Da Vinci board. Once confirmed, or once the available confirmation window of 30 days has
expired, that Da Vinci Board Member or nominee will be eligible to be elected as a Da Vinci
Board Member for an unlimited number of consecutive terms. Only when the Da Vinci Board
has formally elected or re-elected a new or existing board member will that member be a
member of the Da Vinci Board of Directors.

2.7 For every instance where the WUSD Board denies five consecutive Da Vinci
Board member nominations, Da Vinci can then elect one Da Vinci Board member without
WUSD confirmation.

2.8 If the number of Da Vinci Board members comprising the Da Vinci Board is ever
expanded or contracted, the WUSD Board will be consulted, and the terms of this section
reconsidered, subject to mutual agreement of the WUSD and Da Vinci Boards of Trustees and
Directors.

ARTICLE 3
TERM, TERMINATION AND OPTION TO PURCHASE

3.1 Term. The term of this FUA shall commence on the Effective Date and shall
continue for a term of forty years ("Term"), with options for renewal. The 40-year term contains
an evergreen clause. The term automatically extends by an additional 5 years total each time the
charters are renewed, subject to each Da Vinci charter school complying with the terms of this
Agreement, its Charter and all applicable laws and regulations subject to Da Vinci's rights to
cure any such non-compliance in accordance with the termination procedures and timelines, and
meeting the performance criteria described in section 3.5, Exhibit E and in Section 11.1 of this
Agreement.

3.2 Lease of the High Schools Facility. The High Schools Facility will serve as the
school site for Da Vinci Design Charter High School, Da Vinci Communications and Da Vinci
Science (together, Da Vinci Schools). The District shall lease to Da Vinci use of the School Site
for Da Vinci Schools and related and supporting programs as Da Vinci may operate, in exchange
for rent in the amount of $1 per year, and payment as outlined in Section 6.2 herein, subject to:
(a) the District’s right to sublease a portion of the building at High Schools Property, as described
in section 3.3, and (b) the District’s right to operate the swimming pool facilities, as described
herein. A map of the planned High Schools Facility with the District’s and Da Vinci’s uses
marked and delineated is attached hereto and incorporated herein as Exhibit E.

3.3 Sublease of High Schools Facility. It is the intent of the parties that Da Vinci
shall operate charter schools occupying the first, second, third and fourth floors of the building at
High Schools Property. Approximately 9,000 square feet of the first floor will be used by Da
Vinci for various programs supporting the charter schools. District shall have the right to
sublease approximately 15,436 square feet of first floor space for administrative purposes,
including the space for District Board meetings, at rent of $1 per year, plus a monthly amount equal to the pro rata share of utilities, insurance and operating expenses incurred by Da Vinci on an annual basis (i.e., a ratio computed based upon the amount of square footage allocated to District use to the total square footage in the building), as set forth in the floor plan attached hereto.

3.4 Ownership of the High Schools Facility. District shall hold legal title to the School Site. However, Da Vinci will assume primary responsibility for risks of ownership of the High Schools Facility, including obtaining and maintaining liability insurance for the High Schools Facility in accordance with Article 10 of this FUA, payment of all utilities for the High Schools Facility in accordance with Article 6 of this FUA, and keeping the School Site free from any liens related to Da Vinci’s operations in accordance with Section 7.4 of this FUA.

3.5 Early Termination. As long as Da Vinci is complying with the terms of this Agreement, the Charter of any school occupying the high school facilities and all applicable laws and regulations allowing for Da Vinci’s (and its charters’) rights to cure any such non-compliance in accordance with the procedures and timelines, and meeting the performance criteria described in Exhibit E and in Section 11.1 of this Agreement, this agreement will not be terminated. The Agreement may only be terminated if Da Vinci is not complying with the terms of this Agreement, and/or not complying with its Charter and/or not complying with all applicable laws and regulations and/or failing to meet the performance criteria described in Exhibit E, subject to the one-year cure periods set forth in Exhibit E and in Section 11.1 of this Agreement. Both District and Da Vinci Schools agree that good/great Da Vinci Schools, should never be homeless. Da Vinci will provide a five-year notice if it chooses to vacate the High Schools Facility and terminate the 40-year lease agreement, as to all of its schools. In the event of termination of the Agreement for non-cause, the District will comply with Education Code section 467614 and the Proposition 39 regulations (CCR, Title 5, Section 11969.9) or any successor law or regulation regarding any provision of facilities for Da Vinci Design, Da Vinci Communications, and Da Vinci Science charter schools. In the event that Da Vinci Schools is terminated for cause (non-performance according to the above established criteria), Da Vinci waives any priority right to the high school facility as referenced in Article 4.2 C (4) of the Three-Party Agreement (Charter School Facilities Program Memorandum of Understanding) and any right under Proposition 39 regulations or any successor law or regulation.

3.6 Amending the FUA. The FUA will be revisited and reviewed every ten years or as necessary by an ad hoc subcommittee consisting of an equal number of members from each board and staff leadership. The terms of the current agreement can be amended only by a majority vote of the Da Vinci Board of Trustees and a majority vote of the District Board of Trustees.

ARTICLE 4
USE OF EXISTING SCHOOLS

4.1 Current Use. Da Vinci currently uses the Existing School Facilities owned by the District and located at 13500 Aviation Blvd., Hawthorne, CA 90250 and 12501 S. Isis Ave,
Hawthorne, CA 90250, for the operation of its charter school programs. Until move-in to the High Schools Facility by all Da Vinci charter high schools, the parties intend for Da Vinci to continue to use the Existing School Facilities under the same terms and conditions as present, except as follows:

4.1.1 Commencing July 1, 2015, Da Vinci Schools will pay a 1% of Da Vinci’s annual State operating revenue oversight fee in perpetuity, for all four charter schools. Da Vinci will also pay 1% of Da Vinci’s annual State operating revenue for rent on the high schools for 2015-16 and 2016-17, or until the High Schools Property is occupied. When Da Vinci occupies the High Schools Property, this same 1% of Da Vinci’s annual State operating revenue for rent will go into a deferred maintenance account that will be administered by Da Vinci, with a cap of $2.5 million on this account.

4.1.2 Commencing July 1, 2015, Da Vinci Innovation Academy (“DVIA”) will continue to pay 2% of its annual State operating revenue while located at 13500/13530 Aviation Boulevard. Upon moving into 12501 S. Isis, DVIA will continue to pay District 2% of DVIA’s annual State operating revenue for rent, to be set aside for deferred maintenance at the Sepulveda site.

4.1.3 Commencing July 1, 2015, the cost for Back Office Services for Da Vinci that are provided by District will be reduced from 1.5% to 1% of Da Vinci’s annual State operating revenue with a standard of acceptable service established for District to continue providing these services, as determined by Da Vinci and the District.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF CHARTER SCHOOL;
REPRESENTATIONS AND WARRANTIES OF THE DISTRICT

5.1 Representations and Warranties of Charter School. Da Vinci represents and warrants for the benefit of the District and its assignees as follows:

5.1.1 Valid Existence. Da Vinci is a nonprofit public benefit corporation duly organized and validly existing under the laws of the State of California.

5.1.2 Authority to Enter into FUA. Da Vinci is authorized under its organizational documents and the laws of the State of California to enter into this FUA and perform all of its obligations hereunder.

5.1.3 Due Authorization. Da Vinci has been duly authorized to execute and deliver this FUA under the terms and provisions of a resolution of Da Vinci approving the form and authorizing the execution of this FUA.

5.1.4 Enforceability of FUA. Da Vinci represents and warrants that all requirements have been met and procedures have occurred in order to ensure the enforceability of this FUA (except as such enforceability may
be limited by bankruptcy, insolvency, or other laws affecting creditors' rights generally and by the application of equitable principles) and Da Vinci further represents and warrants that this FUA is a valid and binding obligation of Da Vinci, enforceable in accordance with its terms, except as such enforceability may be limited by the bankruptcy, insolvency or other laws affecting creditors' rights generally and by the application of equitable principles.

5.1.5 Limitation on Use of School Site. During the term of this FUA, the High Schools Facility and School Site will be used by Da Vinci for the purpose of performing those activities and services consistent with the operation of a charter school program, the Civic Center Act, and consistent with the permissible scope of Da Vinci's organizational documents.

5.1.6 Essential Project. Da Vinci represents and warrants that the Project is essential to the fulfillment of its role as a provider of educational services through a charter school program.

5.2 Representations and Warranties of the District. The District hereby represents and warrants to Da Vinci as follows:

5.2.1 Valid Existence. The District is a school district duly organized and validly existing under the laws of the State of California.

5.2.2 Power to Enter into FUA. The District is authorized under the laws of the State of California to enter into this FUA and perform all of its obligations hereunder.

5.2.3 Due Authorization. The District has been duly authorized to execute and deliver this FUA under the terms and provisions of a resolution of the Board of Trustees of the District approving the form and authorizing the execution of this FUA.

5.2.4 Enforceability of FUA. District represents and warrants that all requirements have been met and procedures have occurred in order to ensure the enforceability of this FUA (except as such enforceability may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights generally and by the application of equitable principles) and the District further represents and warrants that this FUA is a valid and binding obligation of the District, enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally and by the application of equitable principles.
ARTICLE 6
PAYMENTS

6.1 Payments by the District. Pursuant to the State MOU, District has agreed to provide its fifty percent (50%) share of the Local Matching Share obligation from general Obligation Bond funds as required by the State Allocation Board (the “Payments”) on behalf of Da Vinci Design and Da Vinci in consideration for the State funding of the Project. The parties to this FUA hereby acknowledge and agree that the District shall replace Da Vinci as the applicant in the “Application for Charter School Preliminary Apportionment School Facility Program SAB 50-09”, as permitted under Education Code section 17078.53(b) and shall be liable to the State for the Payments. The parties agree that the terms of California Education Code section 17078.62 apply only to the Project.

6.2 Oversight and Deferred Maintenance. As provided in Article 4, commencing July 1, 2015, Da Vinci shall pay the District a general oversight fee of 1% of the annual State operating revenue of each of its charter schools pursuant to Education Code section 47613, and shall not be required to pay the maximum amount authorized by that statute based on the unique circumstance that the Da Vinci schools serve as the District’s high schools. However, for the term of this FUA, Da Vinci shall also allocate in its budget 1% of the annual State operating revenue of each of its charter schools that use the High Schools Facility for deferred maintenance of the High Schools Facility. Da Vinci will allocate 2% of its annual budget for routine maintenance. The District and Da Vinci will jointly prioritize major maintenance (“deferred maintenance”) of the High Schools Facility from this fund. Unless otherwise agreed, Da Vinci will undertake or contract for the performance of any deferred maintenance. The parties will cooperate to amend Da Vinci’s charters as necessary to reflect this section. This 1% for deferred maintenance will be administered by Da Vinci with a cap of $2.5 million on this account. This “sinking fund” will be established to address the long term deferred maintenance costs of the high school campus. Expenditures from this fund would include items such as HVAC, roofing, synthetic turf replacement, parking lot resurfacing, etc. Routine maintenance and cosmetic improvements will not be addressed through this funding source. When the “sinking fund” account is fully funded at $2,500,000, Da Vinci will cease to pay into this sinking fund, unless the Sinking Fund is reduced to less than $2,500,000, in which case the contributions will continue until the $2,500,000 is fully funded again.

District and Da Vinci will seek future funding as appropriate, including when the High Schools Property is eligible and in need of modernization through State funding and/or a General Obligation Bond.

Da Vinci will use its own personnel or hire specialists to operate and maintain the floors 1, 2, 3 and 4 of the building at the High Schools Property (Da Vinci is responsible for routine maintenance and repairs for the building just as District is responsible for its own school buildings).

District will be responsible for costs associated with operations, utilities and maintenance of District Offices and Boardroom, and any common space use on the first floor for professional development or community events. District and Da Vinci will communicate early and often about the use of spaces.
The Working Group, established pursuant to Section 1.4 above, shall address oversight and deferred maintenance issues, as needed.

6.3 Fees, Charges, Operations and Maintenance Expenses. Da Vinci shall pay all fees and public charges of whatever nature assessed against the High Schools Facility, including, but not limited to, the payment of all taxes, and cost associated with telephone, water, sewer, gas, heat, electricity, garbage disposal, trash disposal, and all other maintenance, operations, services and utilities (herein called the “Additional Payments”). Unless otherwise agreed, Da Vinci will undertake or contract for the performance of all maintenance, operations and services on the School Site (including the theater, gymnasium, grounds and the parking lot), except for the swimming pool facilities, which shall be the District’s sole cost and responsibility. Da Vinci shall invoice the District monthly for a prorated fair share of fees and public charges for the portion of the High Schools Facility used by the District, which the District shall pay to Da Vinci within 30 days of receipt of invoice. The parties to this FUA hereby acknowledge and agree that except as otherwise provided herein, the District is not liable for the Additional Payments (except as provided in California Education Code section 17078.62(b)(4), which section requires the District to notify the California School Finance Authority and take possession of the High Schools Facility and make the High Schools Facility available for continued use as a public school facility before the District is liable to the State), and that the District is not a guarantor or warrantor of the Additional Payments. The Working Group, established pursuant to Section 1.4 above, shall address fees, charges, operations and maintenance expenses issues, as needed.

ARTICLE 7
DA VINCI’S OBLIGATIONS

7.1 Licensing: Accreditation. Da Vinci shall, at its own cost and expense, maintain all accreditations, licenses, permits and other governmental approvals necessary for the operation of the School Site. However, nothing in this paragraph shall relieve District from its obligations with respect to swimming pool facilities.

7.2 Maintenance of the School Site by Da Vinci. Da Vinci shall be responsible for all maintenance at the School Site not defined as “deferred maintenance,” including but not limited to those items of major repair or replacement listed in Education Code section 17582, excluding the swimming pool facilities. The District and Da Vinci will jointly prioritize deferred maintenance of the High Schools Facility from the joint fund described in Section 5.2 herein.

7.3 Taxes and Other Governmental Charges: Utility Charges.

7.3.1 Taxes and Other Governmental Charges on the School Site. The parties to this FUA contemplate that the High Schools Facility and School Site will be used for the public and nonprofit public benefit related purposes of Da Vinci and/or District purposes, and therefore, that the High Schools Facility and School Site will be exempt from all taxes presently assessed and levied with respect to property. In the event that the High Schools Facility is found to be subject to taxation in any form, Da Vinci will pay during the term of this FUA, as the same respectively become due, all taxes and governmental charges of any kind whatsoever that may at any
time be lawfully assessed or levied against or with respect to the High Schools Facility, and any equipment or other property acquired by Da Vinci in substitution for, as a renewal or replacement of, or a modification, improvement or addition to the High Schools Facility.

7.3.2 FUA-Related Taxes Imposed on Da Vinci. Da Vinci shall also pay directly or pay as Additional Payments hereunder such amounts, if any, in each year as shall be required by the District for the payment of all license and registration fees and all taxes (including, without limitation, income, excise, license, franchise, capital stock, recording, sales, use, value-added, property, occupational, excess profits and stamp taxes), levies, imposts, duties, charges, withholdings, assessments, and governmental charges of any nature whatsoever, together with any additions to tax, penalties, fines or interest thereon, including, without limitation, penalties, fines, or interest arising out of any delay or failure by Da Vinci to pay any of the foregoing, hereinafter levied or imposed against the District with respect to the High Schools Facility and/or this FUA by any governmental authority.

7.3.3 Utility Charges. Da Vinci shall be responsible for any utility hook-up and connection fees and costs. In addition, Da Vinci shall pay or cause to be paid all gas, water, steam, electricity, heat, power, air conditioning, telephone, utility, and other charges incurred in the operation, maintenance, use, occupancy, and upkeep of the High Schools Facility.

7.3.4 Assessments. Da Vinci shall pay, prior to delinquency, all lawful taxes, assessments, or charges which at any time may be levied against the High Schools Facility.

7.3.5 Notification. Pursuant to Section 107.6 of the California Revenue and Taxation Code, District hereby notifies Da Vinci that: (i) any property interest obtained by Da Vinci pursuant to the FUA may be subject to property taxation; and (ii) Da Vinci may be subject to the payment of property taxes levied on any property interest obtained by Da Vinci.

7.3.6 Cooperation. Both parties agree to reasonably cooperate with the other party in obtaining property tax exemptions for the High Schools Site and Existing Schools, as necessary.

7.4 Indemnity for Liens on School Site or High Schools Facility. In the event Da Vinci shall at any time during the term of this FUA cause any alterations, additions, improvements, renovations, modifications, expansions, or any repair, reconstruction or rehabilitation or other work to be done or performed, or materials to be supplied, in or upon the High Schools Facility or School Site (collectively and generally referred to as “Future Work”), Da Vinci shall pay, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies, or equipment furnished or alleged to have been furnished to or for Da Vinci in, upon or about the High Schools Facility or School Site for future
work and shall keep the High Schools Facility and School Site free of any and all mechanics' or materialmen's liens or other liens against the High Schools Facility or School Site other than those liens, if any, already in place as of the date hereof. In the event any such lien attaches to or is filed against the High Schools Facility or School Site, Da Vinci shall cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, except that if Da Vinci desires to contest any such lien it may do so in good faith. If any such lien is reduced to final judgment and such judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and said stay thereafter expires, Da Vinci shall forthwith pay (or cause to be paid) and discharge such judgment. Da Vinci agrees to and shall, to the maximum extent permitted by law, indemnify and hold the District, its governing board, agents, successors and assigns, harmless from and against, and defend each of them against, any claim, demand, loss, damage, liability or expense (including attorney's fees) as a result of any such lien or claim of lien against the High Schools Facility or School Site resulting from said future work.

7.5 Environmental Covenants.

7.5.1 Compliance with Laws: No Hazardous Substances. Da Vinci will comply with all Applicable Environmental Laws with respect to the School Site and High Schools Facility and will not use, store, generate, treat, transport, or dispose of any Hazardous Substance thereon or in a manner that would cause any Hazardous Substance to later flow, migrate, leak, leak, or otherwise come to rest on or in the School Site or High Schools Facility in violation of said Applicable Environmental Laws. In the event Da Vinci breaches this provision, Da Vinci shall indemnify the District for any injury or loss associated therewith.

7.5.2 Hazardous Substance: Applicable Environmental Laws. For purposes of this FUA,

7.5.2.1 "Hazardous Substance" means any substance that shall, at any time, be listed as "hazardous" or "toxic" in any Applicable Environmental Law or that has been or shall be determined at any time by any agency or court to be a hazardous or toxic substance regulated under Applicable Environmental Laws; and also means, without limitation, raw materials, building components, the products of any manufacturing, or other activities on the Facilities, wastes, petroleum, and source, special nuclear, or by-product material as defined by the Atomic Energy Act of 1954, as amended (42 USC Sections 3011 et seq.).

7.5.2.2 "Applicable Environmental Laws" means and shall include, but shall not be limited to, the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), 42 USC Sections 9601 et seq.; the Resource Conservation and Recovery Act ("RCRA"), 42 USC Sections 6901 et seq.; the Federal Water Pollution Control Act, 33 USC Sections 1251 et seq.; the Clean Air
Act, 42 USC Sections 7401 et seq.; the California Hazardous Waste Control Law ("HWCL"), California Health & Safety Code Sections 25100 et seq.; the Hazardous Substance Account Act ("HISAA"), California Health & Safety Code Sections 25300 et seq.; the Porter-Cologne Water Quality Control Act (the "Porter-Cologne Act"), California Water Code Sections 1300 et seq.; the Air Resources Act, California Health & Safety Code Sections 3900 et seq.; the Safe Drinking Water & Toxic Enforcement Act, California Health & Safety Code Sections 25249.5 et seq.; and the regulations under each thereof; and any other local, state, and/or federal laws or regulations, whether currently in existence or hereafter enacted, that govern: (i) the existence, cleanup, and/or remedy of contamination on property; (ii) the protection of the environment from spilled, deposited, or otherwise emplaced contamination; (iii) the control of hazardous wastes; or (iv) the use, generation, transport, treatment, removal, or recovery of Hazardous Substances, including building materials.

7.5.3 Notification. Da Vinci will transmit copies of all notices, orders, or statements received from any governmental entity concerning violations or asserted violations of Applicable Environmental Laws with respect to the School Site or High Schools Facility and any operations conducted thereon or any conditions existing thereon to the District and the State, and Da Vinci will notify the District and the State in writing immediately of any release, discharge, spill, or deposit of any Hazardous Substance that has occurred or is occurring that in any way affects or threatens to affect the High Schools Facility or School Site, or the people, structures, or other property thereon, provided that no such notification shall create any liability or obligation on the part of the District or the State.

7.5.4 Access for Inspection. Da Vinci will permit the State and the District, its successors, assigns, agents, or any experts designated by the State and/or the District to have full access to the High Schools Facility and School Site with prior written notice to Da Vinci or the school principal during reasonable business hours for purposes of such independent investigation of compliance with all Applicable Environmental Laws, provided that the District and the State have no obligation to do so, or any liability for any failure to do so, or any liability should it do so.

7.5.5 Compliance with California Environmental Quality Act. Except with respect to the swimming pool facilities, Da Vinci shall assume all costs and responsibility for compliance with the terms of California Public Resources Code section 21000 et seq. (California Environmental Quality Act) that result from its use, occupancy, modification or repair of the High Schools Facility or School Site and shall indemnify, defend and hold harmless the District against all costs, expenses, and liability for doing so.
7.5.6 **Release of all Claims and Demands.** Da Vinci hereby releases the District, its governing board, employees and agents (collectively, the “released parties”), from any and all claims, demands, debts, liabilities, and causes of actions of whatever kind or nature which Da Vinci or any of its employees or agents may have, claim to have, or which may hereafter accrue against the released parties or any of them, arising out of or relating to or in any way connected with Hazardous Substances presently in, on or under, or now or hereafter emanating from or migrating onto or under the School Site. In connection with such release, Da Vinci hereby waives any and all right conferred upon it by the provisions of section 1542 of the California Civil Code, which reads as follows:

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

7.6 **Assignment and Subleasing by Charter School.** Except as to the License for Recreational/First Floor Facilities described in Section 1.6, this FUA shall not be mortgaged, pledged, assigned, sublet, encumbered, or transferred by Da Vinci by voluntary act or by operation of law or otherwise, except with the prior written consent of the District, which consent shall not be unreasonably withheld. No such mortgage, pledge, assignment, sublease or transfer shall in any event affect or reduce the obligation of Da Vinci to pay the expenses and Additional Payments required hereunder. Nothing in this FUA is intended to negate Da Vinci’s ability to partner with any other entity for purposes related to Da Vinci’s charitable purposes, including the use of the first floor of the building on the High Schools Property for auxiliary functions.

7.7 **Civic Center Act.** Although Da Vinci shall have primary and the exclusive use of the School Site for school purposes, Da Vinci agrees to make facilities available in the same manner they would be available pursuant to the Civic Center Act (Education Code section 38131 et seq.) in making use of the non-classroom facilities and grounds accessible to members of the community. District shall have primary responsibility for scheduling use of its exclusive-use first floor space.

7.8 **Future Work.** Da Vinci shall be solely responsible for securing the permits, approvals and other entitlements for all Future Work, as it is for the High Schools Facility under the Charter School Facilities Program.

7.9 **Enrollment Preference.** Da Vinci will maintain enrollment preference for District students as described in Da Vinci’s charters. Wiseburn residents will be provided a guaranteed seat at one of the three Da Vinci high schools, but not necessarily their first choice.
ARTICLE 8
DISTRICT’S OBLIGATIONS

8.1 Title to the School Site and High Schools Facility. The District will at all times protect and defend, at its own cost and expense except as described in Section 7.4, the title to the High Schools Facility and School Site from and against all claims, liens, and legal processes of creditors, and keep the High Schools Facility and School Site and the title free and clear of all such claims, liens and processes except for the liens created or expressly permitted by the terms of the Charter School Facilities Program.

ARTICLE 9
INDEMNIFICATION

9.1 Liability of the District. The District and its governing board, officers, agents, and employees shall not be liable to Da Vinci, to the State, or to any other party whomsoever for any death, injury, or damage that may result to any person or property by or from any cause whatsoever in, on, or about the School Site, except with respect to District’s exclusive use space on the first floor of the building at High Schools Property and the swimming pool facilities managed by District.

9.2 Indemnification of the District. Da Vinci shall, at its sole cost and expense with counsel acceptable to the District and, to the full extent then permitted by law, indemnify, protect, hold harmless, save, and keep harmless the District, its assignees, its governing board, officers, employees, and agents, from and against any and all liability, obligations, losses, claims, and damages whatsoever, regardless of the expenses in connection therewith, including, without limitation, reasonable counsel fees and expenses, penalties and interest arising out of or as the result of Da Vinci’s obligations under this FUA, provided, however, that Da Vinci shall not have any obligation to indemnify, hold harmless or defend the District, its trustees, officers, employees and agents against any and all claims, demands, actions, suits, losses, liability, expenses and costs for any injury, death or damage to any person or property, resulting from or arising out of the negligence or malfeasance of the District, its trustees, officers, employees and agents or any person or entity not subject to Da Vinci’s control and supervision. In case any action or proceeding is brought, made or initiated against the District relating to any matter covered by Da Vinci’s indemnification obligation, Da Vinci shall, at its sole cost and expense, resist or defend such claim, action, or proceeding by counsel approved by the District. Notwithstanding the foregoing, the District may retain its own counsel to defend or assist in defending any claim, action, or proceeding, and Da Vinci shall pay the reasonable fees and disbursements of such counsel.

Da Vinci’s obligation to indemnify the District may not be construed or interpreted as in any way restricting, limiting, or modifying Da Vinci’s insurance or other obligations under this FUA, and is independent of Da Vinci’s insurance and other obligations. Da Vinci’s compliance with the insurance requirements and other obligations under this FUA shall not in any way restrict, limit or modify Da Vinci’s indemnification obligations under this FUA.

The indemnification arising under this section shall continue in full force and effect notwithstanding the full payment of all obligations owed to the State under this FUA and the
Funding Agreement, and the termination of this FUA for any reason. Da Vinci and the District mutually agrees to promptly give notice to each other of any claim or liability hereby indemnified against following either’s learning thereof.

9.3 **Indemnification of Da Vinci.** District shall, at its sole cost and expense with counsel acceptable to Da Vinci and, to the full extent then permitted by law, indemnify, protect, hold harmless, save, and keep harmless Da Vinci, its assignees, its governing board, officers, employees, and agents, from and against any and all liability, obligations, losses, claims, and damages whatsoever, regardless of the expenses in connection therewith, including, without limitation, reasonable counsel fees and expenses, penalties and interest arising out of or as the result of any claim arising out of the District’s obligations under this FUA, provided, however, that the District shall not have any obligation to indemnify, hold harmless or defend Da Vinci, its trustees, officers, employees and agents against and from any and all claims, demands, actions, suits, losses, liability, expenses and costs for any injury, death or damage to any person or property occurring on the Site after District delivers possession of the Site to Da Vinci, resulting from or arising out of the negligence or malfeasance of Da Vinci, its trustees, officers, employees and agents or any person or entity not subject to the District’s control and supervision. In case any action or proceeding is brought, made or initiated against Da Vinci relating to any matter covered by District’s indemnification obligation, District shall, at its sole cost and expense, resist or defend such claim, action, or proceeding by counsel approved by Da Vinci. Notwithstanding the foregoing, Da Vinci may retain its own counsel to defend or assist in defending any claim, action, or proceeding, and District shall pay the reasonable fees and disbursements of such counsel.

The indemnification arising under this section shall continue in full force and effect notwithstanding the full payment of all obligations owed to the State under this FUA and the Funding Agreement, and the termination of this FUA for any reason. Da Vinci and the District mutually agree to promptly give notice to each other of any claim or liability hereby indemnified against following either’s learning thereof.

**ARTICLE 10**

**INSURANCE**

10.1 **Insurance Coverage.** Da Vinci shall maintain all insurance coverage described herein. Any future procurement of earthquake insurance or creation of earthquake fund will be addressed between the Parties.

10.2 **Fire and Extended Coverage Insurance.**

10.2.1 **Coverage.** Da Vinci shall procure or cause to be procured and maintain or cause to be maintained, throughout the term of this FUA, upon completion of the High School Facility insurance against loss or damage to any structures constituting any and all parts of the High School Facility by fire and lightning, with extended coverage insurance, vandalism and malicious mischief insurance, sprinkler system leakage, and plate glass insurance. Said extended coverage insurance shall, as nearly as commercially reasonable, cover loss or damage by explosion, windstorm,
riot, aircraft, vehicle damage, smoke, and such other hazards as are normally covered by such insurance. The insurance required by this Section may be maintained as part of or in conjunction with any other insurance maintained by Da Vinci. Full payment of proceeds of such insurance up to the policy limit shall not be contingent on the degree of damage sustained at other facilities owned or leased by Da Vinci.

10.2.2 Amount. Such insurance shall be in an amount equal to the replacement cost (without deduction for depreciation) of all structures constituting any part of the High Schools Facility, excluding the cost of excavations, of grading and filling, and of the land (except that such insurance may be subject to deductible clauses for any one loss of not to exceed $50,000). The policy must explicitly waive any co-insurance penalty.

10.2.3 Repair or Replacement of High Schools Facility. In the event of any damage to or destruction of any part of the High Schools Facility caused by the perils covered by such insurance, Da Vinci, except as hereinafter provided, shall cause the proceeds of such insurance to be utilized for the repair, reconstruction, or replacement of the damaged or destroyed item or items to at least the same good order, repair, and condition as they were in prior to the damage or destruction, insofar as the same may be accomplished by the use of said proceeds.

10.2.4 Federal Disaster Relief. Da Vinci shall promptly apply for Federal disaster aid or State of California disaster aid in the event that the High Schools Facility is damaged or destroyed as a result of an earthquake occurring at any time. Any proceeds received as a result of such disaster aid shall be used to repair, reconstruct, restore, or replace the damaged or destroyed portions of the High Schools Facility, with any excess proceeds being returned to Da Vinci.

10.2.5 Property Insurance. District shall maintain, for the duration of this FUA, all-risk real property coverage adequate to cover the replacement cost of all buildings on the School Site and the Existing Facilities which Da Vinci charter schools are occupying. Da Vinci shall be solely responsible for obtaining adequate personal property or contents insurance for Da Vinci's personal property located on the School Site and at the Existing Facilities. In addition, Da Vinci is solely responsible for insuring its building improvements. District shall be solely responsible for obtaining adequate personal property or contents insurance for District's personal property located on the School Site and Existing Facilities.

10.3 Public Liability and Property Damage Coverage.

10.3.1 Coverage: General & Excess Liability. Da Vinci, at its expense, shall procure and maintain throughout the term of this FUA General Liability coverage with a minimum per occurrence limit of $10,000,000 and the
deductible/self-insurance retention shall not exceed $50,000. The coverage shall name as additional insured/additional covered party the District, its elected or appointed officials, employees, agents and volunteers. The policy or policies shall provide that this insurance shall be primary with respect to any liability or claimed liability arising out of the performance or activities by Da Vinci under this FUA or Da Vinci’s use of the School Site and Existing Facilities, and that any insurance procured by the District, its elected or appointed officials, employees, agents and volunteers shall be excess and shall not be called upon to contribute until the limits of the insurance provided hereunder shall be exhausted.

10.3.2 Automobile Insurance. Da Vinci shall maintain automobile liability insurance, including non-owned and hired coverage with a minimum per accident limit of $10,000,000 for any injuries to persons (including death therefrom) and property damage in connection with Da Vinci’s activities under this FUA.

10.3.3 Workers’ Compensation Insurance. Da Vinci is to procure and maintain, for the duration of this FUA, Workers’ Compensation coverage against claims for injuries to Da Vinci’s employees in accordance with such insurance as required by the State of California Labor Code and Employers Liability coverage. Da Vinci shall maintain workers’ compensation coverage covering all Da Vinci employees working on the Project and at the School Site in the amounts as required by law. Such insurance may be maintained by Da Vinci as part of or in conjunction with any other insurance maintained by Da Vinci.

10.4 General Provisions.

10.4.1 Form of Policies. All coverage contracts required by this FUA (except for workers compensation coverage) shall name both the District and the State as additional insureds. All policies of insurance required by this Article shall provide that all proceeds thereunder shall be payable to the State and the District pursuant to a lender’s loss payable endorsement substantially in accordance with the form approved by the Insurance Services Office and the California Bankers Association. The State and the District shall collect, adjust, and receive all moneys that may become due and payable under any such policies.

10.4.2 Payment of Premiums. Da Vinci shall pay when due the premiums for all insurance policies required by this FUA, and shall promptly furnish evidence of such payments in the form of a certificate of insurance to the District and the State.

10.4.3 Evidence of Insurance. Da Vinci will deliver to the District and the State in the month of August in each year a Statement of Da Vinci certifying that such policies satisfy the requirements of this FUA, setting forth the
insurance policies then in force pursuant to this Article, the names of the insurers that have issued the policies, the amounts thereof, and the property and risks covered thereby. If so requested in writing by the District or the State, Da Vinci shall also deliver to the District or the State certificates or duplicate originals or certified copies of each insurance policy described in Da Vinci’s officer’s certificate. Da Vinci and/or Da Vinci’s insurer shall notify District of any non-renewal, cancellation, or reduction in required limits of liability or amounts of insurance immediately.

10.4.4 Reserves Against Deductibles. Da Vinci shall provide adequate reserves to fund the amount of any deductible allowed under this Article.

10.4.5 Cooperation. In the event Da Vinci shall fail to maintain the full insurance coverage required by this FUA or shall fail to keep the High Schools Facility or School Site in good repair and operating condition, the District may (but shall be under no obligation to) purchase the required policies of insurance and pay the premiums on the same or may make such repairs or replacements as are necessary and provide for payment thereof; and Da Vinci agrees to reimburse the District all amounts so advanced within thirty (30) days of a written request therefor.

10.4.6 Notice. Da Vinci shall immediately notify the District and the State, in writing, if any damage occurs or any injury or loss is sustained to all or part of the High Schools Facility, or any material action or proceeding relating to any damage, injury, or loss therein is commenced. The District and the State may, but shall not be obligated to, in its own name appear in or prosecute any action or proceeding to enforce any cause of action based on warranty, or for damage, injury or loss to all or part of the High Schools Facility, and may make any compromise or settlement of any action or proceeding; provided, however, that no compromise or settlement that materially affects Da Vinci shall be entered into or agreed to without Da Vinci’s prior written consent, which consent shall not be unreasonably withheld.

10.5 Proof of Insurance. Da Vinci shall furnish the District, upon request, with original certificates and amendatory endorsements effecting coverage required by this FUA, including, but not limited to additional insured language set forth above. All certificates and endorsements are to be received and approved by the District before commencement of any activities under this FUA. However, failure to do so shall not operate as a waiver of these insurance requirements. The District reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by this FUA at any time.
ARTICLE 11
DEFAULT AND REMEDIES

11.1 Events of Default and Remedies. In the event the District believes that Da Vinci is not in compliance with any law or regulation material to Da Vinci's performance of the terms and conditions of this FUA, District may give written notice to Da Vinci, which shall specify in such detail as may be known, the nature of the non-compliance and which may suggest steps constituting cure. Da Vinci shall have a reasonable period to correct or take steps to prevent recurrence of any material non-compliance, not to exceed one year. Da Vinci shall provide the District a written response to any notice given under this paragraph. After receipt of such response or expiration of the cure period, the District shall hold a noticed public hearing regarding the alleged default, and provide Da Vinci an opportunity to be heard at such hearing prior to any declaration of default. Following such hearing, District shall issue written findings supporting its determination that the default has been satisfactorily cured, or may issue conditions to be met to effectuate a cure, or may declare Da Vinci in default as to one or more matters. A declaration of default may apply solely to a single Da Vinci charter school, or to more than one. In the event a single charter school is in default, this FUA shall not be terminated as to any other Da Vinci school.

It is further the intent of the parties that these provisions shall be interpreted to relate to compliance with the terms of the FUA and are not intended to supersede or supplant any revocation proceedings prescribed by the California Charter Schools Act and applicable regulations as to the status of any charter.

ARTICLE 12
DAMAGE AND DESTRUCTION OF SITE

12.1 Partial Damage. If the High Schools Facility or School Site is damaged by any casualty which is covered by applicable insurance, and Da Vinci still has access to at least sixty percent (60%) of the usable classroom space, then the High Schools Facility or School Site shall be restored provided insurance proceeds are available to pay for the cost of restoration, and provided such restoration can be completed within one hundred eighty (180) days after the commencement of the work in the opinion of a registered architect or engineer approved by District. In such event, this FUA shall continue in full force and effect. If feasible, the District and Da Vinci will work together to provide temporary housing on the High Schools Facility or School Site, or another school site that is near to the High Schools Facility or School Site for any part of Da Vinci program that is displaced by the partial damage and/or the repair work of the same.

12.2 Total Destruction. If the High Schools Facility or School Site is totally destroyed (defined as the destruction of more than forty percent (40%) of the usable classroom space), or the High Schools Facility or School Site cannot be restored as required herein, notwithstanding the availability of insurance proceeds, then this FUA may be terminated by mutual consent, effective as of the date of the damage. Any insurance proceeds payable for the
High School's Facility, received by Da Vinci, District, or any additional insured must be used toward restoration of the High Schools Facility or School Site, and/or alternative housing for Da Vinci's school programs. Immediately upon the effective date of the damage, the District will comply with Proposition 39 and provide a school facility to Da Vinci as soon as possible so as to avoid any interruption in the educational program of Da Vinci, with the understanding that if the cause of the destruction is a natural disaster, or similar, which affects other District sites, it may not be feasible to provide facilities immediately.

12.3 **Condemnation.** If all or any part of the High Schools Facility or School Site shall be taken or appropriated for public or quasi-public use by right of eminent domain, with or without litigation, then Da Vinci shall have the right at its option exercisable within thirty (30) days of receipt of notice of such taking to terminate this FUA as of the date possession is taken by the condemning authority, provided, however, that before Da Vinci may terminate this FUA by reason of taking or appropriation as provided hereinabove, such taking or appropriation shall be of such an extent and nature as to impede or impair Da Vinci’s use of more than fifty percent (50%) of the classroom space at the High Schools Facility or School Site. Da Vinci does not waive any award to which it might be entitled which may be made in such taking or condemnation (specifically excluding any claim arising out of a claim in right, title, or interest to the High Schools Facility or School Site, or any fixtures, improvements or appurtenances thereto), together with any and all rights of Da Vinci now or hereafter arising in or to the same or any part thereof except that nothing in this provision shall create any obligation on the part of the District to pursue any such claim on behalf of Da Vinci. No temporary taking (defined as a taking of less than one hundred eighty (180) days of the High Schools Facility or School Site and/or of Da Vinci’s rights therein or under this FUA) shall terminate this FUA.

**ARTICLE 13**

**DISPUTE RESOLUTION**

13.1 **Dispute Resolution.** Only as to the dispute relates to Prop 1D rehabilitation, disputes between Da Vinci and the District regarding the alleged violation, misinterpretation, or misapplication of this FUA shall be resolved using the dispute resolution process identified below. The party initiating the dispute resolution process shall prepare and send to the other party a notice of dispute that shall include the following information: (1) the name, addresses and phone numbers of designated representatives of the party; (2) a statement of the facts of the dispute, including information regarding the parties' attempts to resolve the dispute; (3) the specific sections of the FUA that are in dispute; and (4) the specific resolution sought by the party. Within five (5) days from receipt of the notice of dispute, the representatives from Da Vinci shall meet with representatives from the District in an informal setting to try to resolve the dispute.

If the informal meeting fails to resolve the dispute, the party initiating the dispute resolution process shall notify the other party (the responding party) in writing that it intends to proceed to mediation of the dispute and shall request the American Arbitration Association to appoint a mediator within seven (7) days to assist the parties in resolving the dispute. The initiating party shall request appointment of a mediator who is available to meet as soon as possible but not later than thirty (30) days after receipt of the request for appointment. If the American Arbitration Association is unavailable to appoint a mediator in a timely fashion, then the parties shall agree
upon a mediator. The party initiating the dispute shall forward a copy of the notice of the dispute to the appointed mediator. The responding party shall file a written response with the mediator and serve a copy on the initiating party within seven (7) days of the first scheduled mediation. The mediation procedure shall be entirely informal in nature; however, copies of non-privileged exhibits, or exhibits which are not otherwise protected by any right, upon which either party bases its case shall be shared with the other party in advance of the mediation. The relevant facts should be elicited in a narrative fashion to the extent possible, rather than through examination and cross-examination of witnesses. The rules of evidence will not apply and no record of the proceedings will be made. If an agreement is reached, the agreement shall be reduced to writing and shall be signed by the District and Da Vinci.

This dispute resolution procedure shall not apply to any request for equitable or injunctive relief prior to the mediation to preserve the status quo pending the completion of that process. Except for such an action to obtain equitable or injunctive relief, neither party may commence a civil action with respect to the matters submitted to mediation until after the completion of the initial mediation session, or forty-five (45) days after the date of filing the written request for mediation, whichever occurs first. Mediation may continue after the commencement of a civil action, if the parties so desire.

**ARTICLE 14**

**PROVISIONS OF GENERAL APPLICABILITY**

14.1 **Effective Date.** This agreement becomes effective upon the approval of and execution by the respective Boards as identified on Page 1 of this FUA.

14.2 **Incorporation of Recitals.** The recitals set forth above, and all defined terms set forth in such recitals and in the introductory paragraph preceding the recitals, are hereby incorporated into this FUA as if set forth in full.

14.3 **Notices.** All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, to:

- **District:** Wiseburn Unified School District
  13530 Aviation Boulevard
  Hawthorne, CA 90250
  Attn: Superintendent

- **Da Vinci:** Da Vinci Schools, Inc.
  Attn: Chief Executive Officer

The District and Da Vinci may, by notice given hereunder, designate any further or different address to which subsequent notices shall be sent.

14.4 **Successors and Assigns.** Whenever in this FUA either the District or Da Vinci is named or referred to, such reference shall be deemed to include the successors or assigns thereof,
and all the covenants and agreements in this FUA contained by or on behalf of the District or Da Vinci shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

14.5 Effect of Headings. The headings or titles of the several Articles and Sections hereof shall be solely for convenience of reference and shall not affect the meaning, construction, or effect of this FUA.

14.6 Validity and Severability. If any one or more of the provisions contained in this FUA shall for any reason be held to be invalid, illegal, or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this FUA and such invalidity, illegality, or unenforceability shall not affect any other provision of this FUA, and this FUA shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The District and Da Vinci hereby declare that they would have adopted this FUA and each and every other section, paragraph, sentence, clause, or phrase hereof irrespective of the fact that any one or more sections, paragraphs, sentences, clauses, or phrases of this FUA may be held illegal, invalid, or unenforceable.

14.7 Attorneys' Fees. If suit is brought by either party to this FUA to enforce any of its terms, each party shall bear their own attorney's fees and costs.

14.8 Entire Agreement, Waivers and Amendments. This FUA supersedes all negotiations and previous agreements between the parties with respect to all or part of the terms and conditions of this FUA. All waivers of the provisions of this FUA must be in writing and signed by an appropriate representative of the party to be charged. The waiver by either party of any breach, term, covenant or condition contained in this FUA shall not constitute a waiver of any subsequent term, covenant or condition contained herein. Any amendment or modification to this FUA must be in writing and executed by all of the parties hereto.

14.9 Interpretation; Governing Law. This FUA shall be construed according to its fair meaning and as if prepared by both parties hereto. This FUA shall be governed by and construed in accordance with the laws of the State of California.

14.10 Execution in Counterparts. This FUA may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]
IN WITNESS WHEREOF, the District and Da Vinci have caused this FUA to be executed by their duly authorized officers, all as of the date first above written.

THE DISTRICT: WISEBURN UNIFIED SCHOOL DISTRICT
By: [Signature] Date: 5/13/15
Title: Superintendent

DA VINCI: DA VINCI SCHOOLS
By: [Signature] Date: 5/13/15
Title: CEO
**Exhibit E: Da Vinci High Schools Scorecard for Lease Renewal**

5/4/15 (Version 6)

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Rating</th>
<th>Maximum Points</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>WASC Accreditation</strong></td>
<td>Failure to core-accredit default in allowed period means Da Vinci is in &quot;Default&quot; with WUSD.</td>
<td>Accreditation = 20 points; No Accreditation = 0 points</td>
</tr>
<tr>
<td><strong>Financial Health</strong></td>
<td>An Unqualified Audit Report.</td>
<td>Unqualified Opinion = 20; Qualified Opinion = 10; Adverse Opinion = 0</td>
</tr>
<tr>
<td><strong>Net Promoter Score</strong></td>
<td>&quot;Would you recommend Da Vinci (name of high school) to a friend or family member?&quot; 0 → 10 point rating scale</td>
<td>&gt; 40 = 15 points; 30 - 39 = 12 points; 20 - 29 = 10 points; 11 - 19 = 5 points; &lt; 10 = 0 points</td>
</tr>
<tr>
<td><strong>LCAP Process</strong></td>
<td>Da Vinci High Schools develop an annual Local Control Accountability Plan that provides transparency and stakeholder participation for the process of identifying budget goals/priorities and prudent use of resources.</td>
<td>Completed Annual LCAP Process - 15 Points; Incomplete LCAP Process - 0 Points</td>
</tr>
<tr>
<td><strong>School Excellence</strong></td>
<td>1. A-G above 90% (3) 2. Four-year college acceptance rate: &gt; 67% = 3; &gt; 60% = 2; &gt; 55% = 1; &lt; 55% = 0 (3) 3. SBAC/EAP = TBD (3) 4. State Accountability Score (Similar School Ranking) = TBD (3) 5. Attendance rate: &gt; 95% = 3; &gt; 90% = 2; &gt; 88% = 1; &lt; 88% = 0 (3)</td>
<td>TBD: 15</td>
</tr>
<tr>
<td><strong>Wiseburn Resident Enrollment</strong></td>
<td>If Resident Dana graduate enrollment rate declines below 65% combined for all three high schools, WUSD and Da Vinci to form joint committee to explore why more Resident Dana graduates are not attending Da Vinci.</td>
<td>&gt; 65% = 15 points; 60 - 64 = 12 points; 55 - 59 = 10 points; 50 - 54 = 5 points; 0 - 49 = 0 points</td>
</tr>
</tbody>
</table>

**Notes:**
1. Loss of WASC accreditation puts Da Vinci in immediate default.
2. 3-year average of less than "70" points puts Da Vinci in default.
3. Any default with WUSD must be cured by Da Vinci within 1 year.
4. Measurements to be done annually for criteria 2-6.
5. The Scorecard will be reviewed on an annual basis and may be amended, if necessary. This would help to ensure that the criteria do not become outdated over time.
EXHIBIT E
Wiseburn Da Vinci Magna Carta

Vision and Philosophy Statement
The relationship between the Wiseburn Unified School District (WUSD) and Da Vinci Schools (DV) can best be described as a partnership built on trust, integrity and mutual support, with a mission-aligned focus on doing what is in the best interest of students and the families we serve. WUSD and DV are highly cooperative, collaborative, and highly inter-dependent, but the DV charter schools operate as independent charter schools to take advantage of a high degree of flexibility and creative opportunities available in the charter world. Both organizations subscribe to the basic tenet that in working together, the whole is greater than the sum of its parts and that none of us is as smart as all of us. The purpose of this Memorandum of Understanding (“Magna Carta”) is to set forth WUSD and DV’s agreement regarding their relationship.

Our relationship is based on the following foundational elements:

- All students are well-known by staff and valued for their unique contributions.
- Our schools, from preschool through 12th and beyond, prepare our students for the world they will inherit through student ownership of learning, learning by doing, and by engaging in meaningful real-world learning experiences, so that all students are college-ready, career-prepared, and community-minded.
- Our school cultures are thoughtfully crafted and we believe in the value of small learning communities.
- We do not engage in activities or pursue outcomes that diminish or hurt either organization.
- Information between WUSD and DV will always be shared in a transparent system for data and communication.
- We embrace diversity in all of its forms and consider it to be one of our greatest strengths.
- Students and staff embrace a culture of continuous improvement and a growth mindset through creative problem solving, in search of the best ways to serve students. We will vigilantly remain student focused. Adult issues will not alter or distract from the agenda, mission and vision.
- We are not an insulated school system; rather we share our knowledge out to all other schools.
- We will maximize opportunities to share best practices, integrate when desired, and every level of our organizations will reach out and take advantage of opportunities to better serve children.
- Both organizations respect the unique community, and the student and employee political pressures of both organizations. Leadership in both organizations communicate often, openly and empathetically about each other’s political needs and find mutually beneficial solutions.
- We hire great people and get out of the way, which allows them to share and continuously improve their talents.
- We exist as a partnership to serve students to the very best of our individual and collective abilities.
- We believe schools can make a profound difference in the lives of children, the community, employers, and future workforce.
• People are our strength.
• We take responsibility for our actions and our outcomes.
• We all take responsibility for a culture of decency, respect and trust.
• If we are not improving, we are falling behind.
• We create conditions in which staff and students can do their very best work.
• Communication and collaboration are at the heart of our organizations.
• Integrity, both collectively and individually, is at the core of how we conduct ourselves.
• We are humble stewards of our organization's resources.
• We are committed to learning by doing in real-world contexts.
• We are committed to getting students to and through college, and into careers at a good wage. As such, we distinguish our college and industry partners as critical supporters, as we both mutually benefit from preparing our students for the world they will soon inherit.
• We minimize our impediments and their impact by being contemplative, reflective, and collaborative.
• We use technology to help solve problems and transcend barriers, and to assist students in engaging and preparing them for the future.

Governance Overview
This section of the Magna Carta is designed to establish the broad outline of a governance structure that will best serve students by leveraging the benefits of both a traditional district structure under an elected Board of Trustees and an independent charter school structure under a 501(c)(3) Board of Trustees that is authorized by the elected WUSD Board. The 2014 unification of WUSD indicates the intent to provide local educational resources for students from preschool through grade 12. Significantly, the unification process resulted in relieving WUSD residents of any future tax burden of facilities bonds in the Centinela Valley Union High School District. The 2009 inception of Wiseburn 21st Century Charter Schools, which became the Da Vinci Schools, was the initial attempt to provide an educational option for WUSD students beyond the eighth grade. The remarkable success of the DV led both Boards of Trustees to determine that the charter schools option was the best path forward for providing a high quality, project-based, 21st Century learning environment for high school students in WUSD and beyond. The three DV high schools each have a particular area of focus: Da Vinci Science, Da Vinci Design, and Da Vinci Communications. Each school is designed as a small learning community in which all students are known and valued. The intent is to bring all three high schools onto the Wiseburn campus at 201 N. Douglas in El Segundo, with each independent charter school occupying a single floor. In alignment with the small learning communities philosophy, each school will have a unique administrative unit and will conduct its own graduation.

The DV and WUSD boards are aligned in the philosophy of the mission, vision and curriculum of the K-12 program. The DV Board will maintain responsibility for oversight of the core instructional program, educational philosophy and culture of the DV schools. WUSD and DV will work collaboratively to take advantage of opportunities to articulate, complement and build on the strengths of the K-8 and 9-12 instructional programs.

Board Structure/Governance
The DV Board of Directors shall be comprised of seven members. Each member is elected by the DV Board and confirmed by the WUSD Board. Each DV Board member shall serve a term of three years. The terms of the DV Board members will run in staggered years, with a class of three members ending in one year, a class of two ending in the subsequent year, and a class of
two members ending in the next subsequent year. For purposes of clarity, this means that every year either two or three members conclude their previous three-year term and those seats begin their new three-year term cycle.

DV Board Members can be elected to an unlimited number of terms.

Two of the seven members of the DV Board shall also be current and concurrent members of the WUSD Board, designated by the WUSD Board by WUSD Board majority vote, to serve on the DV Board, and will be confirmed by the DV Board at the next regularly scheduled DV Board meeting in accordance with DV’s bylaws. These WUSD Board appointees shall satisfy DV’s obligation, pursuant to Education Code Section 47604(b), to provide for a representative of its authorizer on the Board of DV. If at any time there are fewer than two current WUSD members on the DV Board, and there is a vacancy on the DV Board, the DV Board will notify the WUSD Board of such vacancy or vacancies. The WUSD Board has the option of designating one of its current Board Members to serve on the DV Board, up to a maximum of two members, when vacancies arise. The process for WUSD to designate shall be the WUSD Board selecting its prospective DV Board designees, presenting those candidates to the DV Board for DV Board election, and the DV Board electing those candidates. Such election will not be unreasonably withheld by the DV Board. Under no circumstances will there ever be more than two WUSD Board Members on the DV Board. Whenever a vacancy on the DV Board occurs, for the WUSD Board Representative seats, the WUSD Board must designate a sitting WUSD Board member to serve within 30 days of receipt of notification from DV of said vacancy. The WUSD Board shall adopt a Board Policy at a future board meeting establishing such positions and process for designation; so as to ensure that representation by the WUSD Board on the DV Board is always maintained. If the WUSD Board fails to designate a current member of the WUSD Board for ation within 30 days of notification of vacancy and eligibility by the DV Board, the DV Board may nominate and elect a non-WUSD Board member, however the DV Board must maintain three WUSD residents. Once a future vacancy on the DV Board occurs, the option for WUSD Board designation reopens. At any time that a WUSD Board Member resigns, is removed, voluntarily leaves, involuntarily leaves, or otherwise is no longer a current member of the WUSD Board, that person shall automatically and immediately also be ineligible to continue on the DV Board as a WUSD representative, regardless of the reason or method by which that person ceased being a member of the WUSD Board and a vacancy will occur.

In addition to the maximum of two WUSD Board Members that may be serving on the DV Board, one additional DV Board member, at minimum, shall be a continual resident within the geographical boundaries of WUSD. If at any time there are not a minimum of three current WUSD residents on the DV Board, the next DV Board vacancy will be filled with a WUSD resident.

The process for electing new DV Board Members who are not the WUSD Board appointees shall be, first, nomination by the DV Board or a nominating committee empowered by the DV Board. Second, confirmation of said nomination by the WUSD Board, which confirmation will not be unreasonably withheld. If such confirmation is not acted upon within 30 days of DV nomination, the right of the WUSD to confirm that DV Board member will expire and no longer apply for the candidate under consideration. Once a DV nominee or Board member has been confirmed by the WUSD Board, or becomes a DV Board member because the WUSD Board did not act upon his or her confirmation, that DV Board Member will never be subject to or require WUSD Board
confirmation again during his or her continuous tenure on the DV Board. Once confirmed, or once the available confirmation window of 30 days has expired, that DV Board Member or nominee will be eligible to be elected as a DV Board Member for an unlimited number of consecutive terms. Only when the DV Board has formally elected or re-elected a new or existing Board member will that member be a member of the DV Board of Directors.

Wiseburn Unified School District Da Vinci Schools Governing Organizational Chart

Wiseburn Unified School District Pre-K - 12th Grade Continuum of School Options

Pre-K  TK/K  1  2  3  4  5  6  7  8  9  10  11  12 →

- CDC Boost
  - Anza Elementary (TK-5)
  - Cahuilla Elementary (TK-2)
  - De Vinci Innovation Academy (K-9 Home School Hybrid Independent Charter)

- Dana (6-9)
  - De Vinci Communications (9-13 Independent Charter)

- De Vinci Design (9-12 Independent Charter)

* De Vinci Schools are independently governed and operated charter schools.
For every instance where the WUSD Board denies five consecutive DV Board member nominations, DV can then elect one DV Board member without WUSD confirmation.

If the number of DV Board members comprising the DV Board is ever expanded or contracted, the WUSD Board will be consulted, and the terms of this section reconsidered, subject to mutual agreement of the WUSD Board of Trustees and DV Board of Directors.

Joint Meetings
Joint meetings of the WUSD Board of Trustees and the DV Board of Directors will take place at least twice annually to discuss matters pertaining to the high schools, Da Vinci Innovation Academy, and any potential future growth of the DV. These meetings will be calendared as part of the December organizational meeting of each Board. Agenda items may include issues of governance, alignment, finance, common programs, and provide an opportunity for community input. Joint meetings will also serve to guide the renewal process for all DV charters, consistent with state law and regulations (see charter renewal process, below). WUSD and DV may hold additional joint meetings as they deem appropriate.

Student Enrollment
DV holds public random drawings for admission to its three charter high schools, after exempting currently enrolled students, their siblings and children of teachers, staff, Board members and school founders, as set forth in the charters of DV schools. In addition, DV charters provide and will continue to provide for a preference for residents of WUSD.

DV will provide guaranteed enrollment for all WUSD residents in one of the three high schools who apply to attend, but DV does not guarantee in which of the three high schools a student will be placed. In order for WUSD residents to take advantage of this enrollment guarantee they must include on their application for attendance their order of preference including all three DV high schools. (This requirement will be clearly stated on the DV attendance application.) DV will continue to be solely responsible for the student enrollment process and staffing. This enrollment guarantee will be implemented when there are more applicants to attend one or more DV high schools than there are spaces through a preference for all WUSD resident applicants in the public random drawing such that all WUSD residents are granted enrollment in at least one of the DV high schools before any non-WUSD residents are admitted pursuant to the public random drawing. Should a WUSD resident apply to attend a DV high school after the end of the open enrollment period and/or after any required public random drawing has been held for attendance for the applicable year, DV shall offer such WUSD resident a space at one or more of the DV high schools (though not necessarily the DV high school that the student prefers) without regard to whether any or all of the DV high schools were at “capacity” for that year, and without regard to whether there are students who are not WUSD residents on a waiting list for that year. WUSD will reasonably cooperate to ensure that physical capacity is available to house such students.

Enrollment preference at DV high schools for students who are attending WUSD schools on permit and are matriculating to high school will be implemented in the order specified in the DV charters, which, as of the Effective Date of this Magna Carta, provide:

DA VINCI HIGH SCHOOLS In accordance with applicable law, the following groups of students will be exempted from the lottery:
1. Students who are currently enrolled at a Da Vinci School from grades 9-11 of the previous school year, or high school students who have not yet graduated.

2. Residents of the District.

3. Children of any Da Vinci or Wiseburn teachers, staff, Board members and school founders (the latter defined as any parent involved in the founding of the school that volunteered at least 75 hours toward the creation of the school), not to exceed 10% of enrollment.

Da Vinci Communications, along with Design and Science will offer the following admissions preferences:

1. Students who are currently attending Wiseburn K-8 schools on permit (entered district in K-5) or currently attending Da Vinci Innovation Academy since elementary school (entered charter in K-5).

2. Students who are currently attending Wiseburn K-8 schools on permit (entered district in 6th grade) or currently attending Da Vinci Innovation Academy since 6th grade (entered charter in 6th grade).

3. Students who are currently attending Da Vinci Innovation Academy in 7th or 8th grade (entered charter in 7th or 8th grade).

4. Siblings of students currently enrolled at a Da Vinci School from grades 9-11 of the previous school year.

Potential Charter Expansion
As an independent charter organization, DV has the right to expand its operations beyond the WUSD boundaries. Any expansion must be accomplished with careful consideration of how it might impact the available resources at current DV schools operating within WUSD. Any new school startup, or any DV activity that is not directly related to the operation of the DV schools that are within WUSD boundaries, may not use any ADA funding that is generated from the DV charter schools operating within Wiseburn, unless the use of such funds for the purpose of opening a new school is specifically approved by the WUSD Board. It is the sole discretion of the DV Charter Board to make a determination whether to open additional schools outside of the WUSD attendance boundaries. Potential expansion of DV Schools beyond the boundaries of WUSD may be accomplished in accordance with state law with either WUSD or another authorizer—with WUSD offered the first right of refusal for authorization to the extent that WUSD may legally oversee the type of school proposed to be located outside of WUSD’s boundaries. Prior to DV submitting a charter for a proposed DV school to be located outside the boundaries of WUSD, DV shall adopt financial policies which specify the manner in which funds, costs, employees, and services will be managed, shared, and accounted for among the DV charter schools that are in operation as of the date of execution of this Magna Carta and the proposed new school.

Charter Renewal Process
The charter renewal process is best characterized as one that is collaborative, where all needs are fully disclosed and discussed, with the goal to ensure a strong and sustainable school program. Both WUSD and DV commit to ensuring that each DV charter petition meets all legal requirements. A primary focus of the renewal process is to mutually safeguard the rights of both organizations and ensure that all decisions continue to be based on what is best for our students.
At the time of charter renewals, the District’s determination of whether Da Vinci Design, Science, Innovation or other District-authorized Da Vinci charter schools meet the legal standard of academic performance necessary for charter renewal shall be based upon the criteria set forth in Exhibit A, provided that increases in pupil academic achievement for all groups of pupils served by each charter school shall be considered the most important factor in any renewal to the extent required by the Charter Schools Act. These criteria and standards shall be incorporated into each charter petition upon approval of the Magna Carta, and may be reflected in the charters as a non-material amendment by DV. Pursuant to Education Code section 52052(c)(4)(c), the “scorecard” in Exhibit A sets forth the local student achievement measures for charter renewal agreed upon by both the District and the Da Vinci schools prior the renewal process, so that Da Vinci Schools can gather acceptable assessment data for review. The criteria in Exhibit A reflect the state’s eight priorities under the Local Control Funding Formula and are aligned with the schools’ goals. Da Vinci will submit all data necessary for the District to complete the “scorecard” annually. The District and Da Vinci schools have jointly determined that a 3-year average score of at least 70 out of 100 points on these criteria will mean that the school has met the academic performance criteria necessary to be considered for renewal consistent with Education Code section 47607(b)(1) and Education Code section 52052(c)(4)(c).

The WUSD Board hereby delegates to the Superintendent or designee and the DV Board of Directors hereby delegates to the CEO or designee the authority to extend or revise all deadlines and timelines related to renewal set forth in this Magna Carta as well as to extend the timelines for WUSD Board action in accordance with California Code of Regulations, Title 5, Section 11966.4.

WUSD and DV agree that the charter renewal process for each DV charter will begin with an informal, cooperative process mutually implemented by WUSD and DV by no later than April 1 preceding the school year during which the current charter term will expire to provide for an adequate timeline to address all issues and take action on the renewal request. The CEO will discuss potential changes to the charter petition and begin drafting language with “track changes” or other redlining systems that will allow both entities to see all changes made from the current charter. Both organizations should obtain any documentation on new legal charter petition requirements since the last petition was approved.

- The CEO or designee will share potential changes to the current charter(s) based on these new legal requirements, academic changes, and any petition elements with the Superintendent by no later than April 1. Along with the Deputy Superintendent, the DV CEO or designee will identify potential programmatic and political issues and concerns. Both organizations will identify and share potential changes to the proposed petition. Both WUSD and DV will submit proposed changes to one another by May 1 for incorporation in the draft charter.

- DV will endeavor to submit a draft charter petition to the Superintendent/WUSD Trustees by June 15.

- WUSD will endeavor to review the draft charter petition and propose any changes by August 1.
• While both organizations will seek legal review of the charter petition document, it is the intent of the parties that this review will reflect the positive, mutually supportive and highly interdependent relationship between WUSD and DV. To this end, both organizations will instruct legal counsel to avoid an adversarial tone and proceed with a collaborative win/win process.

• Prior to formal submission of the charter renewal petition for action by WUSD, the Superintendent, Deputy Superintendent and CEO, or CEO designee, will discuss any/all changes and determine recommended solutions to resolve any outstanding issues regarding the draft charter petition. Unless otherwise specifically agreed in writing by the WUSD Superintendent or designee and the DV CEO or designee, all of the steps set forth in this discussion of the Charter Renewal Process, through and including this step, are informal procedures voluntarily agreed to by WUSD and DV pursuant to this Magna Carta and do not constitute the submission or receipt of a petition for renewal of a charter or start the statutory or regulatory timelines for WUSD Board action on the renewal request, as those terms and timelines are described in the Charter Schools Act or its implementing regulations, including, but not limited to, California Code of Regulations, Title 5, Section 11966.4 or any successor regulation. The parties agree that DV will not formally submit a charter for renewal in accordance with California Code of Regulations, Title 5, Section 11966.4 or any successor regulation or statute until the above-described informal process has been substantially complied with.

• DV shall endeavor formally to submit renewal charter petitions which have been circulated, reviewed, and revised by the parties in draft form, as described above, to WUSD by no later than September 15 of the school year prior to expiration of the charter for action by WUSD’s Board. Upon such submission to WUSD, the WUSD Board will receive the petition, hold a public hearing on the terms of the petition, and take action on the renewal request, and comply with any and all other legal requirements for consideration and action on a charter renewal request.

• WUSD shall provide timely notification to the California Department of Education of the action on each renewal charter in accordance with Education Code Section 47604.32(e) and the implementing regulations.

Marketing, Branding and Naming
Each party to this Magna Carta is responsible for managing the overall marketing and branding for their respective organizations and shall not use the other’s name or logo in publications, letterhead, websites, social media, advertisements, or other media without the prior consent of the other party. Furthermore, each party shall be responsible for ensuring that accurate and complete information is disseminated at all times regarding governance structure and decision-making authority for their respective organization.

All joint activities that include all three high schools will be co-branded as Wiseburn-Da Vinci. This provides unity of effort for the joint activities of the three high schools and also provides name recognition for the community of Wiseburn. In accordance with official action taken by the WUSD Board at the February 21, 2013 Board meeting, the official name of the new high school facility will be Wiseburn High School.
All activities of the individual high schools will be branded as Da Vinci Design High School, Da Vinci Science High School or Da Vinci Communications High School. This provides clarity that each school is set up as an independent charter school and is a Local Education Agency with a unique County/District/School (CDS) code. To provide further clarity, Wiseburn High School is the name of the facility that will exclusively house the three Da Vinci High Schools. Students will enroll in one of the three high schools within the facility.

WUSD and DV agree to abide by these marketing, branding and naming guidelines.

Human Resources
The human resources departments for each organization operate autonomously and independently. WUSD and DV agree to have at least one representative from each organization participate in the hiring process of key personnel of the other organization, including Superintendent, Deputy Superintendent, DV Chief Executive Officer, and Chief Financial Officer. Employees of one organization who choose to seek employment in the other organization will need to participate in the established hiring and selection process. If a DV employee is seeking employment in WUSD, he/she must resign from DV before accepting employment in WUSD. If a WUSD employee is seeking employment at DV, he/she must resign or request a leave of absence from WUSD, which leave may be granted or denied by WUSD in WUSD’s sole discretion, before accepting employment at DV.

In a limited number of cases, there will be employees who serve both organizations, such as the Deputy Superintendent and the music teacher. In these cases, the employee will be hired and compensated by WUSD. DV will be invoiced for compensation and benefits for the appropriate share of the costs. Prior to any WUSD employee providing such services to DV, WUSD and DV will agree on the services to be provided and the means of calculating DV’s share of the costs. The WUSD Board shall preapprove any WUSD employee providing such services to DV as such approval may be required by Government Code Section 1126 and/or District Board Policy or Administrative Regulation. The WUSD Board hereby specifically approves the District’s Deputy Superintendent and music teacher(s) to provide joint services to DV.

At the time of writing this Magna Carta, WUSD teachers and classified staff are represented through collective bargaining by unions and DV teachers and classified staff do not participate in collective bargaining and are not represented by unions.

Special Education
WUSD and the DV will each serve as a separate Local Education Agency and maintain separate Special Education programs. In order to best serve families of students with special needs, WUSD and DV will work closely and collaboratively to ensure successful transitions and a wide continuum of service options for all identified students from ages three to twenty-two. WUSD will continue to work towards the appropriate identification of special needs students and to contain special education costs in its K-8 program. While significant special education encroachment caused by unification is not anticipated, WUSD and DV will keep the door open to discuss and jointly resolve any impact of special education costs. See Exhibit B, an Agreement between WUSD and DV Regarding Allocation of Education Expenses, which includes the allocation of special education costs.
Financial
This Magna Carta represents an understanding that both organizations are entering into a unique partnership. The high school facility at 201 Douglas is emblematic of this partnership. Both WUSD and DV have a responsibility to the WUSD community to operate and maintain the high school campus with the same expectations as the existing K-8 WUSD school facilities. Both WUSD and DV are committed to an open and transparent process for allocating resources and tracking all income and expenditures. Both Boards are equally responsible to the WUSD community for maintaining sound fiscal practices and judicial stewardship of all resources. Both Boards will work collaboratively to support and ensure the fiscal stability of each organization in serving our students and community.

Back Office Services from Wiseburn Unified School District
The CEO and CFO of DV will work closely with the Superintendent and Chief Business Officer of the WUSD to maintain a high quality set of mutually agreeable standards for back office services. DV will pay WUSD 1% of the State annual revenues per year for these services (which payment is separate and distinct from the oversight fee paid by DV to WUSD pursuant to Education Code Section 47613). Prior to the end of each school year, leadership from DV and WUSD will evaluate the work and determine if changes to the agreement are necessary for the upcoming year. WUSD agrees to allocate a minimum combined total of WUSD employee time of 16 hours a week to DV operations. WUSD leadership will continue to be thoughtful about how WUSD projects, priorities and deadlines impact WUSD personnel’s ability to respond to DV needs and priorities in a timely manner.

Athletics and VAPA
In alignment with the WUSD community’s desire to establish a stronger community identity, all students will have access to joint opportunities for California Interscholastic Federation (CIF) athletics, music, visual and performing arts (VAPA). Both organizations are committed to developing and sustaining a robust athletics program, music program, and visual & performing arts opportunities. These programs will be available to all high school students, whether enrolled in DV Design, DV Science or DV Communications.

These offerings can be a part of shared seminars or as Before/After School programs. These programs are to be developed in coordination with the WUSD and DV K-8 programs to provide a seamless transition and the best possible program experience for students. The programs that serve all three high schools are to be co-branded as Wiseburn-Da Vinci. The guiding philosophy of these “common” activities will be to support the core curriculum and the DV school cultures without diluting the core academic mission of DV. These common activities will always be an integral and core service offering to its students and the Wiseburn Community.

WUSD will reimburse $125K annually to DV for VAPA and athletics as long as the District continues to receive Measure CL funding. Additionally, WUSD will reimburse additional monies up to a maximum of 10% of the total Measure CL funds (inclusive of the $125,000) that the District receives (currently $180K) annually as VAPA and athletics are expanded in the future, as long as the District continues to receive Measure CL funding. In no event will the total reimbursement exceed 10% of the Measure CL funds. Leadership from both organizations will collaborate on this as sports are added. The jointly funded music teacher position has been created to coordinate the K-12 music program. This position is responsible for public exhibitions and serves as the public face of the music program with the WUSD community. In keeping with
our goal of college and career readiness, the Music and VAPA program will focus on a variety of career opportunities for students in performance, stage production, technical skills, light and sound coordination, and entertainment business knowledge.

The VAPA facilities planned for the first floor of the new campus will serve the high school students at all three DV high schools. Growth of VAPA programs will be based on student interest and the availability of facilities and resources.

The California Interscholastic Federation (CIF) Sports program will be administered by the DV Athletic Director, who is supervised by the WUSD Deputy Superintendent or Superintendent designee, with support from the DV CEO. One of the founding principles of the sports program is to maintain an "academics first" focus, maintaining a priority on the educational program. To that end, the Athletic Director will make every effort to minimize the impact of the sports program on the academic day.

The application to CIF involves a multi-school agreement to allow schools on different campuses and with different Local Education Agency CDS codes to play for a single team. Da Vinci Design serves as the member school with annually renewed multi-school agreements with Da Vinci Science and Da Vinci Communications. The Athletic Director is responsible for maintaining membership status with CIF and coordinating all appropriate multi-school agreements and fee payments. As part of the multi-school agreement, students participating in CIF sports will be assigned to a Seminar Athletics class that will be a part of the DV Design master schedule. Transcripts of students from DV Science and DV Communications will reflect credit earned from DV Design for each semester of participation. DV teachers will be assigned to the Athletics Seminar for the entire semester and will be a part of their regular teaching load or as an additional Seminar assignment, as appropriate. The assignment of the Athletic Seminar teachers will be coordinated by the School Directors, in cooperation with the Athletic Director.

Coaching assignments are made for each sport in season, and are coordinated by the Athletic Director, in cooperation with the principals and the Deputy Superintendent. To encourage student connection to the sports program and to build team/school identity, every effort will be made by the Athletic Director and the School Directors to hire DV or WUSD employees as coaches. If a WUSD employee is hired as a coach by DV, that employee will be compensated by WUSD and WUSD will in turn invoice DV for reimbursement. If no employee is available to coach a specific sport, walk-on coaches will be contracted for the season. All coaches will be held accountable for adherence to the Wiseburn-Da Vinci philosophy and all the rules established in the Coach's Handbook and the CIF Blue Book. There will be differing stipends established by DV for Varsity Coaches, Junior Varsity/Frosh Soph Coaches, and Assistant Coaches. Coaching Stipends reflect the coaching work of the sports season and are considered separate from the Athletic Seminar teaching assignment.

In May of 2014, the initial application to CIF included the following sports for both boys and girls: Basketball, Soccer, Volleyball, Cross-Country, and Track. With available facilities, the following sports are expected to be added: Softball, Baseball, Tennis, Swimming, and Water Polo. Any further expansion of CIF athletic teams is to be based on a defined, student-driven process that will include an analysis of costs and impact on existing programs/resources. The Athletic Seminar classes at all three high schools will also serve to expand student sports options. Decisions on potential CIF team expansion need to have input from both WUSD and DV.
Dispute Resolution
In cases of dispute resolution regarding compliance of a DV charter school with legal or charter petition or related obligations, the dispute resolution process prescribed in the applicable charter will govern. To the extent a dispute does not involve charter terms and conditions addressed by the petition’s dispute resolution process, the Working Group (defined in the Facilities Use Agreement, dated May 14, 2015) will be assembled with equal representation from both organizations. The Working Group will make recommendations to the Boards of both organizations for consideration and action as needed to resolve the dispute. The parties acknowledge that the WUSD and DV are distinct and independent organizations. It will always be the intent of all WUSD and DV administrators to resolve conflicts and disputes prior to assembling the Working Group. In hearing recommendations, it is the expectation that the WUSD Board of Trustees and DV Board of Directors will carefully evaluate the logic and reasoning for any recommendation made by the Working Group before overturning such a recommendation. Ideally, the Working Group will make a presentation to both Boards at a joint Board meeting unless circumstances require otherwise. In cases when time or scheduling become an impediment to resolution in a timely manner, the Boards may choose to address the dispute/resolution at one of their individual Board meetings.

Amending the Magna Carta
The Magna Carta will be revisited and reviewed every ten years or as necessary by an ad hoc subcommittee consisting of an equal number of members from each organization’s Board and staff leadership. The terms of the Magna Carta can be amended only by a majority vote of the DV Board of Trustees and a majority vote of the District Board of Trustees.

Effective Date
This Magna Carta becomes effective upon the approval of and execution by the respective Boards as identified below.

Interpretation; Governing Law
This Magna Carta shall be construed according to its fair meaning and as if prepared by both parties hereto. This Magna Carta shall be governed by and construed in accordance with the laws of the State of California.
Execution in Counterparts
This Magna Carta may be executed in several counterparts, each of which shall be an original
and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Magna Carta to be
executed by their duly authorized officers as of the date and year last set forth below.

APPROVED AND ACCEPTED:
WISEBURN UNIFIED SCHOOL DISTRICT    DA VINCI SCHOOLS

By: ________________________________  

By: ________________________________  

Dated: __/__/16  

Dated: __/__/16  

132
# Exhibit A: Da Vinci High Schools Scorecard for Charter Petition and Lease Renewals

<table>
<thead>
<tr>
<th>Item</th>
<th>Criteria/Notes</th>
<th>Scoring</th>
<th>Maximum Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 WASC Accreditation</td>
<td>Failure to cure accreditation default in allowed period means Da Vinci is in &quot;Default&quot; with WUSD.</td>
<td>Accreditation = 20 points No Accreditation = 0 points</td>
<td>20</td>
</tr>
<tr>
<td>2 Financial Health</td>
<td>An Unqualified Audit Report.</td>
<td>Unqualified Opinion = 15 Qualified Opinion = 10 Adverse Opinion = 0</td>
<td>15</td>
</tr>
<tr>
<td>3 Net Promoter Score</td>
<td>&quot;Would you recommend Da Vinci ___________________________ (name of high school) to a friend or family member?&quot; 0 – 10 point rating scale</td>
<td>&gt; 40 = 15 points 30 - 39 = 12 points 20 - 29 = 10 points 11 - 19 = 5 points &lt; 10 = 0 points</td>
<td>15</td>
</tr>
<tr>
<td>4 LCAP Process</td>
<td>Da Vinci High Schools develop an annual Local Control Accountability Plan that provides transparency and stakeholder participation for the process of identifying budget goals/priorities and prudent use of resources.</td>
<td>Completed Annual LCAP Process - 15 Points Incomplete LCAP Process - 0 Points</td>
<td>15</td>
</tr>
</tbody>
</table>
| 5 "School Excellence"     | 1. A-G above 90% (5) 2. Four-year college acceptance rate: > 67% = 4; > 60% = 3; > 55% = 2; < 55% = 1; > 50% = 0 (3) 3. SBAC (EAP) = TBD (4) 4. State Accountability Score (Similar School Ranking) = TBD (3) 5. Attendance rate: > 95% = 4; > 90% = 3; > 88% = 2; < 88% = 0 (3)  
* Student achievement by subgroups is our most important factor in measuring Da Vinci achievement. | TBD: 20  
TBD: 0 | 20             |
| 6 Wiseburn Resident Enrollment | If Resident Dana graduate enrollment rate declines below 65% combined for all three high schools, WUSD and Da Vinci to form joint committee to explore why more Resident Dana graduates are not attending Da Vinci.                                                                                                                                      | > 65% = 15 points 60 - 64 = 12 points 55 - 59 = 10 points 50 - 54 = 5 points 0 - 49 = 0 points | 15             |

**Notes:**  
1. Loss of WASC accreditation puts Da Vinci in immediate default.  
2. 3 year average of less than "70" points puts Da Vinci in default.  
3. Any default with WUSD must be cured by Da Vinci within 1 year.
EXHIBIT B

AGREEMENT BETWEEN
WISEBURN UNIFIED SCHOOL DISTRICT
AND
DA VINCI SCHOOLS
REGARDING ALLOCATION OF EDUCATION EXPENSES

WHEREAS, the Wiseburn Unified School District (the "District") is responsible for providing an educational program for all students in Grades K-12 who are eligible for District enrollment and subject to compulsory attendance, pursuant to Education Code §48200 et seq., except those students excluded or exempted, pursuant to Education Code §§48210 et seq. or 48220 et seq.; and

WHEREAS, the Da Vinci Schools ("Da Vinci") has agreed to assume primary responsibility for providing an educational program for all students in Grades K-12 who are eligible for District enrollment and subject to compulsory attendance, pursuant to Education Code §48200 et seq., except those students excluded or exempted, pursuant to Education Code §§48210 et seq. or 48220 et seq., or who affirmatively reject enrollment in a charter school; and

WHEREAS, the District and Da Vinci desire to clarify the responsibilities of both parties with respect to the cost of providing educational services (including, but not limited to, special education and related services) to the aforementioned students; and

WHEREAS, the purpose of this Agreement is solely to allocate costs by and between the District and Da Vinci, and, as such, this Agreement shall not be construed as conferring rights on any third party.

NOW, THEREFORE, BE IT AGREED AS FOLLOWS:

1. The District assumes primary responsibility for the cost of providing an educational program for all students in Grades K-8 who are eligible for District enrollment and subject to compulsory attendance, pursuant to Education Code §48200 et seq., except those students excluded or exempted, pursuant to Education Code §§48210 et seq. or 48220 et seq., and who choose to enroll in non-charter District schools in the same manner as would apply if the District had remained an elementary school district.

2. Da Vinci assumes primary responsibility for the cost of providing an educational program for all students who attend Da Vinci Innovation Academy ("DVIA," Da Vinci's K-8 school) and all students in Grades 9-12 who are eligible for District enrollment and subject to compulsory attendance, pursuant to Education Code §48200 et seq., except those students excluded or exempted, pursuant to Education Code §§48210 et seq. or 48220 et seq., in the same manner as would apply if Da Vinci was a public high school district operating grades 9-12 within the same boundaries as the District provided such students apply to attend a Da Vinci school, in
recognition of the fact that Da Vinci schools are schools of choice operating under the California Charter Schools Act. Da Vinci’s responsibility for the cost of providing an educational program for all students in Grades 9-12 who are eligible for District enrollment and subject to compulsory attendance extends to those students who may receive services and/or an educational program pursuant to the Individuals with Disabilities Education Improvement Act and or Section 504 of the Rehabilitation Act of 1973 from an institution other than a Da Vinci school, including, but not necessarily limited to, a nonpublic school placement, including such students as seek educational services from WUSD and who, because of their special needs and/or the terms of their IEPs and/or 504 Plans do not actually submit an application to attend a Da Vinci school, but, instead are continued in or placed in another placement in accordance with the requirements and procedures for such placement by Da Vinci and its Special Education Local Plan Area.

3. The cost of educating students who are eligible for District enrollment, and who are enrolled in the District or Da Vinci, shall be apportioned as follows:

A. The District is responsible for the costs (not including the costs of providing special education services, which are addressed in Section 3.C, below) of educating:

(1) Students entitled to pre-K services.

(2) Students enrolled in grades K-8, excluding those students who attend DVIA.

B. Da Vinci is responsible for the costs (not including the costs of providing special education services, which are addressed in Section 3.C, below) of educating:

(1) Students enrolled in grades 9-12, and students at DVIA.

(2) Students enrolled in Da Vinci’s grade 13 (fifth year of high school extension program).

C. The District and Da Vinci Schools agree to the following with regard to special education expenses:

(1) For students in special education from age 3 until the end of 8th grade, including ESY prior to enrollment in 9th grade except those students who are attending DVIA, the District will serve as the local educational agency ("LEA"), case carrier and pay for all related costs. For students in special education who are attending DVIA or are in another placement made by Da Vinci through the IEP process, Da Vinci will be the LEA, case carrier and pay for all related costs.

(2) For students in special education who are attending DVIA or are in another placement made by Da Vinci through the IEP process, DA Vinci will be the LEA, case carrier and pay for all related costs.
(3) For diploma bound students in special education who are attending a Da Vinci high school or are in another placement made by Da Vinci pursuant to the IEP process, including students who are in such attendance/placement at the end of grade 12 who continue to be eligible for special education services post grade 12*, (these students are commonly referred to as “Super Seniors”) Da Vinci will be the LEA, case carrier and pay for all related costs.

(4) For resident students who have not received their diploma at the end of grade 12 (or the end of grade 13 for Da Vinci’s five year high school extension program), typically ages 18-21, the District will serve as the LEA and case carrier and costs will be covered by the District for post grade 12*. The District will receive all funding generated by these students during post grade 12*. Upon mutual agreement, Da Vinci may act as case manager and the District will be responsible for the Wiseburn Unified School District residents cost only.

*Resident students who remain eligible for special education and related services after grade 12 because they have not been exited out of special education, i.e., by graduating with a regular high school diploma or by reaching age 22 pursuant to Education Code §56026(e)(4)(A-D).

(5) A shared cost formula will be utilized for students requiring intensive services. Intensive services is defined as students requiring non-public school, LACOE or SELPA SDC services. The formula will be determined as follows:

Step 1: WUSD NPS (K-8) divided by WUSD Enrollment = X

Example: 7/2400 = .00292

Step 2: (X) multiplied by DV high school enrollment = # of DV Fair Share NPS Students

.00292 x 1220 = 3.6 (fair share DV) intensive students

Step 3: Da Vinci Intensive students minus Da Vinci fair share = Y

Example : 6 – 3.6 = 2.4

Step 4: Cost of Y to be split 50/50

Note that total costs to be determined by average of all Da Vinci high schools intensive costs offset by annual state and local revenue received (i.e.
ADA & lottery, and/or extraordinary cost funds)

Example: If net costs per student = $40,000, then

$40,000 x 2.4 = $96,000/2 = $48,000 for Da Vinci and Wiseburn

Wiseburn to reimburse Da Vinci $48,000

(6) If the 18-21 non-diploma bound students exceed the Southwest SELPA average (P2), a shared cost formula would be applied and the Da Vinci Schools will reimburse Wiseburn USD for the excess on a 50/50 basis.

4. **Entire Agreement.** This Agreement contains the entire agreement between the parties hereto with respect to the matters covered hereby, and supersedes all prior agreements, written or oral, between the parties. No other agreement, statement or promise made by any party not contained herein shall be binding or valid. This Agreement shall be construed as one document and all of the agreements herein are in exchange for and in consideration of the commitments of each and all of the parties herein as set out above.

5. **Construction.** The parties agree that each party has reviewed this Agreement and that any rules of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in any interpretation of this Agreement or any amendments or exhibits hereto.

6. **Authority.** The Parties represent and warrant to the other that the person or persons executing this Agreement on their behalf are duly authorized to do so and the execution and performance of this Agreement has been duly and validly authorized by all necessary action by the party’s respective governing Board.

7. **No Admission.** This Agreement is not and shall never be considered an admission of any fault, error, wrongdoing, liability or violation of any right by any of the parties hereto.
IN WITNESS WHEREOF, the parties hereto have caused this Exhibit B to the Magna Carta to be executed by their duly authorized officers as of the date and year last set forth below.

APPROVED AND ACCEPTED:

WISEBURN UNIFIED SCHOOL DISTRICT

By: [Signature]
Board President, WUSD

Dated: [Signature]

By: [Signature]
Superintendent, WUSD

Dated: [Signature]

DA VINCI SCHOOLS

By: [Signature]
Board President, Da Vinci

Dated: 1-25-16

By: [Signature]
Chief Executive Officer, Da Vinci

Dated: 01-25-2016
March 9, 2018

Mark D. Hensley
City Attorney
City of El Segundo
3655 Torrance Blvd., Suite 300
Torrance, CA 90515

Re: Your Request for Advice
   Our File No. A-18-005

Dear Mr. Hensley:

This letter responds to your request for advice on behalf of the City of El Segundo and Councilmember Don Brann regarding the conflict of interest provisions of the Political Reform Act (the “Act”)¹ and Government Code Section 1090. Please note that we do not advise on any other area of law, including Public Contract Code or common law conflicts of interest. We are also not a finder of fact when rendering advice (In re Oglesby (1975) 1 FPPC Ops. 71), and any advice we provide assumes your facts are complete and accurate.

In regard to our advice on Section 1090, we are required to forward your request and all pertinent facts relating to the request to the Attorney General’s Office and the Los Angeles County District Attorney’s Office, which we have done. (Section 1097.1(c)(3).) We did not receive a written response from either entity. (Section 1097.1(c)(4).) We are also required to advise you that, for purposes of Section 1090, the following advice “is not admissible in a criminal proceeding against any individual other than the requestor.” (See Section 1097.1(c)(5).)

QUESTIONS

1. Does the Act prohibit Councilmember Brann from participating in a City Council decision to approve the terms of a Joint Use Agreement between the City and the Wiseburn Unified School District (“District”) due to his position as vice president of the Da Vinci Schools (“Da Vinci”) Board of Directors?

2. Does Government Code Section 1090 prohibit Councilmember Brann or the City from participating in a Council decision regarding a Joint Use Agreement with the District?

¹ The Political Reform Act is contained in Government Code Sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in Sections 18110 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.
3. Does the Act or Government Code Section 1090 prevent Councilmember Brann from participating in, or prevent the City from entering into, potential agreements between the City and Da Vinci - e.g., crossing guard agreements, use of facilities agreements, etc.?

CONCLUSION

1 and 3. No. Councilmember Brann does not have a financial interest in Da Vinci or the District under the Act, and he may participate in a Joint Use Agreement between the City and the District, as well as contracts between the City and Da Vinci.

2 and 3. No. Section 1090 does not prohibit Councilmember Brann or the City from entering into contracts with the District and Da Vinci because a non-interest exception applies. For contracts involving DA Vinci, his interest in Da Vinci must be noted in the City’s official records.

FACTS AS REPORTED BY REQUESTOR

Councilmember Brann is a founder of Da Vinci and serves as Vice President of the Da Vinci Board of Directors. He receives no compensation from Da Vinci for his service on its Board of Directors, although the bylaws (adopted after he was first appointed to the Board) allow for limited compensation. No such compensation has been authorized by the Da Vinci Board of Directors. In an email, you clarified that Councilmember Brann served on the city council from May 2008 through April 2012 and again from to May 2016 to the present, and that he was not on the Council when it approved the settlement agreement and amended settlement agreement between the City of El Segundo and the Wiseburn School District.

The District, formed in 2014 and partially located within El Segundo’s city limits, currently operates three elementary schools and one middle school. It also serves as the authorizing agency for five independent charter schools operated by Da Vinci. The District and Da Vinci are “highly cooperative, collaborative, and highly inter-dependent,” but the Da Vinci charter schools operate as independent charter schools.

Da Vinci is a 501(c)(3) nonprofit tax exempt corporation. Under its bylaws, it currently has seven directors, two of whom must be current members of the District Board. Additionally, Da Vinci’s directors serve without compensation. While the bylaws allow “that a reasonable fee may be paid to directors for attending regular and special meetings of the board.” To date, no fee has been authorized to be paid to Da Vinci directors. The bylaws also authorize directors to be reimbursed for reasonable expenses incurred in the performance of their duties.

In September 2012, the District’s predecessor, the Wiseburn School District (before it became a unified school district), purchased a 13.7-acre property in the City to become the new site for the Da Vinci charter high schools. The City raised several objections to the Draft Environmental Impact Report prepared for the project. The City and the District resolved their disputes by way of a settlement agreement in May 2013. The settlement agreement was subsequently amended in January 2016.

Pursuant to the amended settlement agreement, the District agreed to develop a new aquatics center on the property to be used by the District and the City, as well as the El Segundo Unified
School District and residents. The settlement agreement commits the City to the center’s operation and maintenance costs and shared costs for the District and the City as to design, development, planning and construction. The settlement agreement also commits the parties to entering into a joint use agreement for use of the new aquatics center and the parties’ existing athletic fields. The joint use agreement has not yet been finalized, but its core terms are spelled out in the settlement agreement.

In May 2015, the District and Da Vinci entered into a Facilities Use Agreement (“FUA”) wherein the District leased the entire campus property excluding the aquatics facilities to Da Vinci for a term of 40 years at a cost of $1 per year. Pursuant to the FUA, the District retains title to the property and all the improvements, but Da Vinci assumes primary responsibility for risks of ownership. Da Vinci is also responsible for all utility charges incurred in the operation, maintenance, use, occupancy and upkeep of the high school facilities. As noted above, Councilmember Brann was not a member of the council at this time.

ANALYSIS

The Political Reform Act

Section 87100 of the Act prohibits any public official from making, participating in making, or otherwise using his or her official position to influence a governmental decision in which the official has a financial interest. An official has a financial interest in a decision if it is reasonably foreseeable that the decision will have a material financial effect, distinguishable from its effect on the public generally, on the official, or on a member of the official’s immediate family, or on the following financial interests that are potentially pertinent to your facts:

- Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business, on terms available to the public without regard to official status, aggregating $500 or more in value provided to, received by or promised to the public official within 12 months prior to the time when the decision is made. (Section 87103(c).)

- Any business entity in which the public official is a director, officer, partner, trustee, employee, or holds any position of management. (Section 87103(d).)

While Da Vinci is not a “business entity” as defined in the Act², nonprofit corporations can be considered sources of income under Section 87103(c). However, you stated that Councilmember Brann receives no compensation from Da Vinci for his service on its Board of Directors. Thus, so long as he does not receive compensation, he does not have a financial interest in Da Vinci under the Act.

² Section 82005 defines a “business entity” as any organization or enterprise operated for profit, including but not limited to a proprietorship, partnership, firm, business trust, joint venture, syndicate, corporation or association.
Section 1090

Section 1090 prohibits public officers, while acting in their official capacities, from making contracts in which they are financially interested. Under this section, "the prohibited act is the making of a contract in which the official has a financial interest." (People v. Honig (1996) 48 Cal.App.4th 289, 333.) A contract that violates Section 1090 is void. (Thomson v. Call (1985) 38 Cal.3d 633, 646.) The prohibition applies regardless of whether the terms of the contract are fair and equitable to all parties. (Id. at pp. 646-649.) When Section 1090 is applicable to one member of a governing body of a public entity, the prohibition cannot be avoided by having the interested board member abstain; the entire body is precluded from entering the contract. (Id. at pp. 647-649.)

For purposes of Section 1090, Councilmember Brann is a public officer and any grant of funds to either the District or Da Vinci is potentially a contract. Moreover, a city councilmember is presumed to be involved in the making of all city contracts and cannot simply recuse him or herself from the contract in question. If a councilmember has a financial interest in the contract, the City may not enter the contract barring an applicable exception.

The question here is whether Councilmember Brann has a "financial interest" in such contracts, or if his interest falls under a remote or noninterest exception. Section 1091.5 provides various statutory categories of "noninterest" under Section 1090. If a "noninterest" is present, the contract may be made without the officer's abstention. (City of Vernon v. Central Basin Mun. Water Dist. (1999) 69 Cal.App.4th 508, 514-515; 84 Ops.Cal.Atty.Gen. 158, 159-160 (2001).)

For a potential interest in a contract involving Da Vinci, Section 1091.5(a)(8) states that an officer or employee has a non-interest in a contract if his or her interest is:

That of a noncompensated officer of a nonprofit, tax-exempt corporation, which, as one of its primary purposes, supports the functions of the body or board or to which the body or board has a legal obligation to give particular consideration, and provided further that this interest is noted in its official records.

For purposes of this paragraph, an officer is "noncompensated" even though he or she receives reimbursement from the nonprofit, tax-exempt corporation for necessary travel and other actual expenses incurred in performing the duties of his or her office.

In this case, Da Vinci is a nonprofit, tax-exempt corporation and its primary purpose, operating charter schools in cooperation with the District, supports the City's functions. As an noncompensated officer of Da Vinci, Councilmember Brann has a non-interest in Da Vinci. Accordingly, Section 1090 does not preclude Councilmember Brann or the City from entering contracts with Da Vinci or with the District. This exception only applies so long as he is a noncompensated officer of Da Vinci. Pursuant to Section 1091.5(a)(8), when Councilmember Brann participates in a contract involving Da Vinci, his interest in Da Vinci must be noted in the City's official records.
If you have other questions on this matter, please contact me at (916) 322-5660.

Sincerely,

Brian G. Lau
Assistant General Counsel

By: Zachary W. Norton
Senior Counsel, Legal Division

ZWN:jgl
AGENDA DESCRIPTION:
Consideration and possible action to provide direction to staff and The Lakes RFP Task Force related to finalizing the Request for Proposals for The Lakes at El Segundo Site (400 S. Sepulveda Blvd.). (Fiscal Impact: None)

RECOMMENDED COUNCIL ACTION:
1. Provide direction to staff and The Lakes RFP Task Force to finalize the Request for Proposals for The Lakes at El Segundo Site (400 S. Sepulveda Blvd.); and/or,
2. Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
1. Draft RFP with Exhibits A-E

FISCAL IMPACT: None
   - Amount Budgeted: N/A
   - Additional Appropriation: N/A
   - Account Number(s): N/A

STRATEGIC PLAN:
   - Goal: 1b El Segundo's engagement with the community ensures excellence
   - Objective: 1 The City engages in regular, intentional information gathering

PREPARED BY: Meredith Petit, Director of Recreation and Parks
REVIEWED BY: Meredith Petit, Director of Recreation and Parks
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND & DISCUSSION:
The Lakes RFP Task Force continues to develop the Request for Proposals for future operations, management, and/or development at The Lakes at El Segundo Site, as a golf course and/or other outdoor public recreation facility. Working as an extension of the City Council, the Task Force requests the City Council to review the attached draft RFP document and exhibits, and provide feedback on the content. Any direction provided by the City Council will be incorporated into the final document that is scheduled to be presented to City Council for final approval on April 3rd, for an RFP release date of April 5, 2018. Please note that the Task Force is still finalizing Exhibit F, which will present the bidders with a listing of prioritized capital improvement projects that have been identified by third-party assessors, as well as previous working committees and community surveys. Exhibit F will be included in the final draft on April 3rd.
CITY OF EL SEGUNDO
DEPARTMENT OF RECREATION AND PARKS
REQUEST FOR PROPOSALS
FOR THE
THE LAKES AT EL SEGUNDO SITE

Meredith Petit, Director of Recreation and Parks
310-524-2880 / mpetit@elsegundo.org

REQUEST FOR PROPOSALS ISSUED: April 5, 2018

PROPOSALS DUE: May 24, 2018 at 2:00pm, PST
City of El Segundo, c/o City Clerk’s Office
350 Main St., El Segundo, CA 90245

RFP # 18-02
## REQUEST FOR PROPOSALS
THE LAKES AT EL SEGUNDO SITE
TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Introduction</td>
<td></td>
</tr>
<tr>
<td>II. Community Overview</td>
<td></td>
</tr>
<tr>
<td>III. Facility Description</td>
<td></td>
</tr>
<tr>
<td>IV. City’s Vision and Goals</td>
<td></td>
</tr>
<tr>
<td>V. Submittal Requirements</td>
<td></td>
</tr>
<tr>
<td>A. Cover Letter</td>
<td></td>
</tr>
<tr>
<td>B. Proposed Vision and Project Plan</td>
<td></td>
</tr>
<tr>
<td>C. Description of Business and Operating Plan</td>
<td></td>
</tr>
<tr>
<td>D. Statement of Qualifications and Experience</td>
<td></td>
</tr>
<tr>
<td>E. Staffing Plan and Organizational Chart</td>
<td></td>
</tr>
<tr>
<td>F. Franchisees/Sub-Lessees</td>
<td></td>
</tr>
<tr>
<td>G. Deal Structure and Terms</td>
<td></td>
</tr>
<tr>
<td>H. Capital Improvement Plan</td>
<td></td>
</tr>
<tr>
<td>I. Access to Capital</td>
<td></td>
</tr>
<tr>
<td>J. References</td>
<td></td>
</tr>
<tr>
<td>VI. Mandatory Pre-Bid Meeting and Questions</td>
<td></td>
</tr>
<tr>
<td>VII. Right to Reject</td>
<td></td>
</tr>
<tr>
<td>VIII. Evaluation and Selection Criteria</td>
<td></td>
</tr>
<tr>
<td>IX. Proposal Schedule</td>
<td></td>
</tr>
<tr>
<td>X. Submittal Information</td>
<td></td>
</tr>
</tbody>
</table>

### Exhibits
- A. The Lakes at El Segundo Site Plan and Aerial View
- B. Last 3 Years’ Historical Financial Information
- C. Grant Deed from Chevron
- D. List of Equipment and FF&E owned/leased by City
- E. The Lakes at El Segundo Clubhouse and Maintenance Building Floor Plans
- F. Capital Improvements – High Priority/Desirable
I. INTRODUCTION

The City of El Segundo is currently seeking competitive proposals regarding The Lakes at El Segundo Site ("The Lakes") which could include the operation of the existing public golf course and driving range and/or the development and operation of other public outdoor recreational activities that would be open to the public. The Lakes is a 30-acre parcel located in the City of El Segundo ("City") in the County of Los Angeles. It is located approximately 2 miles from Los Angeles International Airport on Sepulveda Blvd. just south of El Segundo Blvd. and across from the Chevron refinery. Chevron grant deeded The Lakes to the City as a public recreation facility. The grant deed includes a restrictive land use covenant that states the parcel can be used as a public golf course and/or other public outdoor recreational use. This RFP provides specific instructions to the prospective Proposers regarding the minimum information that must be included in any RFP response, including formatting of responses, as well as pertinent data about the existing facility.

II. COMMUNITY OVERVIEW

The City of El Segundo is located within Los Angeles County and is bounded by Los Angeles International Airport to the north, Hawthorne to the east, Manhattan Beach to the south, and the Pacific Ocean to the west. Occupying approximately 5.5 square miles, El Segundo's population is 16,654 (per 2010 Census). While enjoying its small town feel, El Segundo has one of the highest concentrations of Fortune 500s in the State of California, and has a daytime population of over 75,000. The following companies are either headquartered or have a major presence here: Chevron, Raytheon, Northrup Grumman, Mattel, Boeing, Hewlett-Packard and IBM, to name just a few. El Segundo was honored as The Most Business Friendly City in 2015 for cities under 57,000 population. El Segundo is also the home of both the Los Angeles Kings' and Lakers' practice facilities.

In a mere five-square-miles businesses have access to two major freeways, a light rail station, and LAX. Regional access to the community is provided via Interstate 405 (the San Diego Freeway), Interstate 105, and State Highway #1 (Sepulveda/Pacific Coast Highway) which runs north-south through the eastern portion of the city. With its ideal location, diverse business base, affordable lease rates and available space, El Segundo has become the preferred alternative to the pricier and denser West Los Angeles and Downtown LA area markets. Sepulveda, the Rosecrans Corridor, the new Elevon at Campus El Segundo development and the up-and coming Smoky Hollow districts are among the prized sections in town attracting notable companies into El Segundo.
III. FACILITY DESCRIPTION

The Lakes currently operates as a 9-hole executive golf course that is owned by and operated under the oversight of the City. Built in 1994, the facility also includes a two-level driving range, practice area and clubhouse with a restaurant. A large patio overlooks the course, lakes and a waterfall. The source of the golf course irrigation water is primarily reclaimed water (greens only are potable) from the West Basin Water District Reclamation Plant located immediately south of the golf course.

The Lakes facilities include the following:
- 9 hole, par 29, 1,327 yard golf executive golf course
- Double-decked driving range with 58 stalls with lights for night use
- A short game practice area covered with natural grass, which includes a 10,000 square foot putting green and 800 square foot chipping and pitching green with a practice bunker
- Clubhouse building (approx. 5,400 sf) including a restaurant/grill (approx. 884 sf), pro shop, banquet/meeting space (approx. 650 sf), administrative office, and men’s and women’s restrooms. All square footages are approximate. Refer to Exhibit E.
- Concrete patio adjacent to the Clubhouse for outdoor food and beverage service and special event support (approx. 2,500 sf). Note that the clubhouse restaurant, banquet/meeting space and outdoor patio are adjacent and can be combined to accommodate larger groups.
- Maintenance facility for outdoor material storage, a wash down area, and a maintenance/storage building (approx. 1,800 sf). Refer to Exhibit E.
- Parking lot; landscaped and lighted

The day-to-day management and operations of the facility is currently provided by Lane Donovan Golf Partners LLC, a golf course management company, under contract with the City and under the general oversight of a Golf Course subcommittee comprised of community members, appointed and elected City officials, and staff of the Recreation and Parks Department.

IV. CITY’S VISION AND GOALS

The City is dedicated to providing the entire community - both residents, businesses and visitors - an exceptional outdoor recreational experience in a safe, friendly, and inclusive environment for socializing and enjoying the outdoors. Currently, The Lakes is a community resource that emphasizes the outdoor, recreational aspects of golf for citizens of all age groups. The City’s Vision and Goals will incorporate the following components:

A. Recreation and Parks’ Values – Community involvement that benefits El Segundo residents is an essential component to the operations at The Lakes.
Educational and other community programs involving juniors, seniors, local schools, and charities (to name a few) will be critical and a key element of the evaluation process. Youth camps, adult leagues and other golf activities as well as increased participation from non-golfers through activities and other functions will be important.

B. **Financial Performance is “self-sustaining”** – The Lakes operates as an Enterprise Fund for the City with the intention to generate adequate revenues to cover operating expenses, long-term capital improvements without assistance from the City’s General Fund, any City overhead/allocation as applicable and provide the Operator an adequate return on its investment. In doing so, it is anticipated that pricing will be established that is affordable to City residents and represents excellent value for visitors and surrounding area residents. Additionally, there is a $5.6M loan from other City funds and the City encourages Proposers to address options in paying this down over the proposed term.

C. **Capital Investment and Facility Improvements** – Given the excellent location of The Lakes, its strong demographics, and efficient facility layout, the City believes the opportunity and cash flow potential allows for a proposed deal structure that will allow for an Operator to fund some level of capital improvements as well as contribute to a capital reserve for future capital improvements. The City’s goal is to make nominal capital investment and will consider a deal structure that allows for an Operator’s adequate return on investment.

D. **Compliant with existing Grant Deed** – If a proposed use is different from the existing operation, the use will need to adhere to the Grant Deed from Chevron (attached). The Grant Deed allows for a) a public golf course and supporting amenities and/or b) other outdoor public recreation uses.

E. **Risk Assessment and Track Record** - The City is looking for a partnership with an experienced and proven Operator. Credentials to be reviewed will include experience with similar facilities as proposed, financial capabilities, references and other related aspects as addressed in the Submittal section under Statement of Qualifications and Experience.

V. **SUBMITTAL REQUIREMENTS**

A. **Cover Letter**
Each Proposer must submit a cover letter identifying the Proposer and the scope of the proposed operation at the property. Proposers may include other important general information that is deemed significant enough to be highlighted. An authorized representative of the proposing entity must sign the cover letter.
B. Proposed Vision and Project Plan
   a. If the proposal contemplates the operation as a golf facility and is similar to
      the current operation, summarize the Proposed Vision for the property
      including a description of the operation and the key goods and services
      to be provided at the facility.

   b. If the proposal includes an operation significantly different from the
      current operation and requires major redevelopment and/or capital
      improvements, identify the type of operation the Proposer would
      propose for the site, including: needed construction including
      understanding of the zoning and regulatory permitting required for
      alterations to the site; type of programming and other details that
      demonstrate compliance with the vision set forth within this proposal.

      The proposal shall include a preliminary description of the proposed
      project and should include the list of qualified consultants and
      engineers and the project manager who has successfully completed
      similar projects.

      If modifications to the site are necessary for the proposed operation of
      the site, the selected Operator for the property will be responsible for
      seeking and obtaining any and all required approvals from the City of
      El Segundo and any other agency with regulatory authority over the use
      of the property prior to initiating any construction activities on the site
      necessary for implementation of the selected use. Additionally, the
      Operator shall be responsible for all design and capital improvements
      (including securing any necessary financing) that are required to initiate
      the proposed site use modifications. This includes, and is not limited
to, the responsibility for all costs associated with construction of new
facilities and modifications to existing facilities. All necessary bonds
sufficient to cover the construction costs of any improvements and in a
form acceptable to the City Attorney shall be required to be submitted
and approved prior to issuance of any City construction permits.

      Identify an approximate timeline to begin the operations of The
      Lakes site, including how soon the company would expect to
      complete the planning process, secure financing, begin and complete
      project construction, if needed, and open the operations to the public.
      Also indicate if the company would pursue a phased project. If the
      project is proposed to be phased, identify the breakdown of each phase
      and how long the overall project would take to complete. The timeline
      should include the required permitting, all approval requirements
      and the period of time (if any) that all or a portion of the facility will be
      closed.
C. **Business and Operating Plan**  
   a. Describe the business and marketing plan for the facility. At a minimum, this must include a detailed description of the services to be provided, proposed rate structure, operating hours, ongoing marketing and business development practices, and the target market. Describe community involvement programs to be implemented. If maintained as a golf facility, describe the proposed structure for providing lessons and other instructional and social programs and arrangements with teaching pros.
   
   b. Provide a description of the proposed revenue and expense internal controls and reporting systems.
   
   c. Provide a financial pro forma covering the term of the proposed agreement including financial projections, cash flow, and potential revenue participation projections for the City and Proposer.
   
   d. Provide a rationale showing why the Proposer should be selected.

D. **Statement of Qualifications and Experience**  
Provide information regarding the Proposer’s professional experience, identifying similar operations that it operates. Describe how the company is organized and how its resources will be utilized, including identifying the individuals that would be involved in the operation of The Lakes, any partners or sub-consultants providing a significant portion of the work and/or with an ongoing presence in the operation, and their experience with this kind of operation. Provide current financial statements and balance sheet for proposing entity. Disclose any contracts terminated prior to expiration and cause for termination.

E. **Staffing Plan and Organizational Chart**  
   a. Describe how the proposed operations will be managed. Include an organization chart for the proposed operations, including which positions will be involved in the operation and the reporting structure for such personnel.
   
   b. Describe the organization’s customer service philosophy/programs and the Proposer’s goals with regard to customer service. Include training programs to be employed to achieve customer service goals.

F. **Franchises/Sub-lessees**  
Proposers who are proposing to operate with franchises or sub-lessees from other companies must submit letters of intent that confirm the franchising/sub-lessee arrangements between the Proposer and the franchising/sub-lessee company.

G. **Deal Structure and Terms**
Proposers are required to provide an outline of proposed terms, including but not limited to, length of term plus any options, payments to the City, method for capital contribution, and description of additional cash flow to the City and Proposer.

H. **Capital Improvement Plan**
Outline the proposed capital improvement plan - both short-term and long-term – with a detailed description and estimated costs and timeline for all improvements to be completed. Refer to Exhibit F if the proposed plan will remain similar to the existing operation.

I. **Access to Capital**
Identify sources of funds the company will use for proposed capital improvements and its current access to financing, if needed.

J. **References**
Provide at least three references from other cities or counties within which the Proposer has operated similar facilities. Proposer may also provide any additional references it believes would be helpful in providing the City with a more complete understanding of its professional experience in this type of operation.

VI. **MANDATORY PRE-BID MEETING AND QUESTIONS**

A. Mandatory Pre-Bid Meeting will take place at The Lakes at El Segundo on Tuesday, April 24th at 10:00 a.m.

B. Initial questions will be submitted in writing to Meredith Petit, Director of Recreation and Parks at mpetit@elsegundo.org no later than Tuesday, April 16th at 2:00 p.m. All responses will be posted to the City’s website in an addendum no later than Thursday, April 18th at 5:00 pm.

C. Final questions will be submitted in writing to Meredith Petit, Director of Recreation and Parks at mpetit@elsegundo.org no later than Thursday, April 26th at 2:00 p.m. All responses will be posted to the City’s website in an addendum no later than Tuesday, May 1st at 5:00 p.m.

D. Any change to the RFP shall be made by addendum and posted to the City’s website. The City is not responsible for any explanation, clarification, interpretation or approval made or given in any manner except by addendum. Any addenda so posted are to be considered a part of this RFP document.

VII. **RIGHT TO REJECT**
The City of El Segundo reserves the right, at its sole discretion, to select or reject any or all submittals received pursuant to this Request for Proposals.
VIII. EVALUATION AND SELECTION CRITERIA

Following a comprehensive evaluation based on the quality and compatibility with the City’s objectives and competitiveness of the proposals received in response to this RFP, City staff will contact the Proposers best suited to partner with the City. The City will then conduct interviews with the top qualified Proposers and will identify the most suitable and qualified companies. The City Council, at its sole discretion, will choose the Proposer that it determines will provide the best service to the City and the community, balanced with financial return to the City, and will then begin negotiations to enter into a contract. The submission of a proposal by any Proposer does not in any way commit the City to enter into an agreement with that Proposer, or any other Proposer. The City will enter into negotiations with the Proposer that it deems the best able to provide and fund a golf range, facility operations, and improvements, or other outdoor recreational activities.

Criteria to be utilized by the City in its evaluation process will include:

- Financial Impact – 25%
- Experience/capability – 25%
- Comprehensive resident/community involvement – 20%
- Business/operating plan – 15%
- Capital improvement plan – 15%

IX. PROPOSED SCHEDULE

<table>
<thead>
<tr>
<th>Event</th>
<th>Date/Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial Questions Due to City</td>
<td>April 16, 2018 – 2:00 p.m.</td>
</tr>
<tr>
<td>Mandatory Pre-Bid Site Visit</td>
<td>April 24, 2018 – 10:00 a.m.</td>
</tr>
<tr>
<td>Final Questions Due to City</td>
<td>April 26, 2018 – 2:00 p.m.</td>
</tr>
<tr>
<td>Submittals Due</td>
<td>May 24, 2018 – 2:00 p.m.</td>
</tr>
<tr>
<td>Interviews with Qualified Proposer</td>
<td>June 14/15, 2018</td>
</tr>
<tr>
<td>Selection of Preferred Proposer</td>
<td>July, 2018</td>
</tr>
<tr>
<td>Contract executed</td>
<td>August, 2018</td>
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<td>Commence operations</td>
<td>October 1, 2018</td>
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</tbody>
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X. SUBMITTAL INFORMATION

Please respond with ______ copies including one unbound copy of Proposer’s submittal, addressing the requirements identified above, formatted to standard letter-size paper. Additional promotional materials providing an overview of the company or prior operations may also be submitted.

All submittals must be mailed or otherwise delivered to:

City Clerk’s Office
City of El Segundo
350 Main Street
El Segundo, California 90245

All questions regarding this Request for Proposals shall be directed to Meredith Petit, Director of Recreation and Parks, via e-mail at mpetit@elsegundo.org or by telephone at (310) 524-2880.
EXHIBIT A
THE LAKES
Total Land Area
30.07 Acres

1,118,776 Sq. Ft.
25.68 Ac.

158,378 Sq. Ft.
3.64 Ac.

32,709 Sq. Ft.
0.75 Ac.
EXHIBIT B
RECORDING REQUESTED BY AND WHEN RECORDED, MAIL TO:

THE CITY OF EL SEGUNDO
350 Main Street
El Segundo, California 90245
Attention: City Clerk

MAIL TAX STATEMENTS TO:
SAME AS ABOVE

NOTE: THIS IS A BONAFIDE GIFT AND THE GRANTOR RECEIVED NOTHING IN RETURN, Revenue and Taxation Code, Section 11911. APN 4138-014-018 (ptn)

DEED

CHEVRON U.S.A. INC., a Pennsylvania corporation ("Grantor"), hereby remises, releases and forever quitclaims to THE CITY OF EL SEGUNDO, a municipal corporation ("Grantee"), the following right relative to the real property in the City of El Segundo, County of Los Angeles, State of California, described as follows and hereinafter referred to as the "Property":

Parcel 1 of Parcel Map 17749, recorded on May 23, 1988, in Book 207, Page 59 of Parcel Maps, in the Office of the Recorder, County of Los Angeles, California:

THAT CERTAIN RESERVATION TO GRANTOR set forth in the penultimate paragraph on page 3 of that certain Corporation Grant Deed of the Property from Grantor to Grantee, dated May 16, 1988, and recorded on May 24, 1988, under Recordation No. 88-826097 of the Official Records of Los Angeles County, California (the "Deed"). Said penultimate paragraph provides as follows:

"Grantor hereby reserves to itself, its successors and assigns the exclusive right and power to amend said restrictions from time to time so as to permit all or any part of the Property to be used for purposes prohibited by said restrictions; provided, however, that any such amendment by Grantor shall be ineffective to the extent that it permits the use of any part of the Property for a use which is prohibited by any covenant or restriction placed upon the Property by Grantee, its successors and assigns. Each such amendment shall be binding upon anyone who acquires, whether before or after the date of recordation of such amendment, any part of or interest in Grantor’s Other Lands."
Grantor and Grantee agree that the above paragraph shall be and hereby is deleted from the Deed and henceforth shall be and hereby is void and of no force and effect. In all other respects, the terms, conditions, covenants, restrictions, and all other provisions of the Deed shall remain in full force and effect.

IN WITNESS WHEREOF, Grantor has executed the instrument this 26th day of December, 1989.

GRANTOR:

CHEVRON U.S.A. INC., a Pennsylvania corporation,

BY:   C. E. Farber

Its: Assistant Secretary

ACCEPTED AND AGREED

GRANTEE:

THE CITY OF EL SEGUNDO, a municipal corporation,

BY:   Ronald E. Cano

Its:     CITY MANAGER
State of California
City and
County of San Francisco

On December 26, 1989, before me, A.M. Brendlinger, a Notary Public in and for said County and State, duly commissioned and sworn, personally appeared C.R. Farber, personally known to me to be Assistant Secretary of CHEVRON U.S.A. INC., the Corporation described in and that executed the within instrument, and also known to me to be the person(s) who executed it on behalf of the said Corporation therein named and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, in the County and State aforesaid the day and year in this certificate above written.

A.M. Brendlinger
Notary Public in and for the County of
San Francisco, State of California

State of California
County of Los Angeles

On December 27th, 1989, before me, the undersigned, a Notary Public in and for said State, personally appeared before me Ronald E. Cano, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as the City Manager on behalf of THE CITY OF EL SEGUNDO, the municipal corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its City Council or other governing body.

WITNESS my hand and official seal.

J.O. Abreu
Notary Public in and for the County of
Los Angeles, State of California

- Page 3 of 3 -
RECORDING REQUESTED BY AND
WHEN RECORDED, MAIL TO:

THE CITY OF EL SEGUNDO
350 Main Street
El Segundo, California 90245
Attention: City Clerk

MAIL TAX STATEMENTS TO:
SAME AS ABOVE

NOTE: THIS IS A BONA FIDE GIFT AND THE GRANTOR RECEIVED NOTHING IN
RETURN, Revenue and Taxation Code, Section 11911. APN 4138-014-018 (ptn)

DEED

CHEVRON U.S.A. INC., a Pennsylvania corporation ("Grantor"), executed a Corporation
Grant Deed, dated May 16, 1988, and recorded on May 24, 1988, under Recodration No.
88-826097 (the "Deed") in favor of THE CITY OF EL SEGUNDO, a municipal corporation
("Grantee"), relative to the real property in the City of El Segundo, County of Los Angeles,
State of California, described as follows and hereinafter referred to as the "Property":

Parcel 1 of Parcel Map 17749, recorded on May 23, 1988, in Book 207, Page 59
of Parcel Maps, in the Office of the Recorder, County of Los Angeles, California:

The terms and conditions of said Deed are hereby incorporated by reference herein as
if fully set forth. Terms as defined in said Deed and used herein shall have the meanings
ascribed to them therein.
The restriction contained as item No. 1 on page 2 of said Deed is and shall be deleted in its entirety and the following shall be substituted therefor:

1. The Property is restricted in use and may be used solely and exclusively as (a) a public golf course and such other uses necessary, essential and related to the operation of a public golf course, including but not limited to specific support facilities as follows: a "pro shop" (including related retail space), restaurant for golf course patrons, and a golf cart storage facility; and/or (b) public outdoor recreational uses, including parks and playing fields and other similar active or passive recreational uses.

In all other respects, said Deed shall remain in full force and effect except as amended and corrected hereby.

IN WITNESS WHEREOF, Grantor has executed the instrument this 26th day of December, 1989.

GRANTOR:

CHEVRON U.S.A. INC., a Pennsylvania corporation,

BY:  

Its: Assistant Secretary

ACCEPTED AND AGREED

GRANTEE:

THE CITY OF EL SEGUNDO, a municipal corporation,

BY:  

Its: CITY MANAGER

- Page 2 of 3 -
State of California
City and
County of San Francisco

On December 26, 1989, before me, A.M. Brendlinger, a Notary Public in and
for said County and State, duly commissioned and sworn, personally appeared
C. P. Farber, personally known to me to be Assistant Secretary of
CHEVRON U.S.A. INC., the Corporation described in and that executed the within
instrument, and also known to me to be the person(s) who executed it on behalf of
the said Corporation therein named and acknowledged to me that such corporation executed
the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal,
in the County and State aforesaid the day and year in this certificate above written.

State of California
City and
County of Los Angeles

On December 27th, 1989, before me, the undersigned, a Notary Public in and for
said State, personally appeared before me RONALD E. CANO, personally known
to me (or proved to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as the CITY MANAGER on behalf of THE CITY OF
EL SEGUNDO, the municipal corporation therein named, and acknowledged to me that
such corporation executed the within instrument pursuant to its bylaws or a resolution of
its City Council or other governing body.

WITNESS my hand and official seal.
EXHIBIT E
EXHIBIT F
Exhibit F is in progress.
<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Amount</th>
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<tr>
<td>001</td>
<td>General Fund</td>
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<tr>
<td>104</td>
<td>Traffic Safety Fund</td>
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<tr>
<td>106</td>
<td>State Gas Tax Fund</td>
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<td>108</td>
<td>Associated Recreation Activities Fund</td>
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<td>109</td>
<td>Asset Forfeiture Fund</td>
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<td>111</td>
<td>Comm. Dev. Block Fund</td>
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<tr>
<td>112</td>
<td>PROP &quot;A&quot; Transportation</td>
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<tr>
<td>114</td>
<td>PROP &quot;C&quot; Transportation</td>
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<td>115</td>
<td>Air Quality Investment Program</td>
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<td>116</td>
<td>Home Sound Installation Fund</td>
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<td>117</td>
<td>Hyperform Mitigation Fund</td>
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<td>118</td>
<td>TDA Article 3 - SB 821 Bikeway Fund</td>
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<td>119</td>
<td>MTA Grant</td>
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<tr>
<td>121</td>
<td>FMA</td>
<td>-</td>
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<tr>
<td>122</td>
<td>C.O.P.S. Fund</td>
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<tr>
<td>123</td>
<td>L.A.W.A. Fund</td>
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<tr>
<td>126</td>
<td>PSAP Property Tax Public Safety</td>
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<td>261</td>
<td>Capital Improvement Fund</td>
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<td>262</td>
<td>Infrastructure Replacement Fund</td>
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<td>265</td>
<td>Facilities Maintenance</td>
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<tr>
<td>801</td>
<td>Water Utility Fund</td>
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<td>802</td>
<td>Wastewater Fund</td>
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<td>602</td>
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<td>603</td>
<td>Workers Comp. Reserve/Insurance</td>
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<td>701</td>
<td>Retired Emp. Insurance</td>
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<td>702</td>
<td>Expendable Trust Fund - Developer Fees</td>
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<td>709</td>
<td>Expendable Trust Fund - Other</td>
<td>9,718.00</td>
</tr>
<tr>
<td>708</td>
<td>Outside Services Trust</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL WARRANTS</strong></td>
<td><strong>$ 1,597,231.93</strong></td>
<td></td>
</tr>
</tbody>
</table>

**State of California**

**County of Los Angeles**

Information on actual expenditures is available in the Director of Finance's office in the City of El Segundo.

I certify as to the accuracy of the demands and the availability of fund for payment thereof.

For Approval: Regular checks held for City council authorization to release.

**Codes:**

- **R** = Computer generated checks for all non-emergency/urgency payments for materials, supplies and services in support of City Operations

For Ratification:

- **A** = Payroll and Employee Benefit checks

- **B-F** = Computer generated Early Release disbursements and/or adjustments approved by the City Manager. Such as: payments for utility services, petty cash and employee travel expense reimbursements, various refunds, contract employee services consistent with current contractual agreements, instances where prompt payment discounts can be obtained or late payment penalties can be avoided or when a situation arises that the City Manager approves.

- **H** = Handwritten Early Release disbursements and/or adjustments approved by the City Manager.

**Void Checks Due to Alignment:**

NA

**Void Checks Due to Incorrect Check Date:**

NA

**Void Checks Due to Computer Software Error:**

NA

**Notes:**

NA

**Finance Director:**

**CITY MANAGER:**

**Date:** 3-9-18

**Date:** 3-9-18
CITY OF EL SEGUNDO
PAYMENTS BY WIRE TRANSFER
2/26/18 THROUGH 3/11/18

<table>
<thead>
<tr>
<th>Date</th>
<th>Payee</th>
<th>Description</th>
</tr>
</thead>
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<tr>
<td>2/26/2018</td>
<td>IRS</td>
<td>Federal 941 Deposit</td>
</tr>
<tr>
<td>2/26/2018</td>
<td>Employment Development</td>
<td>State FUT Withholding</td>
</tr>
<tr>
<td>2/26/2018</td>
<td>Employment Development</td>
<td>State SDI payment</td>
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<tr>
<td>3/1/2018</td>
<td>Cal Pers</td>
<td>EFT Retirement Safety-Fire-PEPRA New 25020</td>
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<tr>
<td>3/1/2018</td>
<td>Cal Pers</td>
<td>EFT Retirement Safety-Police-PEPRA New 25021</td>
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<td>3/1/2018</td>
<td>Cal Pers</td>
<td>EFT Retirement Misc - PEPRA New 26013</td>
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<td>3/1/2018</td>
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<td>EFT Retirement Misc - Classic 27</td>
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<td>Cal Pers</td>
<td>EFT Retirement Safety Fire-Classic 30168</td>
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<tr>
<td>3/1/2018</td>
<td>Cal Pers</td>
<td>EFT Retirement Sfly Police Classic-2nd Tier 30169</td>
</tr>
<tr>
<td>3/2/2018</td>
<td>Health Comp</td>
<td>Weekly claims</td>
</tr>
<tr>
<td>3/2/2018</td>
<td>Manufacturers &amp; Traders</td>
<td>457 payment Vantagepoint</td>
</tr>
<tr>
<td>3/9/2018</td>
<td>Manufacturers &amp; Traders</td>
<td>457 payment Vantagepoint</td>
</tr>
<tr>
<td>3/9/2018</td>
<td>Manufacturers &amp; Traders</td>
<td>IRA payment Vantagepoint</td>
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<tr>
<td>3/9/2018</td>
<td>Nationwide NRS EFT</td>
<td>EFT 457 payment</td>
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<tr>
<td>3/9/2018</td>
<td>State of CA EFT</td>
<td>EFT Child support payment</td>
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<tr>
<td>3/9/2018</td>
<td>Health Comp</td>
<td>Weekly claims</td>
</tr>
<tr>
<td>3/9/2018</td>
<td>Cal Pers</td>
<td>EFT Health Insurance Payment</td>
</tr>
<tr>
<td>3/1/2018</td>
<td>Lane Donovan Golf P't</td>
<td>Payroll Transfer</td>
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<tr>
<td>2/19/18-2/25/18</td>
<td>Workers Comp Activity</td>
<td>SCRMA checks issued</td>
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<tr>
<td>2/26/18-3/4/18</td>
<td>Workers Comp Activity</td>
<td>SCRMA checks issued</td>
</tr>
<tr>
<td>2/19/18-2/25/18</td>
<td>Liability Trust - Claims</td>
<td></td>
</tr>
<tr>
<td>2/26/18-3/4/18</td>
<td>Liability Trust - Claims</td>
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</tr>
<tr>
<td>2/19/18-2/25/18</td>
<td>Retiree Health Insurance</td>
<td>Claim checks issued</td>
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<tr>
<td>2/26/18-3/4/18</td>
<td>Retiree Health Insurance</td>
<td>Claim checks issued</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Health Reimbursement checks issued</td>
</tr>
</tbody>
</table>

DATE OF RATIFICATION: 3/9/18
TOTAL PAYMENTS BY WIRE:

1,158,937.19

Certified as to the accuracy of the wire transfers by:

Deputy City Treasurer II

Director of Finance

City Manager

Information on actual expenditures is available in the City Treasurer's Office of the City of El Segundo.
MEETING OF THE EL SEGUNDO CITY COUNCIL  
TUESDAY, MARCH 6, 2018 – 5:00 PM

5:00 P.M. SESSION

CALL TO ORDER – Mayor Fuentes at 5:00 PM

ROLL CALL
Mayor Fuentes - Present
Mayor Pro Tem Boyles - Present
Council Member Dugan - Present
Council Member Brann - Present
Council Member Pirsztuk - Present

PUBLIC COMMUNICATION – (Related to City Business Only – 5 minute limit per person, 30 minute limit total) None

SPECIAL ORDER OF BUSINESS:

Mayor Fuentes announced that Council would be meeting in closed session pursuant to the items listed on the Agenda.

CLOSED SESSION:

The City Council may move into a closed session pursuant to applicable law, including the Brown Act (Government Code Section §54960, et seq.) for the purposes of conferring with the City’s Real Property Negotiator; and/or conferring with the City Attorney on potential and/or existing litigation; and/or discussing matters covered under Government Code Section §54957 (Personnel); and/or conferring with the City’s Labor Negotiators; as follows:

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Gov’t Code §54956.9(d)(1): -0- matters

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Government Code §54956.9(d)(2): -1- matters.

DISCUSSION OF PERSONNEL MATTERS (Gov't Code §54957): -1- matters

1. Public Employee Performance Evaluation
   Title: City Manager

APPOINTMENT OF PUBLIC EMPLOYEE (Gov't. Code § 54957): -0- matter

PUBLIC EMPLOYMENT (Gov't Code § 54957) -0- matter

CONFERENCE WITH CITY’S LABOR NEGOTIATOR (Gov't Code §54957.6): -3- matters

1. Employee Organizations: Police Management Association; City Employees Association and Fire Fighters Association.

   Agency Designated Representative: Labor Negotiator, Irma Rodriguez Moisa and City Manager, Greg Carpenter

CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov't Code §54956.8): -0- matters

Adjourned at 6:50 PM
REGULAR MEETING OF THE EL SEGUNDO CITY COUNCIL
TUESDAY, MARCH 6, 2018 - 7:00 P.M.

7:00 P.M. SESSION

CALL TO ORDER – Mayor Fuentes at 7:00 PM

INVOCATION – Pastor Wes Harding, The Bridge Church

PLEDGE OF ALLEGIANCE – Council Member Brann

PRESENTATIONS - None

ROLL CALL

Mayor Fuentes - Present
Mayor Pro Tem Boyles - Present
Council Member Dugan - Present
Council Member Brann - Present
Council Member Pirzstuk - Present

PUBLIC COMMUNICATIONS – (Related to City Business Only – 5 minute limit per person, 30 minute limit total)
John Federick, resident, spoke regarding an Animal Permit Appeal fee waiver for his grandson’s 4-H goat.
Brandon England, resident, in favor of the goat and would like the fee waived as well. Greg Davidson, Cal Pipe Security Bollard’s, commented on item #E9.

CITY COUNCIL COMMENTS – (Related to Public Communications)
Council Member Brann asked questions of Mr. Frederick concerning his goat.

A. PROCEDURAL MOTIONS

Consideration of a motion to read all ordinances and resolutions on the Agenda by title only.

MOTION by Council Member Dugan, SECONDED by Council Member Brann to read all ordinances and resolutions on the agenda by title only. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

B. SPECIAL ORDERS OF BUSINESS (PUBLIC HEARING)

C. UNFINISHED BUSINESS
1. Consideration and possible action to amend Maintenance Agreement #4096 with LandCare USA for ongoing landscape maintenance of the planters in the Downtown El Segundo corridor. (Fiscal Impact: included in FY17/18 budget; $57,540 annually thereafter)

Greg Carpenter, City Manager and Council Member Pirztkuk recused themselves from the discussion due to the location of their homes in respect to downtown El Segundo.

Meredith Petit, Recreation and Parks Director, gave a presentation.

Council Discussion

MOTION by Council Member Dugan, SECONDED by Mayor Pro Tem Boyles authorizing the City Manager to execute an amendment no. 4096H, in a form approved by the City Attorney, to Maintenance Agreement #4096 with LandCare USA. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

Greg Carpenter and Council Member Pirztkuk returned to the meeting and dais.

2. Consideration and possible action to receive and file report and provide direction on a pending Transit Oriented Development Planning Grant from Los Angeles County Metropolitan Transit Authority (Metro). The grant will partially fund (approximately $650,000) of studies regarding the development of properties located east of Sepulveda for purposes of potentially permitting high density housing (which may include affordable/low income housing), increasing commercial property density, modifying development standards around stations, making the streets more conducive to pedestrians, and otherwise change the development of the area to make it more likely to increase the use of mass transit. The grant would fund a portion of studies for, including, but not limited to, environmental impacts, economic/fiscal impacts, housing impacts, development impacts, transportation impacts, and social impacts. (Fiscal Impact: approximately $300,000 of matching funds from the General Plan Maintenance Fund, plus staff time if grant is accepted.)

Greg Carpenter, City Manager, introduced the item.

Sam Lee, Planning and Building Safety Director, gave a report.

Gregg McClain, Planning Manager, gave a presentation and answered Council questions.

Council Discussion.
Council consensus to receive and file a report regarding the Metro grant. Council directed the City Attorney to review the contract and bring back a review to a future City Council meeting.

D. REPORTS OF COMMITTEES, COMMISSIONS AND BOARDS

3. Consideration and possible action to adopt a Resolution revising the Technology Committee Bylaws and increase the number of participants from seven (7) to eleven (11) members.
   (Fiscal Impact: None)

   Greg Carpenter, City Manager, introduced the item.

   Council discussion

   MOTION by Council Member Brann, SECONDED by Council Member Pirsztuk to adopt Resolution No. 5076 and approve the increase of participants from seven (7) to eleven (11) members. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

4. Consideration and possible action to provide direction to staff and The Lakes RFP Task Force related to finalizing the Request for Proposals for The Lakes at El Segundo Site (400 S. Sepulveda Blvd.).
   (Fiscal Impact: None)

   Greg Carpenter, City Manager, introduced the item.

   Meredith Petit, Recreation and Parks Director, gave a report.

   Carol Beck, CDB Golf Properties consultant, answered Council questions

   Council Discussion

   Council consensus to staff and The Lakes RFP Task Force; add a step to the RFP timeline giving Council an overview of all bidders, instead of Council receiving the final proposal, allow Council to weigh in on final 3 choices, and for the Evaluation and Scoring Criteria, change Financial Return to City to Financial Impact to City.

E. CONSENT AGENDA

All items listed are to be adopted by one motion without discussion and passed unanimously. If a call for discussion of an item is made, the item(s) will be considered individually under the next heading of business.
5. Approve Warrant Numbers 3020099 through 3020242 and 9000281 through 9000281 on Register No. 10 in the total amount of $483,762.11 and Wire Transfers from 2/12/18 through 2/25/18 in the total amount of $3,338,521.26. Ratified Payroll and Employee Benefit checks; checks released early due to contracts or agreement; emergency disbursements and/or adjustments; and wire transfers.

6. Approve Special City Council Meeting Minutes of February 20, 2018 and Regular City Council Meeting Minutes of February 20, 2018. Recommendation – Approval

7. Accept as complete the Fire Station #1 Kitchen Improvement Project. Project No. PW 17-06 and authorize the City Clerk to file a Notice of Completion in the County Recorder’s Office. (Fiscal Impact: $138,200.00)

8. Award a standard Public Works Contract, No. 5489, in a form approved by the City Attorney, to Ocean Blue Environmental Services, Inc. in the amount of $52,576 for Catch Basin Connector Pipe Screen (CPS) Improvement, Project No. PW 17-39 and authorize an additional $13,124 for construction related contingencies. (Fiscal Impact: $65,700)

9. PULLED BY MAYOR FUENTES

10. Accept as complete the Fire Station and Police Station Roof Replacement Project, Project No. PW 15-18 located at 314 Main Street and 348 Main Street, El Segundo, CA 90245 and authorize the City Clerk to file a Notice of Completion in the County Recorder’s Office
(Fiscal Impact: $870,917.82)

MOTION by Mayor Pro Tem Boyles, SECONDED by Council Member Dugan approving Consent Agenda items 5, 6, 7, 8, 9, and 10. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

PULLED ITEM:

9. Consideration and possible action to adopt a Resolution approving the Plans and Specifications for Main Street Bollards, Project No. PW 18-08. (Fiscal Impact: To Be Determined)

Council Discussion

MOTION by Mayor Fuentes, SECONDED by Council Member Brann to adopt Resolution No. 5077. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0
F. NEW BUSINESS

G. REPORTS – CITY MANAGER – Stated the City is reinstituting Student Government Day and mentioned the State of City will be held on Tuesday, March 20, 2018.

H. REPORTS – CITY ATTORNEY - None

I. REPORTS – CITY CLERK – Gave an election update.

J. REPORTS – CITY TREASURER – Not present

K. REPORTS – CITY COUNCIL MEMBERS

Council Member Brann – Recommended that all visit the new ESMoA exhibition “Awkward”, attended the ESMS “School to Watch” award assembly and attended a COG meeting regarding a retail presentation.

Council Member Pirszluk – Invited the community to attend the “The Little Mermaid” production on March 15 - 18, 2018 at the El Segundo Performing Arts Center and the Battle of the Badges event on March 25, 2018 at the Laker’s facility.

Council Member Dugan – Passed

Mayor Pro Tem Boyles – Shout out to the ESHS Boys Soccer team for winning Division 5 CIF finals and congratulated his GU14 AYSO All-star team, who are moving on to the Riverside Tournament.

Mayor Fuentes – Attended the dedication of a basketball hoop to Fire Station 2 from the South Bay Laker's, attended the 2017 SMC Awards (Air Force), attended the ESMS “School to Watch” award assembly, attended an event at El Camino college showcasing 3 ESMS students who collected food for the Warrior Pantry at El Camino for their 8th Grade project, read Dr. Seuss books to students at St. Anthony’s school for Dr. Seuss Day, attended the ESHS Career Day, attended the South Bay Aerospace Alliance meeting, reminded the community to attend ROAD’s Reality Party on Saturday, March 24 and toured Raytheon’s facility.

PUBLIC COMMUNICATIONS – (Related to City Business Only – 5 minute limit per person, 30 minute limit total) None

MEMORIALS – Nancy Wernick and Loretta Frye
ADJOURNMENT at 8:55 PM

Tracy Weaver, City Clerk
EL SEGUNDO CITY COUNCIL
AGENDA STATEMENT

AGENDA DESCRIPTION:
Consideration and possible action to accept as complete the East of Sepulveda Boulevard Pavement Rehabilitation Project, Project No. PW17-27. (Fiscal Impact: $752,879.71)

RECOMMENDED COUNCIL ACTION:
1. Accept the work as complete;
2. Authorize the City Clerk to file a Notice of Completion in the County Recorder’s Office;
3. Alternatively, discuss and take other possible actions related to this item.

ATTACHED SUPPORTING DOCUMENTS:
Notice of Completion
Location Map

FISCAL IMPACT: Included in Adopted Budget

Amount Budgeted: $1,000,000
Additional Appropriation: N/A
Account Number(s): $600,000 from 106-400-8203-8357 (State Gas Tax)
$400,000 from 301-400-8203-8952 (Streets Rehab.)

STRATEGIC PLAN:
Goal: 4 Develop Quality Infrastructure and Technology
Objective: (a) El Segundo’s physical infrastructure supports an appealing, safe, and effective City.

ORIGINATED BY: Arianne Bola, Senior Associate Engineer
REVIEWED BY: Ken Berkman, Public Works Director
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:
On July 18, 2017, City Council adopted plans and specifications for the Pavement Resurfacing of the following streets and authorized staff to advertise for bids:
- Alaska Avenue – between Douglas St. and Aviation Blvd.
- Allied Way – between Hughes Way and E. Park Place
- Coral Circle – street loop adjacent to Douglas St.
- Hawaii St. – between Alaska Ave. and Aviation Blvd.
- Hughes Way – between Sepulveda Blvd. and east end of Hughes Way
- Selby St. – between Imperial Hwy. and Walnut Ave.
- Utah Ave. – between Douglas St. and Aviation Blvd.
- Walnut Ave. – between Sepulveda Blvd. and Selby St.
On August 15, 2017, City Council awarded a standard public works contract to All American Asphalt for $792,770.00 and approved an additional $150,265.00 for construction-related contingencies. City Council also awarded a professional services agreement to AKM Consulting Engineers to provide construction inspection and testing for the Project in the amount of $46,965.00, with an additional $10,000 for contingencies.

Construction began on November 3, 2017 and was successfully completed by All American Asphalt on December 28, 2017.

Project change orders included the following:
- Slurry sealing of all asphalt sidewalk within the Library Park. This work was performed a week before the Christmas Tree Lighting event that was held December 2, 2017.
- Street resurfacing and stripping restoration of approximately 11,600 SF of Douglas St. pavement located at 184’ south of Alaska Ave.
- Deletion of Alternate Bid Item to re-stripe Rosecrans Avenue between Aviation Blvd. and Highland Ave.

Combined change order costs and final bid item quantities resulted in an overall deletion change order and final construction contract amount of $708,399.61 (10.64% under budgeted project amount).

The project was originally budgeted with Street Rehabilitation and Gas Tax funds. There is also $240,000 of Proposition C funds budgeted this fiscal year for the upcoming road rehabilitation project to be completed this summer. However, Metro recently notified the City that a minimum of $159,831 of Proposition C funds must be spent by June 30, 2018 to avoid having the funds lapse. Staff reviewed the project locations and determined that the work on Hughes Way and Allied Way are on regional bus routes and are thus eligible for Proposition C funding. The cost for Hughes way and Allied way is $199,067.36 as detailed below:

<table>
<thead>
<tr>
<th>PW 17-27, Hughes Way and Allied Way Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bid #</strong></td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
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<tr>
<td>6</td>
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<tr>
<td>7</td>
</tr>
<tr>
<td>8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

Staff will make the adjustment to use $199,067.36 from the Prop C fund account #114-400-8203-8943 for this project to avoid lapsing, and return the same amount from the project to the gas tax fund #106-400-8203-8357 to be used in the upcoming 2018 summer road rehabilitation project.

Staff respectfully recommends that City Council accept the work performed by All American Asphalt as complete and authorize the City Clerk to file a Notice of Completion with the County Recorder's office. The unspent budgeted amount will return to the Gas Tax funds for future street resurfacing improvements.
NOTICE OF COMPLETION OF CONSTRUCTION PROJECT

Project Name: Water Main Improvements on Mariposa Avenue
Project No.: PW 17-27 Contract No. 5380

Notice is hereby given pursuant to State of California Civil Code Section 3093 et seq that:

1. The undersigned is an officer of the owner of the interest stated below in the property hereinafter described.

2. The full name of the owner is: City of El Segundo

3. The full address of the owner is: City Hall, 350 Main Street, El Segundo, CA, 90245

4. The nature of the interest of the owner is: Public Facilities

5. A work of improvement on the property hereinafter described was field reviewed by the City Engineer on December 28, 2017. The work done was: Street Resurfacing Improvements.

6. On March 20, 2018, City Council of the City of El Segundo accepted the work of this contract as being complete and directed the recording of this Notice of Completion in the Office of the County Recorder.

7. The name of the Contractor for such work of improvement was: All American Asphalt

8. The property on which said work of improvement was completed is in the City of El Segundo, County of Los Angeles, State of California, and is described as follows: East of Sepulveda Blvd. Pavement Rehabilitation Project

9. The street address of said property is: Various locations in El Segundo, CA 90245

Dated: ____________________________

Ken Berkman
Public Works Director

VERIFICATION

I, the undersigned, say: I am the Director of Public Works/City Engineer of the City El Segundo, the declarant of the foregoing Notice of Completion; I have read said Notice of Completion and know the contents thereof; the same is true of my own knowledge.

I declare under penalty of perjury the foregoing is true and correct.

Executed on ________________, 2017 at El Segundo, California. 90245

Ken Berkman
Public Works Director
EL SEGUNDO CITY COUNCIL
AGENDA STATEMENT
MEETING DATE: March 20, 2018
AGENDA HEADING: Consent Agenda

AGENDA DESCRIPTION:
Consideration and possible action to award a standard Public Works Contract to Cinbad Industry Inc., in a form approved by the City Attorney, for construction of the Police Department Floor Replacement, Project No. PW 18-02 (Fiscal Impact: $227,661.50)

RECOMMENDED COUNCIL ACTION:
1. Authorize the City Manager to execute a standard Public Works Contract in a form approved by the City Attorney with Cinbad Industry Inc. in the amount of $206,965.00 and authorize an additional $20,696.50 for construction related contingencies.
2. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
None.

FISCAL IMPACT: Included in Adopted FY 2017-18 Budget

<table>
<thead>
<tr>
<th>Amount Budgeted:</th>
<th>$250,000 for Various Police Department Upgrades</th>
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<tbody>
<tr>
<td>Additional Appropriation:</td>
<td>N/A</td>
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<tr>
<td>Account Number(s):</td>
<td>301-400-8201-8708 (Police Dept. Upgrades)</td>
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<tr>
<td></td>
<td>301-400-8201-8412 (Police Flooring Replacement)</td>
</tr>
<tr>
<td></td>
<td>301-400-8201-8414 (PD Stairwell)</td>
</tr>
<tr>
<td></td>
<td>301-400-8201-8415 (PD Interior Painting)</td>
</tr>
</tbody>
</table>

STRATEGIC PLAN:

| Goal: 4 | Develop Quality Infrastructure and Technology |
| Objective: (a) | El Segundo’s physical infrastructure supports an appealing, safe, and effective City |

| Goal: 3 | Develop as a Choice Employer & Workforce |
| Objective: 4 | The City has an inspired, engaged workforce |

ORIGINATED BY: Orlando Rodriguez, Senior Civil Engineer
REVIEWED BY: Ken Berkman, Public Works Director
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:
Replacement of the carpet and linoleum flooring in the Police Department (PD) was identified as one of the top priorities in the annual Capital Improvement Program, as it has not been replaced in many years and is far beyond its usable service life (10-15 years for carpet and ~20 years for linoleum). The proposed replacement flooring will consist of commercial grade modular carpet tiles and vinyl flooring suitable for the high-traffic, day-to-day operations inside the PD.
The proposed project also includes alternative bid items for the re-painting of the PD basement and the PD stairwell. The interior walls of the PD basement and the PD stairwell were last painted 20 years ago and are in need of fresh paint due to normal wear and tear. The funding for the project was included in the adopted FY 2017-18 budget.

Prior to preparing the plans and specifications for this project, staff employed the services of an environmental consultant to perform sample tests of the existing flooring for any asbestos material. No flooring samples contained asbestos.

On February 6, 2018, Council approved the complete set of plans and specifications for the project and authorized staff to advertise the project for receipt of construction bids. On February 27, 2018, the City Clerk received and opened three bids, as follows:

**Base Bid Items**

1. Cinbad Industry, Inc. $151,715.00  
2. Meyers Construction $155,780.00  
3. Coastal Flooring Surfaces, Inc. $184,920.00

**Alternative Bid Items**

1. Cinbad Industry, Inc. $55,250.00

Although 3 bids were received by the City Clerk’s office, Meyers Construction’s bid was determined to be non-responsive since they did not attend the mandatory pre-bid job walk meeting.

The lowest responsive and responsible bidder for the base bid items is Cinbad Industry Inc. (Cinbad). Staff checked the Contractor’s references and license status and determined that they have satisfactorily completed similar projects for other public agencies and their license is in good standing. Cinbad also recently completed kitchen improvement projects at the Police and Fire Stations, and staff was satisfied with their performance as well.

Staff has elected to accept the alternative bid items for re-painting of the PD basement and PD stairwell for the bid amount of $55,250.00. Therefore, the total bid amount for the base bid items and the alternative bids items is $206,965.00.

Therefore, staff respectfully recommends that City Council authorize the City Manager to execute a standard Public Works Contract in a form approved by the City Attorney with Cinbad Industry Inc. in the amount of $206,965.00 and authorize an additional $20,696.50 for construction related contingencies.

With Council’s approval, construction is estimated to occur from May to August, 2018.
AGENDA DESCRIPTION:
Consideration and possible action regarding the acceptance of grant funding from the U.S. Department of Homeland Security, through the Office of Grants and Training, under Fiscal Year 2016 State Homeland Security Grant Program (SHSGP). (Fiscal Impact: $36,360)

RECOMMENDED COUNCIL ACTION:
1. Authorize the acceptance of $36,360 in grant funds from the SHSGP 2016 grant program and allow for Amendments as outlined in subsection 502 of the Sub-recipient agreement.
2. Authorize the City Manager to sign an Agreement with the County of Los Angeles who will serve as the grant administrator for the grant;
3. Alternately, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
1. Sub-recipient Agreement.

FISCAL IMPACT: None

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Amount Budgeted</td>
<td>$36,360</td>
</tr>
<tr>
<td>Additional Appropriation</td>
<td>N/A</td>
</tr>
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</table>
| Account Number(s)         | 124-300-3202-3766 (SHSGP)  
                           | 124-400-3766-4103 (Overtime) |

STRATEGIC PLAN:

<table>
<thead>
<tr>
<th>Goal</th>
<th>Objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Support Community Safety and Preparedness</td>
</tr>
<tr>
<td>1</td>
<td>The City is prepared to respond appropriately when called upon with positive outcomes.</td>
</tr>
</tbody>
</table>

ORIGINATED BY: Carol Lynn Anderson, Senior Management Analyst
REVIEWED BY: Christopher Donovan, Fire Chief
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:
The City of El Segundo has been allocated $36,360 in State Homeland Security Grant Program (SHSGP) funding, which is passed to the local area through Los Angeles County via a Sub-Recipient agreement. Funding was carved out for the City of El Segundo to provide federal funding to cover expenses associated with Urban Search and Rescue (USAR) regional training.
In accordance with the City Council Policy regarding grant submissions:

1. The grant award is made by the U.S. Department of Homeland Security, through the Office of Grants and Training. The grant is administered by the County of Los Angeles.
2. The total amount being requested is: $36,360
3. Matching Funds Cost-Share: N/A
4. Source of Matching Funds Cost Share: N/A
5. The grant does not provide up-front funding. Municipalities submit reimbursement requests to the grant administrator after expenditures are made and processed for payment. Approved requests are reimbursed by the County of Los Angeles.
State Homeland Security Program
Subrecipient Agreement
Grant Year 2016

Between the
County of Los Angeles
and the
City of El Segundo
SUBRECIPIENT AGREEMENT
BETWEEN THE
COUNTY OF LOS ANGELES
AND THE
CITY OF EL SEGUNDO

THIS AGREEMENT ("Agreement") is made and entered into by and between the County of Los Angeles, a political subdivision of the State of California (the "County of Los Angeles"), and the City of El Segundo, a public agency (the "Subrecipient").

WITNESSETH

WHEREAS, the U.S. Department of Homeland Security Title 2 Code of Federal Regulations (CFR) through the Office of Grants and Training (G&T), has provided financial assistance for the State Homeland Security Program (SHSP), Catalog of Federal Domestic Assistance (CFDA) 97.067 – Homeland Security Grant Program directly to the California Governor's Office of Emergency Services (Cal OES) for the 2016 SHSP, FAIN #EMW-2016-SS-00102, Federal Award dated September 16, 2016. This Federal Award is not a R&D award; and

WHEREAS, the Cal OES provides said funds to the County of Los Angeles (DUNS #052238763) as its Subgrantee, and the Chief Executive Office (CEO) is responsible for managing and overseeing the SHSP funds that are distributed to other specified jurisdictions within Los Angeles County; and

WHEREAS, this financial assistance is being provided to the Subrecipient in order to address the unique equipment, training, organization, exercise and planning needs of the Subrecipient, and to assist the Subrecipient in building effective prevention and protection capabilities to prevent, respond to, and recover from threats or acts of terrorism; and

WHEREAS, the County of Los Angeles as Subgrantee has obtained approval of the 2016 SHSP grant from Cal OES in the total amount of $10,415,280; and

WHEREAS, the CEO now wishes to distribute 2016 SHSP grant funds to the Subrecipient in the amount of $36,360, as further detailed in this Agreement; and

WHEREAS, the CEO is authorized to enter into subrecipient agreements with cities providing for re-allocation and use of these funds; and to execute all future amendments, modifications, extensions, and augmentations relative to the subrecipient agreements, as necessary; and

WHEREAS, the County of Los Angeles and Subrecipient are desirous of executing this Agreement, and the County of Los Angeles Board of Supervisors on November 29, 2016 authorized the CEO to prepare and execute this Agreement.
NOW, THEREFORE, the County of Los Angeles and Subrecipient agree as follows:

SECTION I

INTRODUCTION

§101. Parties to this Agreement

The parties to this Agreement are:

A. County of Los Angeles, a political subdivision of the State of California, having its principal office at Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, CA 90012; and

B. City of El Segundo, a public agency, having its principal office at 350 Main Street, El Segundo, CA 90245

§102. Representatives of the Parties and Service of Notices

A. The representatives of the respective parties who are authorized to administer this Agreement and to whom formal notices, demands and communications must be given are as follows:

1. The representative of the County of Los Angeles is, unless otherwise stated in this Agreement:

   Jose Chew, Grant Director
   Chief Executive Office, Los Angeles County (LAC)
   500 West Temple Street, Room B-79-2
   Los Angeles, CA 90012
   Phone: (213) 974-1549
   Fax: (213) 687-3765
   jchew@ceo.lacounty.gov

   With a copy to:
   Craig Hirakawa, Grant Manager
   Chief Executive Office, LAC
   500 West Temple Street, Room B-79-2
   Los Angeles, CA 90012
   Phone: (213) 974-1127
   Fax: (213) 687-3765
   chirakawa@ceo.lacounty.gov
2. The representative of Subrecipient is:

<table>
<thead>
<tr>
<th>Name and Title:</th>
<th>Greg Carpenter, City Manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization/DUNS #</td>
<td>077-264679</td>
</tr>
<tr>
<td>Address:</td>
<td>350 Main Street</td>
</tr>
<tr>
<td>City/State/Zip:</td>
<td>El Segundo, CA 90245</td>
</tr>
<tr>
<td>Phone:</td>
<td>310-524-2301</td>
</tr>
<tr>
<td>Fax:</td>
<td></td>
</tr>
<tr>
<td>Email:</td>
<td><a href="mailto:gcarpenter@elsegundo.org">gcarpenter@elsegundo.org</a></td>
</tr>
</tbody>
</table>

With a copy to:

<table>
<thead>
<tr>
<th>Name and Title:</th>
<th>Carol Lynn Anderson</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sr. Management Analyst</td>
</tr>
<tr>
<td>Organization:</td>
<td>City of El Segundo</td>
</tr>
<tr>
<td></td>
<td>Fire Department</td>
</tr>
<tr>
<td>Address:</td>
<td>314 Main Street</td>
</tr>
<tr>
<td>City/State/Zip:</td>
<td>El Segundo, CA 90245</td>
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<tr>
<td>Phone:</td>
<td>310-524-2235</td>
</tr>
<tr>
<td>Fax:</td>
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<tr>
<td>Email:</td>
<td><a href="mailto:canderson@elsegundo.org">canderson@elsegundo.org</a></td>
</tr>
</tbody>
</table>

B. Formal notices, demands and communications to be given hereunder by either party must be made in writing and may be effected by personal delivery, regular U.S. Postal mail service and/or e-mail. In the event of personal delivery or email, the message will be deemed communicated upon receipt by the County of Los Angeles. In the event of mail service, the message will be deemed communicated as of the date of mailing.
C. If the name and/or title of the person designated to receive the notices, demands or communications or the address of such person is changed, written notice must be given, in accord with this section, within five (5) business days of said change.

§103. Independent Party

Subrecipient is acting hereunder as an independent party, and not as an agent or employee of the County of Los Angeles. An employee of Subrecipient is not, and will not be deemed, an employee of the County of Los Angeles by virtue of this Agreement, and Subrecipient must so inform each employee organization and each employee who is hired or retained under this Agreement. Subrecipient must not represent or otherwise hold out itself or any of its directors, officers, partners, employees, or agents to be an agent or employee of the County of Los Angeles by virtue of this Agreement.

§104. Conditions Precedent to Execution of This Agreement

Subrecipient must provide the following signed documents to the County of Los Angeles, unless otherwise exempted:

A. Certification and Disclosure Regarding Lobbying, attached hereto as Exhibit A and made a part hereof, in accordance with §411.A.14 of this Agreement. Subrecipient must also file a Disclosure Form at the end of each calendar quarter in which there occurs any event requiring disclosure or which materially affects the accuracy of the information contained in any Disclosure Form previously filed by Subrecipient.

B. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion, attached hereto as Exhibit B and made a part hereof, as required by Executive Order 12549 in accordance with §411.A.12 of this Agreement.

C. Certification Regarding Drug-Free Workplace, attached hereto as Exhibit C and made a part hereof, in accordance with §411.A.13 of this Agreement.

D. Certification of Grant Assurances – Non-Construction Programs, attached hereto as Exhibit D and made a part hereof, in accordance with §411.C of this Agreement.

SECTION II

TERM AND SERVICES TO BE PROVIDED

§201. Performance Period

The performance period of this Agreement is from September 1, 2016 to March 31, 2019, unless the County of Los Angeles, with Cal OES approval,
provides written notification to the Subrecipient that the performance period has been extended, in which case the performance period will be so extended by such written notification, as provided in §502, below.

§202. Use of Grant Funds

A. Subrecipient and the County of Los Angeles have previously completed a mutually approved budget/expenditure plan, hereinafter “Budget,” for the 2016 SHSP, which has been approved by Cal OES. This information is contained in a copy of the Final Grant Award Letter and Worksheet, attached hereto as Exhibit E.

Any request by Subrecipient to modify the Budget must be made in writing with the appropriate justification and submitted to CEO for approval. If during the County of Los Angeles review process, additional information or documentation is required, the Subrecipient will have ten (10) business days to comply with the request. If the Subrecipient does not comply with the request, CEO will issue written notification indicating that the requested modification will not be processed. Modifications must be approved in writing by the County of Los Angeles and Cal OES during the term of this Agreement. Upon approval, all other terms of this Agreement will remain in effect.

Subrecipient must utilize grant funds in accordance with all Federal regulations and State Guidelines

B. Subrecipient agrees that grant funds awarded will be used to supplement existing funds for program activities, and will not supplant (replace) non-Federal funds.

C. Subrecipient must review the Federal Debarment Listing at https://www.sam.gov/portal/SAM/#1 prior to the purchase of equipment or services to ensure the intended vendor is not listed and also maintain documentation that the list was verified.

D. Prior to the purchase of equipment or services utilizing a sole source contract of $150,000 or more, justification must be presented to CEO, who upon review will request approval from Cal OES. Such approval in writing must be obtained prior to the commitment of funds.

E. Subrecipient must provide any reports requested by the County of Los Angeles to the CEO indicating Subrecipient’s performance under this Agreement, including progress on meeting program goals. Reports must be in the form requested by the County of Los Angeles, and must be provided by the 15th of the following month. Subrecipient must submit claims for reimbursement in a timely manner.
F. Subrecipient must provide an electronic copy of their Annual Single Audit Report, as required by 2 CFR Part 200, to CEO no later than March 31st (fiscal year ending June 30) or June 30th (fiscal year ending September 30) of the year following the reporting period;

G. Subrecipient will be monitored by the County of Los Angeles on an annual basis to ensure compliance with Cal OES grant program requirements. The County of Los Angeles anticipates that said monitoring will include, at a minimum, one on-site visit during the term of this Agreement.

H. Subrecipient must provide a Corrective Action Plan to CEO within 30 days of any audit finding.

I. Any equipment acquired pursuant to this Agreement must be authorized in the G&T Authorized Equipment List (AEL) available online at https://www.fema.gov/authorized-equipment-list and the Funding Guidelines of the 2016 SHSP, Funding Opportunity Announcement, incorporated by reference, and attached hereto as Exhibit F. Subrecipient must provide the CEO a copy of its most current procurement guidelines and follow its own procurement requirements as long as they meet or exceed the minimum Federal requirements. Federal procurement requirements for the 2016 SHSP can be found at Title 2 CFR Part 200.313.

Any equipment acquired or obtained with Grant Funds:

1. Will be made available under the California Disaster and Civil Defense Master Mutual Aid Agreement in consultation with representatives of the various fire, emergency medical, hazardous materials response services, and law enforcement agencies within the jurisdiction of the applicant;

2. Will be consistent with needs as identified in the State Homeland Security Strategy and will be deployed in conformance with that plan;

3. Will be made available pursuant to applicable terms of the California Disaster and Civil Defense Master Mutual Aid Agreement and deployed with personnel trained in the use of such equipment in a manner consistent with the California Law Enforcement Mutual Aid Plan or the California Fire Services and Rescue Mutual Aid Plan.

J. Equipment acquired pursuant to this Agreement will be subject to the requirements of Title 2 CFR Part 200.313. For the purposes of this subsection, “Equipment” is defined as tangible nonexpendable property, having a useful life of more than one year which costs $5,000 or more per unit. Items costing less than $5,000, but acquired under the “Equipment” category of the Grant must also be listed on any required Equipment Listing.

1. Equipment must be used by Subrecipient in the program or project for which it was acquired as long as needed, whether or not the project or
program continues to be supported by Federal funds. When no longer needed for the original program or project, the Equipment may be used in other activities currently or previously supported by a Federal agency.

2. Subrecipient must make Equipment available for use on other like projects or programs currently or previously supported by the Federal Government, providing such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use must be given to other programs or projects supported by the awarding agency.

3. An Equipment Listing must be maintained listing each item of Equipment acquired with SHSP funds. The Equipment Listing must be kept up to date at all times. Any changes must be recorded in the Listing within ten (10) business days and the updated Listing is to be forwarded to the County of Los Angeles Auditor-Controller Shared Services Division. The Equipment Property Records must be maintained that include: (a) a description of the property, (b) a serial number or other identification number, (c) the source of property, (d) who holds title, (e) the acquisition date, (f) and cost of the property, (g) percentage of Federal participation in the cost of the property, (h) the location, (i) use and condition of the property, (j) and any ultimate disposition data including the date of disposal and sale price of the property. Records must be retained by the subrecipient pursuant to Title 2, Part 200.313 (d) (1) of the CFR.

4. All Equipment obtained under this Agreement must have an appropriate identification decal affixed to it, and, when practical, must be affixed where it is readily visible.

5. A physical inventory of the Equipment must be taken by the Subrecipient and the results reconciled with the Equipment Listing at least once every two years or prior to any site visit by State or Federal auditors/monitors. The Subrecipient is required to submit a letter certifying as to the accuracy of the Equipment Listing to the CEO, in the frequency as above.

K. Any planning paid pursuant to this Agreement must conform to the guidelines as listed in 2016 SHSP, Funding Opportunity Announcement or subsequent grant year programs.

L. Any training paid pursuant to this Agreement must conform to the guidelines as listed in 2016 SHSP, Funding Opportunity Announcement, and must be first submitted to CEO and then pre-authorized by Cal OES. A catalog of federally approved and sponsored training courses is available at https://www.firstrespondertraining.gov/ft/.

M. Any exercise paid pursuant to this Agreement must conform to the guidelines as listed in 2016 SHSP, Funding Opportunity Announcement. Detailed Homeland
Security Exercise and Evaluation Program Guidance is available at https://hseep.preptoolkit.org/.

N. Subrecipient must provide to CEO a spending plan detailing the required steps and timeframes required to complete the approved projects within the grant timeframe. Subrecipient must submit the spending plan to CEO prior to final execution of the Agreement.

O. Any organization activities paid pursuant to this Agreement must conform to the guidelines as listed in 2016 SHSP, Funding Opportunity Announcement.

P. Any personnel activities paid pursuant to this Agreement must conform to the guidelines as listed in 2016 SHSP, Funding Opportunity Announcement.

Q. Pursuant to this Agreement, indirect costs are not reimbursable.

SECTION III
PAYMENT

§301. Payment of Grant Funds and Method of Payment

A. The County of Los Angeles will reimburse Subrecipient up to the maximum grant amount of $36,360 as expenditures are incurred and paid by Subrecipient and all documentation is reviewed and approved by County of Los Angeles. All expenditures must be for the purchase of equipment, exercises, training, and planning as described in Section II of this Agreement. The grant amount represents the amount allocated to Subrecipient in the 2016 SHSP Grant Award Letter from Cal OES.

B. Subrecipient must submit reimbursement requests to the County of Los Angeles Auditor-Controller Shared Services Division requesting payment as soon as expenses are incurred and paid, and the required supporting documentation is available. Said timeframe should be within ten (10) business days of Subrecipient’s payment to vendors and/or prescribed due dates by CEO and/or Cal OES. Each reimbursement request must be accompanied by the Reimbursement Form (attached hereto as Exhibit G). All appropriate back-up documentation must be attached to the reimbursement form, including the method of procurement, purchase orders, invoices, report of goods received, and proof of payment.

For training reimbursements, Subrecipient must include a copy of the class roster verifying training attendees, proof that prior approval was obtained from Cal OES and that a Cal OES tracking number has been assigned to the course, and timesheets and payroll registers for all training attendees.
For exercise reimbursements, Subrecipient must enter the After Action Report (AAR) and Improvement Plan on the State Office of Domestic Preparedness secure portal within 60 days following completion of the exercise and submit proof of prior State approval of the AAR with the reimbursement request.

For planning reimbursements, Subrecipient must include a copy of the final tangible product as a result of the planning project.

C. The County of Los Angeles may, at its discretion, reallocate unexpended grant funds to another subrecipient. Said reallocation may occur upon approval by the County of Los Angeles of a Subrecipient reimbursement submission, inquiry from the County of Los Angeles to the Subrecipient regarding fund utilization, or by written notification from the Subrecipient to the County of Los Angeles that a portion of the grant funds identified in §301.A., above, will not be utilized. As provided in §502, below, any increase or decrease in the grant amount specified in §301.A., above, may be effectuated by a written notification by the County of Los Angeles to the Subrecipient.

D. Payment of reimbursement request will be withheld by the County of Los Angeles until the County of Los Angeles has determined that Subrecipient has turned in all supporting documentation and completed the requirements of this Agreement.

E. It is understood that the County of Los Angeles makes no commitment to fund this Agreement beyond the terms set forth herein.

F. 1. Funding for all periods of this Agreement is subject to continuing Federal appropriation of grant funds for this program. In the event of a loss or reduction of Federal appropriation of grant funds for this program, the Agreement may be terminated, or appropriately amended, immediately upon notice to Subrecipient of such loss or reduction of Federal grant funds.

2. County of Los Angeles will make a good-faith effort to notify Subrecipient, in writing, of such non-appropriation at the earliest time.

SECTION IV

STANDARD PROVISIONS

§401. Construction of Provisions and Titles Herein

All titles or subtitles appearing herein have been inserted for convenience and do not, and will not be deemed to, affect the meaning or construction of any of the terms or provisions hereof. The language of this Agreement will be construed according to its fair meaning and not strictly for or against either party.
§402. Applicable Law, Interpretation and Enforcement

Each party's performance hereunder must comply with all applicable laws of the United States of America, the State of California, and the County of Los Angeles. This Agreement will be enforced and interpreted, as applicable, under the laws of the United States of America, the State of California and the County of Los Angeles.

If any part, term or provision of this Agreement is held void, illegal, unenforceable, or in conflict with any law of a Federal, State or Local Government having jurisdiction over this Agreement, the validity of the remainder of the Agreement will not be affected thereby.

Applicable Federal or State requirements that are more restrictive will be followed.

§403. Integrated Agreement

This Agreement sets forth all of the rights and duties of the parties with respect to the subject matter hereof, and replaces any and all previous agreements or understandings, whether written or oral, relating thereto. This Agreement may be amended only as provided for herein.

§404. Breach

If any party fails to perform, in whole or in part, any promise, covenant, or agreement set forth herein, or should any representation made by it be untrue, any aggrieved party may avail itself of all rights and remedies, at law or equity, in the courts of law. Said rights and remedies are cumulative of those provided for herein except that in all events, no party may recover more than once, suffer a penalty or forfeiture, or be unjustly compensated.

§405. Prohibition Against Assignment or Delegation

Subrecipient may not do any of the following, unless it has first obtained the written permission of the County of Los Angeles:

A. Assign or otherwise alienate any of its rights hereunder, including the right to payment; or

B. Delegate, subcontract, or otherwise transfer any of its duties hereunder.

§406. Permits

Subrecipient and its officers, agents and employees must obtain and maintain all permits and licenses necessary for Subrecipient's performance hereunder and must pay any fees required therefor. Subrecipient further certifies that it will
immediately notify the County of Los Angeles of any suspension, termination, lapse, non-renewal or restriction of licenses, certificates, or other documents.

§407. Nondiscrimination and Affirmative Action

Subrecipient must comply with the applicable nondiscrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the County of Los Angeles. In performing this Agreement, Subrecipient must not discriminate in its employment practices against any employee or applicant for employment because of such person's race, religion, national origin, ancestry, sex, sexual orientation, age, physical handicap, mental disability, marital status, domestic partner status or medical condition. Subrecipient must comply with Executive Order 11246, entitled "Equal Employment Opportunity," as amended by Executive Order 11375, and as supplemented in Department of Labor regulations (41 CFR Part 60).


Any subcontract entered into by the Subrecipient relating to this Agreement, to the extent allowed hereunder, will be subject to the provisions of this §407 of this Agreement.

§408. Indemnification

Each of the parties to this Agreement is a public entity. This indemnity provision is written in contemplation of the provisions of Section 895.2 of the Government Code of the State of California, which impose certain tort liability jointly upon public entities, solely by reason of such entities being parties to an agreement, and the parties agree that this indemnity provision will apply and will be enforceable regardless of whether Section 895 et seq. is deemed to apply to this Agreement. The parties hereto, as between themselves, consistent with the authorization contained in Government Code Sections 895.4 and 895.6 agree to each assume the full liability imposed upon it or upon any of its officers, agents, or employees by law, for injury caused by a negligent or wrongful act or omission occurring in the performance of this Agreement, to the same extent that such liability would be imposed in the absence of Government Code Section 895.2. To achieve the above-stated purpose, each party agrees to indemnify and hold harmless the other party for any liability arising out of its own negligent acts or omissions in the performance of this Agreement (i.e., the Subrecipient agrees to indemnify and hold harmless the County of Los Angeles for liability arising out of the Subrecipient's negligent or wrongful acts or omissions and the County of Los Angeles agrees to indemnify and hold harmless the Subrecipient for liability arising out of the County of Los Angeles' negligent or wrongful acts or omissions). Each party further agrees to indemnify and hold harmless the other party for liability that is imposed on the other party solely by virtue of Government
Code Section 895.2. The provisions of Section 2778 of the California Civil Code are made a part hereof as if fully set forth herein. Subrecipient certifies that it has adequate self-insured retention of funds to meet any obligation arising from this Agreement.

§409. Conflict of Interest

A. The Subrecipient covenants that none of its directors, officers, employees, or agents may participate in selecting, or administering, any subcontract supported (in whole or in part) by Federal funds where such person is a director, officer, employee or agent of the subcontractor; or where the selection of subcontractors is or has the appearance of being motivated by a desire for personal gain for themselves or others such as family business, etc.; or where such person knows or should have known that:

1. A member of such person's immediate family, or domestic partner or organization has a financial interest in the subcontract;

2. The subcontractor is someone with whom such person has or is negotiating any prospective employment; or

3. The participation of such person would be prohibited by the California Political Reform Act, California Government Code §87100 et seq, if such person were a public officer, because such person would have a "financial or other interest" in the subcontract.

B. Definitions:

1. The term "immediate family" means domestic partner and/or those persons related by blood or marriage, such as husband, wife, father, mother, brother, sister, son, daughter, father in law, mother in law, brother in law, sister in law, son in law, daughter in law.

2. The term "financial or other interest" means:

a. Any direct or indirect financial interest in the specific contract, including but not limited to, a commission or fee, a share of the proceeds, prospect of a promotion or of future employment, a profit, or any other form of financial reward.

b. Any of the following interests in the subcontractor ownership: partnership interest or other beneficial interest of five percent or more; ownership of five percent or more of the stock; employment in a managerial capacity; or membership on the board of directors or governing body.
C. The Subrecipient further covenants that no officer, director, employee, or agent may solicit or accept gratuities, favors, or anything of monetary value from any actual or potential subcontractor, supplier, a party to a sub agreement, (or persons who are otherwise in a position to benefit from the actions of any officer, employee, or agent).

D. The Subrecipient may not subcontract with a former director, officer, or employee within a one year period following the termination of the relationship between said person and the Subrecipient.

E. Prior to obtaining the County of Los Angeles’ approval of any subcontract, the Subrecipient must disclose to the County of Los Angeles any relationship, financial or otherwise, direct or indirect, of the Subrecipient or any of its officers, directors or employees or their immediate family with the proposed subcontractor and its officers, directors or employees.

F. For further clarification of the meaning of any of the terms used herein, the parties agree that references are made to the guidelines, rules, and laws of the County of Los Angeles, State of California, and Federal regulations regarding conflict of interest.

G. The Subrecipient warrants that it has not paid or given and will not pay or give to any third person any money or other consideration for obtaining this Agreement.

H. The Subrecipient covenants that no member, officer or employee of Subrecipient may have interest, direct or indirect, in any contract or subcontract or the proceeds thereof for work to be performed in connection with this project during his/her tenure as such employee, member or officer or for one year thereafter.

I. The Subrecipient must incorporate the foregoing subsections of this Section into every agreement that it enters into in connection with this grant and must substitute the term "subcontractor" for the term "Subrecipient" and "sub subcontractor" for "Subcontractor".

§410. Restriction on Disclosures

Any reports, analyses, studies, drawings, information, or data generated as a result of this Agreement are to be governed by the California Public Records Act (California Government Code Sec. 6250 et seq.).
§411. Statutes and Regulations Applicable To All Grant Contracts

A. Subrecipient must comply with all applicable requirements of State, Federal, and County of Los Angeles laws, executive orders, regulations, program and administrative requirements, policies and any other requirements governing this Agreement. Subrecipient must comply with applicable State and Federal laws and regulations pertaining to labor, wages, hours, and other conditions of employment. Subrecipient must comply with new, amended, or revised laws, regulations, and/or procedures that apply to the performance of this Agreement. These requirements include, but are not limited to:

1. **CFR**
   Subrecipient must comply with Title 2 CFR Part 200.

2. **Single Audit Act**
   Since Federal funds are used in the performance of this Agreement, Subrecipient must, as applicable, adhere to the rules and regulations of the Single Audit Act (31 USC Sec. 7501 et seq.), 2 CFR Part 200 and any administrative regulation or field memos implementing the Act.

3. **Americans with Disabilities Act**
   Subrecipient hereby certifies that, as applicable, it will comply with the Americans with Disabilities Act 42, USC §§12101 et seq., and its implementing regulations. Subrecipient will provide reasonable accommodations to allow qualified individuals with disabilities to have access to and to participate in its programs, services and activities in accordance with the provisions of the Americans with Disabilities Act. Subrecipient will not discriminate against persons with disabilities nor against persons due to their relationship to or association with a person with a disability. Any subcontract entered into by Subrecipient, relating to this Agreement, to the extent allowed hereunder, will be subject to the provisions of this paragraph.

4. **Political and Sectarian Activity Prohibited**
   None of the funds, materials, property or services provided directly or indirectly under this Agreement may be used for any partisan political activity, or to further the election or defeat of any candidate for public office. Neither any funds provided under this Agreement be used for any purpose designed to support or defeat any pending legislation or administrative regulation. None of the funds provided pursuant to this Agreement may be used for any sectarian purpose or to support or benefit any sectarian activity.
Subrecipient must file a Disclosure Form at the end of each calendar quarter in which there occurs any event requiring disclosure or which materially affects the accuracy of any of the information contained in any Disclosure Form previously filed by Subrecipient. Subrecipient must require that the language of this Certification be included in the award documents for all sub-awards at all tiers and that all subcontractors certify and disclose accordingly.

5. **Records Inspection**

At any time during normal business hours and as often as either the County of Los Angeles, the U.S. Comptroller General or the Auditor General of the State of California may deem necessary, Subrecipient must make available for examination all of its records with respect to all matters covered by this Agreement. The County of Los Angeles, the U.S. Comptroller General and the Auditor General of the State of California have the authority to audit, examine and make excerpts or transcripts from records, including all Subrecipient’s method of procurement, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to all matters covered by this Agreement.

Subrecipient agrees to provide any reports requested by the County of Los Angeles regarding performance of this Agreement.

6. **Records Maintenance**

Records, in their original form, must be maintained in accordance with requirements prescribed by the County of Los Angeles with respect to all matters specified in this Agreement. Original forms are to be maintained on file for all documents specified in this Agreement. Such records must be retained for a period five (5) years after termination of this Agreement and after final disposition of all pending matters. "Pending matters" include, but are not limited to, an audit, litigation or other actions involving records. The County of Los Angeles may, at its discretion, take possession of, retain and audit said records. Records, in their original form pertaining to matters covered by this Agreement, must at all times be retained within the County of Los Angeles unless authorization to remove them is granted in writing by the County of Los Angeles.

7. **Subcontracts and Procurement**

Subrecipient must, as applicable, comply with the Federal, State and County of Los Angeles standards in the award of any subcontracts. For purposes of this Agreement, subcontracts include but are not limited to purchase agreements, rental or lease agreements, third party agreements, consultant service contracts and construction subcontracts.
Subrecipient must, as applicable, ensure that the terms of this Agreement with the County of Los Angeles are incorporated into all Subcontractor agreements. The Subrecipient must submit all Subcontractor agreements to the County of Los Angeles for review prior to the release of any funds to the Subcontractor. The Subrecipient must withhold funds to any Subcontractor agency that fails to comply with the terms and conditions of this Agreement and their respective Subcontractor agreement.

8. Labor

Subrecipient must, as applicable, comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed requirements for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System Personnell Administration (5 CFR 900, Subpart F).

Subrecipient must, as applicable, comply with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7); the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874); the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction subagreements; and the Hatch Act (5 USC §§1501-1508 and 7324-7328).

Subrecipient must, as applicable, comply with the Federal Fair Labor Standards Act (29 U.S.C. §201) regarding wages and hours of employment.

None of the funds may be used to promote or deter union/labor organizing activities. CA Gov't Code Sec. 16645 et seq.

9. Civil Rights

Subrecipient must, as applicable, comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352), which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of disabilities; (d) the Age Discrimination act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public
Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to non-discrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; (j) the requirements of any other nondiscrimination statute(s) that may apply to the application; and (k) P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.

10. **Environmental**

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

Subrecipient must, as applicable, comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93205); and (i) Flood Disaster Protection Act of 1973 §102(a) (P.L. 93-234).

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

Subrecipient must, as applicable, comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.), which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
Subrecipient must, as applicable, comply with the Federal Water Pollution Control Act (33 U.S.C. §1251 et seq.), which restores and maintains the chemical, physical and biological integrity of the Nation’s waters.

Subrecipient must, as applicable, ensure that the facilities under its ownership, lease or supervision that are utilized in the accomplishment of this project are not listed in the Environmental Protection Agency’s (EPA) list of Violating Facilities and that it will notify the Federal Grantor agency of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be used in the project is under consideration for listing by the EPA.

By signing this Agreement, Subrecipient warrants and represents that it will, as applicable, comply with the California Environmental Quality Act (CEQA), Public Resources Code §21000 et seq.

Subrecipient must, as applicable, comply with the Energy Policy and Conservation Act (P.L. 94-163, 89 Stat. 871).

Subrecipient must, as applicable, comply with the provision of the Coastal Barrier Resources Act (P.L. 97-348) dated October 19, 1982 (16 USC 3501 et seq.) which prohibits the expenditure of most new Federal funds within the units of the Coastal Barrier Resources System.

11. **Preservation**

Subrecipient must, as applicable, comply with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).

12. **Suspension, Debarment, Ineligibility and Voluntary Exclusion**

Subrecipient must, as applicable, comply with Title 2 CFR Part §3000, regarding Suspension and Debarment, and Subrecipient must submit a Certification Regarding Debarment, attached hereto as Exhibit B, required by Executive Order 12549 and any amendment thereto. Said Certification must be submitted to the County of Los Angeles concurrent with the execution of this Agreement and must certify that neither Subrecipient nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any Federal department head or agency. Subrecipient must require that the language of this Certification be included in the award documents for all sub-award at all tiers and that all subcontractors certify accordingly.
13. **Drug-Free Workplace**

Subrecipient must, as applicable, comply with the federal Drug-Free Workplace Act of 1988, 41 USC §701, Title 44 Code of Federal Regulations (CFR) Part §17; the California Drug-Free Workplace Act of 1990, CA Gov’t Code §§8350-8357, and Subrecipient must complete the Certification Regarding Drug-Free Workplace Requirements, attached hereto as Exhibit C, and incorporated herein by reference. Subrecipient must require that the language of this Certification be included in the award documents for all sub-award at all tiers and that all subcontractors certify accordingly.

14. **Lobbying Activities**

Subrecipient must, as applicable, comply with 31 U.S.C.1352 and complete the Disclosure of Lobbying Activities, (OMB 0038-0046), attached hereto as Exhibit A, and incorporated herein by reference.

15. **Miscellaneous**

Subrecipient must, as applicable, comply with the Laboratory Animal Welfare Act of 1966, as amended (P.L. 89-544, 7 USC §§2131 et seq.).

**B. Statutes and Regulations Applicable To This Particular Grant Agreement**

Subrecipient must comply with all applicable requirements of State and Federal laws, executive orders, regulations, program and administrative requirements, policies and any other requirements governing this particular grant program. Subrecipient must, as applicable, comply with new, amended, or revised laws, regulations, and/or procedures that apply to the performance of this Agreement. These requirements include, but are not limited to:

Title 2 CFR Part 200; EO 12372; U.S. Department of Homeland Security, Office of State and Local Government Coordination and Preparedness, Office for Domestic Preparedness, ODP WMD Training Course Catalogue; and DOJ Office for Civil Rights.

Standardized Emergency Management System (SEMS) requirements as stated in the California Emergency Services Act, Government Code Chapter 7 of Division 1 of Title 2, §8607.1(e) and CCR Title 19, §§2445-2448.

Provisions of Title 2, 6, 28, 44 CFR applicable to grants and cooperative agreements, including Part 18, Administrative Review Procedures; Part 20, Criminal Justice Information Systems; Part 22, Confidentiality of Identifiable Research and Statistical Information; Part 23, Criminal Intelligence Systems Operating Policies; Part 30, Intergovernmental Review of Department of Justice Programs and Activities; Part 35, Nondiscrimination on the Basis of Disability in State and Local Government Services; Part 38, Equal Treatment of Faith-based
Organizations; Part 42, Nondiscrimination/Equal Employment Opportunities Policies and Procedures; Part 61, Procedures for Implementing the National Environmental Policy Act; Part 63, Floodplain Management and Wetland Protection Procedures; Part 64, Floodplain Management and Wetland Protection Procedures; Federal laws or regulations applicable to Federal Assistance Programs; Part 69, New Restrictions on Lobbying; Part 70, Uniform Administrative Requirements for Grants and Cooperative Agreements (including sub-awards) with Institutions of Higher Learning, Hospitals and other Non-Profit Organizations; and Part 83, Government-Wide Requirements for a Drug Free Workplace (grants).

Nondiscrimination requirements of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, 42 USC 3789(d), or the Juvenile Justice and Delinquency Prevention Act, or the Victims of Crime Act, as appropriate; the provisions of the current edition of the Office of Justice Programs Financial and Administrative Guide for Grants, M7100.1, and all other applicable Federal laws, orders, circulars, or regulations.

1. **Travel Expenses**

Subrecipient, as provided herein, will be compensated for Subrecipient's reasonable travel expenses incurred in the performance of this Agreement, to include travel and per diem, unless otherwise expressed. Subrecipient's total travel for in-State and/or out-of-State and per diem costs must be included in the contract budget(s). All travel, including out-of-State travel, that is not included in the budget(s) will not be reimbursed without prior written authorization from the County of Los Angeles.

Subrecipient's administrative-related travel and per diem reimbursement costs will not be reimbursed. For programmatic-related travel costs, Subrecipient's reimbursement rates may not exceed the amounts established under the grant.

C. **Compliance With Grant Requirements**

To obtain the grant funds, the State required an authorized representative of the County of Los Angeles to sign certain promises regarding the way the grant funds would be spent. These requirements are included in the 2016 Funding Opportunity Announcement and in the State's "Grant Assurances". By signing these Grant Assurances and accepting the Funding Opportunity Announcement, the County of Los Angeles became liable to the State for any funds that are used in violation of the grant requirements. The State's Grant Assurances are incorporated into this Agreement through Exhibit D. Subrecipient will be liable to the Grantee for any funds the State determines that Subrecipient used in violation of these Grant Assurances.
Pursuant to this Agreement, Subrecipient shall execute Exhibit D, accepting and agreeing to abide by all provisions, assurances, and requirements therein. Subrecipient agrees to indemnify and hold harmless the County of Los Angeles for any sums the State or Federal government determines Subrecipient used in violation of the Grant Assurances.

To the extent Exhibit D conflicts with language or provisions contained in this Agreement, or contains more restrictive requirements under Federal and State law, Exhibit D shall control.

D. Noncompliance With Grant Requirements

Subrecipient understands that failure to comply with any of the above assurances, including Exhibit D, may result in suspension, termination or reduction of grant funds, and repayment by the Subrecipient to the County of Los Angeles of any unauthorized expenditures.

§412. Federal, State and Local Taxes

Federal, State and local taxes are the responsibility of the Subrecipient as an independent party and not of the County of Los Angeles and must be paid prior to requesting reimbursement. However, these taxes are an allowable expense under the grant program.

§413. Inventions, Patents and Copyrights

A. Reporting Procedure for Inventions

If any project produces any invention or discovery ("Invention") patentable or otherwise under Title 35 of the U.S. Code, including, without limitation, processes and business methods made in the course of work under this Agreement, the Subrecipient must report the fact and disclose the Invention promptly and fully to the County of Los Angeles. The County of Los Angeles will report the fact and disclose the Invention to the State. Unless there is a prior agreement between the County of Los Angeles and the State, the State will determine whether to seek protection on the Invention. The State will determine how the rights in the Invention, including rights under any patent issued thereon, will be allocated and administered in order to protect the public interest consistent with the policy ("Policy") embodied in the Federal Acquisition Regulations System, which is based on Ch. 18 of Title 35 U.S.C. Sections 200 et seq. (Pub. L. 95-517, Pub. L. 98-620, Title 37 CFR Part 401); Presidential Memorandum on Government Patent Policy to the Heads of the Executive Departments and Agencies, dated 2/18/1983; and Executive Order 12591, 4/10/87, 52 FR 13414, Title 3 CFR, 1987 Comp., p. 220 (as amended by Executive Order 12618, 12/22/87, 52 FR 48661, Title 3 CFR, 1987 Comp., p. 262). Subrecipient hereby agrees to be bound by the Policy, and will contractually require its personnel to be bound by the Policy.
B. Rights to Use Inventions

As applicable, County of Los Angeles will have an unencumbered right, and a non-exclusive, irrevocable, royalty-free license to use, manufacture, improve upon, and allow others to do so for all government purposes, any Invention developed under this Agreement.

C. Copyright Policy

1. Unless otherwise provided by the State or the terms of this Agreement, when copyrightable material ("Material") is developed under this Agreement, the County of Los Angeles, at its discretion, may copyright the Material. If the County of Los Angeles declines to copyright the Material, the County of Los Angeles will have an unencumbered right, and a non-exclusive, irrevocable, royalty-free license, to use, manufacture, improve upon, and allow others to do so for all government purposes, any Material developed under this Agreement.

2. The State will have an unencumbered right, and a non-exclusive, irrevocable, royalty-free license, to use, manufacture, improve upon, and allow others to do so for all government purposes, any Material developed under this Agreement or any Copyright purchased under this Agreement.

3. Subrecipient must comply with Title 24 CFR 85.34.

D. Rights to Data

The State and the County of Los Angeles will have unlimited rights or copyright license to any data first produced or delivered under this Agreement. "Unlimited rights" means the right to use, disclose, reproduce, prepare derivative works, distribute copies to the public, and perform and display publicly, or permit others to do so; as required by Title 48 CFR 27.401. Where the data are not first produced under this Agreement or are published copyrighted data with the notice of 17 U.S.C. Section 401 or 402, the State acquires the data under a copyright license as set forth in Title 48 CFR 27.404(f)(2) instead of unlimited rights. (Title 48 CFR 27.404(a)).

E. Obligations Binding on Subcontractors

Subrecipient must require all subcontractors to comply with the obligations of this section by incorporating the terms of this section into all subcontracts.

§414. Child Support Assignment Orders

Under the terms of this Agreement, Subrecipient must, as applicable, comply with California Family Code Section 5230 et seq.
§415. Minority, Women, And Other Business Enterprise Outreach Program

It is the policy of the County of Los Angeles to provide Minority Business Enterprises, Women Business Enterprises and all other business enterprises an equal opportunity to participate in the performance of all Subrecipient's contracts, including procurement, construction and personal services. This policy applies to all of the Subrecipient's contractors and sub-contractors.

SECTION V

DEFAULTS, SUSPENSION, TERMINATION, AND AMENDMENTS

§501. Defaults

Should either party fail for any reason to comply with the contractual obligations of this Agreement within the time specified by this Agreement, the non-breaching party reserves the right to terminate the Agreement, reserving all rights under State and Federal law.

§502. Amendments

Except as otherwise provided in this paragraph, any change in the terms of this Agreement, including changes in the services to be performed by Subrecipient, that are agreed to by the Subrecipient and the County of Los Angeles must be incorporated into this Agreement by a written amendment properly signed by persons who are authorized to bind the parties. Notwithstanding the foregoing, any increase or decrease of the grant amount specified in §301.A., above, or any extension of the performance period specified in §201, above, does not require a written amendment, but may be effectuated by a written notification by the County of Los Angeles to the Subrecipient.

SECTION VI

ENTIRE AGREEMENT

§601. Complete Agreement

This Agreement contains the full and complete Agreement between the two parties. Neither verbal agreement nor conversation or other communication with any officer or employee of either party will affect or modify any of the terms and conditions of this Agreement.
§602. **Number of Pages and Attachments**

This Agreement may be executed in two (2) duplicate originals, each of which is deemed to be an original. This Agreement includes (25) pages and (7) Exhibits which constitute the entire understanding and agreement of the parties.

[Remainder of this page intentionally left blank]
IN WITNESS WHEREOF, the Subrecipient and County of Los Angeles have caused this Agreement to be executed by their duly authorized representatives.

COUNTY OF LOS ANGELES

BY ________________________________ Date

SACHI A. HAMAI
Chief Executive Officer

BY ________________________________ BY ________________________________

LORI GLASGOW
Executive Officer, Board of Supervisors

JOHN NAIMO
Auditor-Controller

APPROVED AS TO FORM

MARY C. WICKHAM
County Counsel

BY ________________________________

Senior Deputy County Counsel

Greg Carpenter, City Mgr.

BY ________________________________ (Print Name) Date

City Representative/Title

APPROVED AS TO FORM

BY ________________________________ (Print Name) Date

City Attorney

ATTEST

BY ________________________________ (Print Name) Date

City Clerk

Page 25
EXHIBITS

Exhibit A  Certification and Disclosure Regarding Lobbying
Exhibit B  Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions
Exhibit C  Certification Regarding Drug-Free Workplace
Exhibit D  Certification of Grant Assurances
Exhibit E  Final Grant Award Letter and Project Worksheet(s)
Exhibit F  Funding Guidelines
Exhibit G  Reimbursement Form and Instructions
INSTRUCTIONS FOR COMPLETION OF SF-LLL,
DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether sub-awardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to Title 31 U.S.C. Section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Use the SF-LLL-A Continuation Sheet for additional information if the space on the form is inadequate. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.

2. Identify the status of the covered Federal action.

3. Identify the appropriate classification of this report. If this is a follow-up report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.

4. Enter the full name, address, city, state and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or sub-award recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.

5. If the organization filing the report in item 4 checks “Subawardee,” then enter the full name, address, city, state and zip code of the prime Federal recipient. Include Congressional District, if known.

6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.

7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.

8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; sub-grant announcement number; the contract, subgrant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., “RFP-DE-90-001.”

9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.
10. (a.) Enter the full name, address, city, state and zip code of the lobbying entity engaged by the reporting entity identified in item 4 to influence the covered Federal action.
   (b.) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).

11. Enter the amount of compensation paid or reasonably expected to be paid by the reporting entity (item 4) to the lobbying entity (item 10). Indicate whether the payment has been made (actual) or will be made (planned). Check all boxes that apply. If this is a material change report, enter the cumulative amount of payment made or planned to be made.

12. Check the appropriate box(es). Check all boxes that apply. If payment is made through an in-kind contribution, specify the nature and value of the in-kind payment.

13. Check the appropriate box(es). Check all boxes that apply. If other, specify nature.

14. Provide a specific and detailed description of the services that the lobbyist has performed, or will be expected to perform, and the date(s) of any services rendered. Include all preparatory and related activity, not just time spent in actual contact with Federal officials. Identify the Federal official(s) or employee(s) contacted or the officer(s), employee(s), or Member(s) of Congress that were contacted.

15. Check whether or not a SF-LLL-A Continuation Sheet(s) is attached.

16. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, D.C. 20503.
EXHIBIT A
Cal OES 2-232
Approved by OMB 0348-0045

DISCLOSURE OF LOBBYING ACTIVITIES
Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352

1. Type of Federal Action:  
   a. contract  
   b. grant  
   c. cooperative agreement  
   d. loan  
   e. loan guarantee  
   f. loan insurance

2. Status of Federal Action:  
   a. bid/offers/application  
   b. initial award  
   c. post-award

3. Report Type:  
   a. initial filing  
   b. material change

For Material Change Only:
Year ______ Quarter ______ date of last report ______

4. Name and Address of Reporting Entity:  
   City of El Segundo  
   350 Main Street, El Segundo, CA 90245

   [ ] Prime  
   [X] Subawardee

   Tier, if known: ___________________

   Congressional District, if known: ___________________

5. If Reporting Entity in No. 4 is Subawardee, Enter Name and Address of Prime:
   County of Los Angeles  
   Homeland Security Grant Administration  
   500 W. Temple Street, Room B-79-2  
   Los Angeles, CA 90012

   Congressional District, if known: ___________________

6. Federal Department/Agency:  
   Department of Homeland Security

7. Federal Program Name/Description:  
   Homeland Security Grant Program

8. Federal Action Number, if known: ___________________

9. Award Amount, if known: $36,360

10. a. Name and Address of Lobbying Entity  
    (if individual, last name, first name, MI):  
    (attach Continuation Sheet(s) SF-LLL-A, if necessary)
    N/A

   b. Individuals Performing Services  
    (last name, first name, MI - include address if different from 10a)
    N/A

11. Amount of Payment (check all that apply):  
    [ ] Actual  
    [ ] Planned

12. Form of Payment (check all that apply):
    a. cash
    b. in-kind; specify:
    [ ] nature ____________ value ____________

13. Type of Payment (check all that apply):
   a. retainer
   b. one-time fee
   [ ] commission
   d. contingent fee
   [ ] deferred
   [ ] other; specify:

14. Brief Description of Services Performed or to be Performed and Date(s) of Service, including officer(s), employee(s), or Member(s) contacted, for Payment indicated in Item 11:  
(attach Continuation Sheet(s) SF-LLL-A, if necessary)

15. Continuation Sheet(s) SF-LLL-A attached:  
   [ ] Yes  
   [X] No

16. Information requested through this form is authorized by Title 31 U.S.C. Section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

   Signature:  
   Greg Carpenter  
   City Manager
   Telephone: 310-524-2301
   (area code)
   Date: ___________________

   Authorized for Local Reproduction
   Standard Form – LLL

Disclosure of Lobbying Activities - Cal OES 2-232 (Revised 7/8/2013)
DISCLOSURE OF LOBBYING ACTIVITIES
CONCONTINUATION SHEET

Continuation of 10 a-b: additional sheets may be added if necessary
Reporting Entity:

<table>
<thead>
<tr>
<th>Last Name</th>
<th>First Name</th>
<th>MI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td>City</td>
<td>Zip</td>
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<tr>
<td>Last Name</td>
<td>First Name</td>
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<td>Address</td>
<td>City</td>
<td>Zip</td>
</tr>
</tbody>
</table>

Continuation of 14: (additional sheets may be added if necessary)
Brief Description of Services and Payments indicated in item 11:
CERTIFICATION REGARDING
DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION
LOWER TIER COVERED TRANSACTIONS

This certification is required by the regulations Implementing Executive Order 12549,
Debarment and Suspension, 24 CFR Part 24 Section 24.510, Participants’
responsibilities.

(READ ATTACHED INSTRUCTIONS FOR CERTIFICATION BEFORE
COMPLETING)

1. The prospective recipient of Federal assistance funds certifies that neither it
nor its principals are presently debarred, suspended, proposed for
debarment, declared ineligible, or voluntarily excluded from participation in
this transaction by any Federal department or agency.

2. Where the prospective recipient of Federal assistance funds is unable to
certify to any of the statements in this certification, such prospective
participant shall attach an explanation to this proposal.

AGREEMENT NUMBER

City of El Segundo

CONTRACTOR/BORROWER/AGENCY

Greg Carpenter, City Manager

NAME AND TITLE OF AUTHORIZED REPRESENTATIVE

SIGNATURE          DATE
INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this document, the prospective recipient of Federal assistance is providing the certification as set out below.

2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective recipient of Federal assistance funds knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

3. The prospective recipient of Federal assistance funds shall provide immediate written notice to the person to which this agreement is entered, if at any time the prospective recipient of Federal assistance funds learns that its certification was erroneous, when submitted or has become erroneous by reason of changed circumstances.


5. The prospective recipient of Federal assistance funds agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation on this covered transaction, unless authorized by the department or agency with which this transaction originated.

6. The prospective recipient of Federal assistance funds further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Procurement or Non Procurement Programs.

8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized under Paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded form participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
STATE OF CALIFORNIA
DRUG-FREE WORKPLACE CERTIFICATION
STD. 21

COMPANY/ORGANIZATION NAME: CITY OF EL SEGUNDO

The contractor or grant recipient named above hereby certifies compliance with Government Code Section 8355 in matters relating to providing a drug-free workplace. The above-named contractor or recipient will:

1. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code Section 8355(a).

2. Establish a Drug-Free Awareness Program as required by Government Code Section 8355(b), to inform employees about all of the following:
   (a) The dangers of drug abuse in the workplace,
   (b) The person’s or organization’s policy of maintaining a drug-free workplace,
   (c) Any available counseling, rehabilitation and employee assistance programs, and
   (d) Penalties that may be imposed upon employees for drug abuse violations.

3. Provide as required by Government Code Section 8355(c), that every employee who works on the proposed contract or subgrant:
   (a) Will receive a copy of the company’s drug-free policy statement, and
   (b) Will agree to abide by the terms of the company’s statement as a condition of employment on the contract or subgrant.

CERTIFICATION

I, the official named below, hereby swear that I am duly authorized legally to bind the contractor or Recipient to the above described certification. I am fully aware that this certification, executed on the date and in the county below, is made under penalty of perjury under the laws of the State of California.

Greg Carpenter, City Manager

OFFICIAL'S NAME
Los Angeles

EXECUTED IN THE COUNTY OF

CONTRACTOR or RECIPIENT SIGNATURE
City Manager

DATE EXECUTED

TITLE

FEDERAL I.D. NUMBER

Drug-Free Workplace Certification STD. 21 (Revised 7/2015)
STATEMENT ON THE DRUG-FREE WORKPLACE

To comply with the enactment of Senate Bill 1120, (Chapter 1170, Statutes of 1990), which established the Drug-Free Workplace Act of 1990, the City of El Segundo (your agency) accordingly provides this statement of compliance.

In order to maintain funding eligibility, state agencies, along with those in receipt of grant and contractual awards, must certify that they provide drug-free workplaces and have issued drug-free workplace statements to their employees [Section 8355(a) of the Government Code]. Consequently, in accordance with this directive, this statement is issued to meet this requirement.

The City of El Segundo (your agency), an agency within the State of California has adopted this statement in compliance with legislation which addresses issues to avoid the dangers arising from drug and alcohol abuse in the workplace. These dangers include death and injury to the employee, co-workers, or the public resulting from accidents, dereliction of duty, poor judgment and carelessness. Substance abuse also results in lost productivity, reduced efficiency, and increased absenteeism by the substance abuser and interferes with the job performance of employees who do not use illegal or unauthorized substances. [Section 8355(b)(1)]

California law prohibits the unlawful manufacture, dispensation, possession, or illegal use of a controlled substance. That prohibition extends to all places and includes the worksite of California state employees. [Section 8355(a)]

Employees convicted of a violation of criminal drug statute, when the violation occurred at an employee's worksite, shall report the conviction to the granting and monitoring State agency upon conviction. [Section 8356(a)(1)(2)]

In the event of the unlawful manufacture, distribution, dispensation, possession or illegal use of a controlled substance at a State worksite, the State may take disciplinary action pursuant to the law and/or require the satisfactory completion of a drug abuse assistance or rehabilitation program. [Section 8355(b)(4)]

The Employee Assistance Program (EAP) provides drug problem assessment and referral to appropriate counseling and rehabilitation services. The EAP is available to all agency employees. Procedures exist to ensure the confidentiality of EAP records. Contact your personnel office for further information.

It is the intent of the City of El Segundo (your agency) to ensure by execution of this statement of compliance that each employee shall abide by the terms of this drug-free workplace statement. [Section 8355(c)]
County of Los Angeles
2016 Grant Assurances

As the duly authorized representative of the City of El Segundo (the "Applicant" or "Subrecipient"), I hereby certify that the Applicant has the legal authority to apply for federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay any non-federal share of project cost) to ensure proper planning, management and completion of the project described in this application, within prescribed timelines.

I further acknowledge that the Applicant is responsible for reviewing and adhering to all requirements within the:

(a) Applicable Federal Regulations (see below);
(b) Federal Program Notice of Funding Opportunity (NOFO);
(c) California Supplement to the NOFO; and
(d) Federal and State Grant Program Guidelines.

Federal Regulations
Government cost principles, uniform administrative requirements and audit requirements for federal grant programs are set forth in Title 2, Part 200 of the Code of Federal Regulations (CFR) and updates are issued by the Office of Management and Budget (OMB) and can be found at http://www.whitehouse.gov/omb/.

Significant state and federal grant award requirements (some of which appear in the documents listed above) are set forth below. The Applicant hereby agrees to comply with the following:

1. Proof of Authority
   The Applicant will obtain written authorization from the city council, governing board or authorized body in support of this project. This written authorization must specify that the Applicant and the city council, governing board or authorized body agree:

   (a) To provide all matching funds required for the grant project and that any cash match will be appropriated as required.
   (b) Any liability arising out of the performance of this agreement shall be the responsibility of the Applicant and the city council, governing board or authorized body.
   (c) Grant funds shall not be used to supplant expenditures controlled by the city council, governing board or authorized body.
   (d) The official executing this agreement is, in fact, authorized to do so.

   This Proof of Authority must be maintained on file and readily available upon request.

2. Period of Performance
   The Applicant will initiate work after approval of the award and complete all work within the period of performance specified in the grant.
3. Lobbying and Political Activities
As required by Section 1352, Title 31 of the U.S. Code (U.S.C.), for persons entering into a contract, grant, loan or cooperative agreement from an agency or requests or receives from an agency a commitment providing for the United States to insure or guarantee a loan, the Applicant certifies that:

(a) No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

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

(c) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

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

Finally, the Applicant agrees that federal funds will not be used, directly or indirectly, to support the enactment, repeal, modification or adoption of any law, regulation or policy without the express written approval from the California Governor's Office of Emergency Services (Cal OES) or the federal awarding agency.

4. Debarment and Suspension
As required by Executive Orders (EO) 12549 and 12689, and 2 CFR §200.212 and codified in 2 CFR Part 180, Debarment and Suspension, the Applicant will provide protection against waste, fraud and abuse by debarring or suspending those persons deemed irresponsible in their dealings with the federal government. The Applicant certifies that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;

(b) Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection
with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (2)(b) of this certification; and
(d) Have not within a three-year period preceding this application had one or more public transaction (federal, state, or local) terminated for cause or default.

Where the Applicant is unable to certify to any of the statements in this certification, he or she shall attach an explanation to this application.

5. Non-Discrimination and Equal Employment Opportunity
The Applicant will comply with all federal statutes relating to non-discrimination. These include, but are not limited to, the following:

(a) Title VI of the Civil Rights Act of 1964 (Public Law (P.L.) 88-352 and 42 U.S.C. §2000d et. seq.) which prohibits discrimination on the basis of race, color or national origin and requires that recipients of federal financial assistance take reasonable steps to provide meaningful access to persons with limited English proficiency (LEP) to their programs and services;
(b) Title IX of the Education Amendments of 1972, (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex in any federally funded educational program or activity;
(c) Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. §794), which prohibits discrimination against those with disabilities or access and functional needs;
(d) Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability and requires buildings and structures be accessible to those with disabilities and access and functional needs; (42 U.S.C. §§12101-12213.);
(e) Age Discrimination Act of 1975, (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age;
(f) Public Health Service Act of 1912 (42 U.S.C. §§290), relating to confidentiality of patient records regarding substance abuse treatment;
(g) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §3601 et seq.), relating to nondiscrimination in the sale, rental or financing of housing;
(h) EO 11246, which prohibits federal contractors and federally assisted construction contractors and subcontractors, who do over $10,000 in Government business in one year from discriminating in employment decisions on the basis of race, color, religion, sex, sexual orientation, gender identification, or national origin;
(i) EO 11375, which bans discrimination on the basis of race, color, religion, sex, sexual orientation, gender identification, or national origin in hiring and employment in both the United States federal workforce and on the part of government contractors;
County of Los Angeles  
2016 Grant Assurances

(j) California Public Contract Code §10295.3, which prohibits discrimination based on domestic partnerships and those in same sex marriages;

(k) Any other nondiscrimination provisions in the specific statute(s) under which application for federal assistance is being made; and

(l) The requirements of any other nondiscrimination statute(s) which may apply to the application.

In addition to the items listed in (a) through (l), the Applicant will comply with California's Fair Employment and Housing Act (FEHA). FEHA prohibits harassment and discrimination in employment because of ancestry, race, color, religious creed (including religious dress and grooming practices), sex (which includes pregnancy, childbirth, breastfeeding and medical conditions related to pregnancy, childbirth, or breastfeeding), gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, mental and physical disability, genetic information, medical condition, age, pregnancy, denial of medical and family care leave, or pregnancy disability leave (California Government Code sections §§12940, 12945, 12945.2), military and veteran status, and/or retaliation for protesting illegal discrimination related to one of these categories, or for reporting patient abuse in tax supported institutions.

6. Drug-Free Workplace
As required by the Drug-Free Workplace Act of 1988 (41 U.S.C. §701 et seq.), the Applicant certifies that it will maintain a drug-free workplace and a drug-free awareness program as outlined in the Act.

7. Environmental Standards
The Applicant will comply with state and federal environmental standards, which may be prescribed pursuant to the following, as applicable:

(a) California Environmental Quality Act (CEQA) (California Public Resources Code §§21000-21177), to include coordination with the city or county planning agency;

(b) CEQA Guidelines (California Code of Regulations, Title 14, Division 6, Chapter 3, §§15000-15387);

(c) Federal Clean Water Act (CWA) (33 U.S.C. §1251 et seq.), which establishes the basic structure for regulating discharges of pollutants into the waters of the United States and regulating quality standards for surface waters;

(d) Federal Clean Air Act of 1955 (42 U.S.C. §7401) which regulates air emissions from stationary and mobile sources;

(e) Institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and EO 12898 on the Environmental Justice Act, and EO 11514 on Environmental Quality;

(f) Notification of Environmental Protection Agency (EPA) violating facilities pursuant to EO 11738;

(g) Protection of wetlands pursuant to EO 11990;

(h) Evaluation of flood hazards in floodplains in accordance with EO 11988;

(i) Assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §1451 et seq.);
(j) Conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §7401 et seq.);

(k) EO 11738 instituted to assure that each federal agency empowered to enter into contracts for the procurement of goods, materials, or services and each federal agency empowered to extend federal assistance by way of grant, loan, or contract shall undertake such procurement and assistance activities in a manner that will result in effective enforcement of the Clean Air Act and the Federal Water Pollution Control Act EO 11990 which requires preservation of wetlands;

(l) The Safe Drinking Water Act of 1974, (P.L. 93-523);

(m) The Endangered Species Act of 1973, (P.L. 93-205);


The Applicant shall not be: 1) in violation of any order or resolution promulgated by the State Air Resources Board or an air pollution district; 2) subject to a cease and desist order pursuant to §13301 of the California Water Code for violation of waste discharge requirements or discharge prohibitions; or 3) determined to be in violation of federal law relating to air or water pollution.

8. Audits
For subrecipients expending $750,000 or more in federal grant funds annually, the Applicant will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and Title 2 of the CFR, Part 200, Subpart F Audit Requirements.

9. Access to Records
In accordance with 2 CFR §200.336, the Applicant will give the awarding agency, the Comptroller General of the United States and, if appropriate, the state, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award. The Applicant will require any subrecipients, contractors, successors, transferees and assignees to acknowledge and agree to comply with this provision.

10. Conflict of Interest
The Applicant will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.

11. Financial Management
False Claims for Payment The Applicant will comply with 31 U.S.C §3729 which sets forth that no subgrantee, recipient or subrecipient shall submit a false claim for payment, reimbursement or advance.

12. Reporting - Accountability
The Applicant agrees to comply with applicable provisions of the Federal Funding Accountability and Transparency Act (FFATA) (P.L. 108-282), specifically (a) the reporting of subawards obligating
County of Los Angeles  
2016 Grant Assurances

$25,000 or more in federal funds and (b) executive compensation data for first-tier subawards. This includes the provisions of FFATA, which includes requirements for executive compensation, and also requirements implementing the Act for the non-Federal entity at 2 CFR Part 25 Financial Assistance Use of Universal Identifier and Central Contractor Registration and 2 CFR Part 170 Reporting Subaward and Executive Compensation Information.

13. Whistleblower Protections  

14. Human Trafficking  
The Applicant will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act of 2000, as amended (22 U.S.C. §7104) which prohibits grant award recipients or a subrecipient from: (1) engaging in trafficking in persons during the period of time that the award is in effect; (2) procuring a commercial sex act during the period of time that the award is in effect; or (3) using forced labor in the performance of the award or subawards under the award.

15. Labor Standards  
The Applicant will comply with the following federal labor standards:


(b) Comply with the Federal Fair Labor Standards Act (29 U.S.C. §201 et al.) as they apply to employees of institutes of higher learning (IHE), hospitals and other non-profit organizations.

16. Worker’s Compensation  
The Applicant must comply with provisions which require every employer to be insured to protect workers who may be injured on the job before commencing performance of the work of this Agreement, as per the workers compensation laws set forth in California Labor Code §§3700 et seq.

17. Property-Related  
If applicable to the type of project funded by this federal award, the Applicant will:

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

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

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

(d) Comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §4831 and 24 CFR Part 35) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.

18. Certifications Applicable Only to Federally-Funded Construction Projects
For all construction projects, the Applicant will:

(a) Not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with federal assistance funds to assure nondiscrimination during the useful life of the project.

(b) Comply with the requirements of the awarding agency with regard to the drafting, review and approval of construction plans and specifications.

(c) Provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progressive reports and such other information as may be required by the assistance awarding agency or State.

19. Use of Cellular Device While Driving is Prohibited
Applicants are required to comply with California Vehicle Code sections 23123 and 23123.5. These laws prohibit driving a motor vehicle while using an electronic wireless communications device to write, send, or read a text-based communication. Drivers are also prohibited from the use of a wireless telephone without hands-free listening and talking, unless to make an emergency call to 911, law enforcement, or similar services.

20. Freedom of Information Act
The Applicant acknowledges that all information submitted in the course of applying for funding under this program, or provided in the course of an entity’s grant management activities that are under Federal control, is subject to the Freedom of Information Act (FOIA), 5 U.S.C. §552, and the California Public Records Rights Act, California Government Code section 6250 et seq. The Applicant should consider these laws and consult its own State and local laws and regulations regarding the release of information when reporting sensitive matters in the grant application, needs assessment, and strategic planning process.
County of Los Angeles
2016 Grant Assurances

21. Reporting Accusations and Findings of Discrimination
   If during the past three years the recipient has been accused of discrimination on any basis the recipient must provide a list of all such proceedings, pending or completed, including outcome and copies of settlement agreements to the DHS financial assistance office and the DHS Office of Civil Rights and Civil Liberties (CRCL) by e-mail at crcl@hq.dhs.gov or by mail at U.S. Department of Homeland Security Office for Civil Rights and Civil Liberties Building 410, Mail Stop #0190, Washington, D.C. 20528.

   In the event any court or administrative agency makes a finding of discrimination against the recipient or the recipient settles a case or matter alleging such discrimination, recipients must forward a copy of the compliant and findings to the DHS Component financial assistance office and the CRCL office by e-mail or mail at the addresses listed above.

   The United States has the right to seek judicial enforcement of these obligations.

22. Acknowledgement of Federal Funding from DHS
   All recipients must acknowledge their use of federal funding when issuing statements, press releases, requests for proposal, bid invitations, and other documents describing projects or programs funded in whole or in part with federal funds.

23. Activities Conducted Abroad
   All recipients must ensure that project activities carried on outside the United States are coordinated as necessary with appropriate government authorities and that appropriate licenses, permits, or approvals are obtained.

24. Best Practices for Collection and Use of Personally Identifiable Information
   DHS defines personally identifiable information (PII) as any information that permits the identity of an individual to be directly or indirectly inferred, including any information that is linked or linkable to that individual. All recipients who collect PII are required to have a publicly-available privacy policy that describes standards on the usage and maintenance of PII they collect. Award recipients may also find as a useful resource the DHS Privacy Impact Assessments: Privacy Guidance and Privacy template respectively.

25. Copyright
   All recipients must affix the applicable copyright notices of 17 U.S.C. §§401 or 402 and an acknowledgement of Government sponsorship (including award number) to any work first produced under federal financial assistance awards.

   All recipients must comply with the requirements of 42 U.S.C. §6201 which contain policies relating to energy efficiency that are defined in the state energy conservation plan issued in compliance with this Act.
27. Federal Debt Status
All recipients are required to be non-delinquent in their repayment of any federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowances, and benefit overpayments. See OMB Circular A-129.

All recipients must comply with Preference for U.S. Flag Air Carriers: (air carriers holding certificates under 49 U.S.C. §41102) for international air transportation of people and property to the extent that such service is available, in accordance with the International Air Transportation Fair Competitive Practices Act of 1974 (49 U.S.C. §40118) and the interpretative guidelines issued by the Comptroller General of the United States in the March 31, 1981, amendment to Comptroller General Decision B-138942.

29. Hotel and Motel Fire Safety Act of 1990
In accordance with Section 6 of the Hotel and Motel Fire Safety Act of 1990, all recipients must ensure that all conference, meeting, convention, or training space funded in whole or in part with federal funds complies with the fire prevention and control guidelines of the Federal Fire Prevention and Control Act of 1974, as amended, 15 U.S.C. §2225a.

30. Non-supplanting Requirements
All Applicants who receive awards made under programs that prohibit supplanting by law must ensure that federal funds do not replace (supplant) funds that have been budgeted for the same purpose through non-federal source.

31. Patents and Intellectual Property Rights
Unless otherwise provided by law, recipients are subject to the Bayh-Dole Act, Pub. L. No. 96-517, as amended, and codified in 35 U.S.C. §200 et seq. All recipients are subject to the specific requirements governing the development, reporting, and disposition of rights to inventions and patents resulting from financial assistance awards located at 37 CFR Part 401 and the standard patent rights clause located at 37 CFR §401.14.

32. SAFECOM
All Applicants who receive awards made under programs that provide emergency communication equipment and its related activities must comply with the SAFECOM Guidance for Emergency Communication Grants, including provisions on technical standards that ensure and enhance interoperable communications.

33. Terrorist Financing
All Applicants must comply with EO 13224 and U.S. law that prohibit transactions with, and the provisions of resources and support to, individuals and organizations associated with terrorism. It is the legal responsibility of recipients to ensure compliance with the Order and laws.
34. Reporting of Matters Related to Recipient Integrity and Performance
If the total value of the Applicant’s currently active grants, cooperative agreements, and procurement contracts from all federal assistance office exceeds $10,000,000 for any period of time during the period of performance of this federal award, the Applicant must comply with the requirements set forth in the government-wide Award Term and Condition for Recipient Integrity and Performance Matters located at 2 CFR Part 200, Appendix XII, the full text of which is incorporated here by reference in the terms and conditions of your award.

35. USA Patriot Act of 2001
All recipients must comply with the requirements of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA Patriot Act), which amends 18 U.S.C. §§175-175c.

IMPORTANT
The purpose of the assurance is to obtain federal and state financial assistance, including any and all federal and state grants, loans, reimbursement, contracts, etc. The Applicant recognizes and agrees that state financial assistance will be extended based on the representations made in this assurance. This assurance is binding on the Applicant, its successors, transferees, assignees, etc. Failure to comply with any of the above assurances may result in suspension, termination, or reduction of grant funds.

All appropriate documentation, as outlined above, must be maintained on file by the Applicant and available for the County of Los Angeles, Cal OES or public scrutiny upon request. Failure to comply with these requirements may result in suspension of payments under the grant or termination of the grant or both and the subrecipient may be ineligible for award of any future grants if the County of Los Angeles or Cal OES determines that any of the following has occurred: (1) the recipient has made false certification, or (2) violates the certification by failing to carry out the requirements as noted above.

All of the language contained within this document must be included in the award documents for all subawards at all tiers, including contracts under grants and cooperative agreements and subcontracts. All recipients are bound by the Department of Homeland Security Standard Terms and Conditions 2016, Version 6.0, hereby incorporated by reference, which can be found at: https://www.dhs.gov/sites/default/files/publications/Fiscal%20Year%202016%20DHS%20General%20Terms%20and%20Conditions.pdf.

[Remainder of this page intentionally left blank]
The undersigned represents that he/she is authorized by the above named Applicant to enter into this agreement for and on behalf of the said Applicant. Applicant shall abide by all assurances and requirements set forth herein.

Applicant Name: City of El Segundo

Signature of Authorized Agent:

Printed Name of Authorized Agent: Greg Carpenter

Title: City Manager Date:

[Remainer of this page intentionally left blank]
September 16, 2016

Sachi Hamai
Interim Chief Executive Office
Los Angeles County CEO/CDAT
222 South Hill Street, 2nd Floor
Los Angeles, CA 90012

SUBJECT: NOTIFICATION OF SUBRECIPIENT AWARD APPROVAL
FY 2016 Homeland Security Grant Program
Grant #2016-0102, Cal OES ID#037-00000
Subrecipient Performance Period: September 1, 2016 to May 31, 2019

Dear Ms. Hamai:

The California Governor’s Office of Emergency Services (Cal OES) approved your FY16 Homeland Security Grant Program (HSGP) award in the amount of $10,415,280. Once your completed application is received and approved, you may request reimbursement of eligible grant expenditures using the Cal OES Financial Management Forms Workbook available at www.caloes.ca.gov.

During the review process, a Cal OES Program Representative will examine and evaluate your FY16 HSGP grant application. Throughout the grant cycle, Cal OES will use performance milestones set in the Department of Homeland Security/FEMA Grants Reporting Tool as indicators of performance and grant management capacity and this information may be used in assessing future competitive grant applications. All activities funded with this award must be completed within the subrecipient performance period.

You are required to comply with all applicable federal, state, and local environmental and historic preservation (EHP) requirements. Additionally, Aviation/Watercraft requests, Establish/Enhance Emergency Operations Center projects, projects requiring EHP review, and sole source procurement requests and controlled equipment requests require additional approvals from Cal OES. Subrecipients must obtain written approval for these activities prior to incurring any costs, in order to be reimbursed for any related costs under this grant. Subrecipients are also required to obtain a performance bond prior to the purchase of any equipment item over $250,000, including any aviation or watercraft financed with homeland security dollars. Performance bonds must be submitted to your Program Representative no later than the time of reimbursement.

3650 SCHRIEVER AVENUE, MATHER, CA 95655
(916) 845-8506 TELEPHONE, (916) 845-8511 FAX
Following acceptance of this award, you must enter your grant information into the Department of Homeland Security/FEMA Grants Reporting Tool (GRT) for the Biannual Strategy Implementation Report (BSIR) period. The GRT can be accessed online at https://www.reporting.odp.dhs.gov/. Your agency must prepare and submit the BSIR to Cal OES via the GRT semi-annually for the duration of the grant performance period or until you complete all activities and the grant is formally closed. Failure to submit required reports could result in grant reduction, suspension, or termination.

This grant is subject to all provisions of 2 CFR Part 200, Subpart F – Audit Requirements. Any funds received in excess of current needs, approved amounts, or those found owed as a result of a final review or audit, must be refunded to the State within 30 days upon receipt of an invoice from Cal OES.

Your dated signature is required on this letter. Please sign and return the original to your Cal OES Program Representative within 20 days of receipt and keep a copy for your files. For further assistance, please feel free to contact your Cal OES Program Representative or the Homeland Security Grants Unit at (916) 845-8186.

Sincerely,

MARK S. GHILARDUCCI
Director

Sachi Hamai
Los Angeles County CEO/CDAT

01-28-16
Date
## City of El Segundo
### 2016 HSGP Projects

<table>
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<tr>
<th>Project</th>
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<th>Project Name</th>
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<th>Discipline</th>
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Appendix C - Funding Guidelines

Recipients must comply with all the requirements in 2 C.F.R. Part 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards).

In general, recipients should consult with their HQ Program Analyst prior to making any investment that does not clearly meet the allowable expense criteria established by the NOFO. Funding guidelines established within this section support the five mission areas—Prevention, Protection, Mitigation, Response, and Recovery—and associated core capabilities within the Goal.

Allowable investments made in support of the HSGP priorities as well as other capability-enhancing projects must fall into the categories of planning, organization, exercises, training, or equipment.

Continuity of Operations
FEMA is designated as the Department of Homeland Security’s lead agency for managing the nation’s Continuity Program. To support this role, FEMA provides direction and guidance to assist in developing capabilities for continuing the federal and state, local, tribal, territorial government jurisdictions and private sector organizations’ essential functions across a broad spectrum of emergencies.

National Security Presidential Directive 51, National Security Presidential Directive 20, the National Continuity Policy Implementation Plan (NCPIP), the Federal Continuity Directive 1 (FCD 1), and Continuity Guidance Circular 1 (CGC 1), and CGC 2 outline the following overarching continuity requirements for agencies and organizations and provide guidance, methodology, and checklists. For additional information on continuity programs, guidance, and directives, visit http://www.fema.gov/guidance-directives and http://www.fema.gov/continuity-operations or contact the Regional Continuity Manager.

Planning (SHSP and UASI only)
SHSP and UASI funds may be used for a range of emergency preparedness and management planning activities and such as those associated with the development, and review and revision of the THIRA, SPR, continuity of operations plans and other planning activities that support the Goal and placing an emphasis on updating and maintaining a current EOP that conforms to the guidelines outlined in CPG 101 v 2.0.

Organization (SHSP and UASI Only)
Organizational activities include:
- Program management;
- Development of whole community partnerships, through groups such as Citizen Corp Councils;
- Structures and mechanisms for information sharing between the public and private sector;
• Implementing models, programs, and workforce enhancement initiatives to address ideologically-inspired radicalization to violence in the homeland;
• Tools, resources and activities that facilitate shared situational awareness between the public and private sectors;
• Operational Support;
• Utilization of standardized resource management concepts such as typing, inventorying, organizing, and tracking to facilitate the dispatch, deployment, and recovery of resources before, during, and after an incident;
• Responding to an increase in the threat level under the National Terrorism Advisory System (NTAS), or needs in resulting from a National Special Security Event; and
• Paying salaries and benefits for personnel to serve as qualified intelligence analysts.

States and Urban Areas must justify proposed expenditures of SHSP or UASI funds to support organization activities within their IJ submission. All SAAs are allowed to utilize up to 50 percent (50%) of their SHSP funding and all Urban Areas are allowed up to 50 percent (50%) of their UASI funding for personnel costs. At the request of a recipient of a grant, the FEMA Administrator may grant a waiver of the 50 percent (50%) limitation noted above. Requests for waivers to the personnel cap must be submitted by the authorized representative of the SAA (or recipient agency) to GPD in writing on official letterhead, with the following information:

• Documentation explaining why the cap should be waived;
• Conditions under which the request is being submitted; and
• A budget and method of calculation of personnel costs both in percentages of the grant award and in total dollar amount. To avoid supplanting issues, the request must also include a three-year staffing history for the requesting entity.

Organizational activities under SHSP and UASI include:

• **Intelligence analysts.** Per the Personnel Reimbursement for Intelligence Cooperation and Enhancement (PRICE) of Homeland Security Act (Pub. L. No. 110-412), SHSP and UASI funds may be used to hire new staff and/or contractor positions to serve as intelligence analysts to enable information/intelligence sharing capabilities, as well as support existing intelligence analysts previously covered by SHSP or UASI funding. In order to be hired as an intelligence analyst, staff and/or contractor personnel must meet at least one of the following criteria:
  - Successfully complete training to ensure baseline proficiency in intelligence analysis and production within six months of being hired; and/or,
  - Previously served as an intelligence analyst for a minimum of two years either in a Federal intelligence agency, the military, or state and/or local law enforcement intelligence unit.

As identified in the priority entitled, *Maturation and Enhancement of State and Major Urban Area Fusion Centers*, all fusion center analytic personnel must demonstrate qualifications that meet or exceed competencies identified in the *Common Competencies for State, Local, and Tribal Intelligence Analysts*, which outlines the minimum categories of training needed for intelligence analysts. A certificate of completion of such training must be on file with the SAA.
and must be made available to the recipient’s respective HQ Program Analyst upon request. In addition to these training requirements, fusion centers should also continue to mature their analytic capabilities by addressing gaps in analytic capability identified during the fusion center’s annual assessment.

- **Overtime costs.** Overtime costs are allowable for personnel to participate in information, investigative, and intelligence sharing activities specifically related to homeland security and specifically requested by a federal agency. Allowable costs are limited to overtime associated with federally requested participation in eligible fusion activities, including anti-terrorism task forces, Joint Terrorism Task Forces (JTTFs), Area Maritime Security Committees (as required by the Maritime Transportation Security Act of 2002), DHS Border Enforcement Security Task Forces, and Integrated Border Enforcement Teams. Grant funding can only be used in proportion to the federal man-hour estimate, and only after funding for these activities from other federal sources (i.e., FBI JTTF payments to state and local agencies) has been exhausted. Under no circumstances should DHS/FEMA grant funding be used to pay for costs already supported by funding from another federal source.

- **Operational overtime costs.** In support of efforts to enhance capabilities for detecting, deterring, disrupting, and preventing acts of terrorism and other catastrophic events, operational overtime costs are allowable for increased security measures at critical infrastructure sites. SHSP or UASI funds for organizational costs may be used to support select operational expenses associated with increased security measures at critical infrastructure sites in the following authorized categories:
  
  - Backfill and overtime expenses for staffing state or Major Urban Area fusion centers;
  - Hiring of contracted security for critical infrastructure sites;
  - Participation in Regional Resiliency Assessment Program activities;
  - Public safety overtime;
  - Title 32 or state Active Duty National Guard deployments to protect critical infrastructure sites, including all resources that are part of the standard National Guard deployment package (Note: Consumable costs, such as fuel expenses, are not allowed except as part of the standard National Guard deployment package); and
  - Increased border security activities in coordination with CBP.

SHSP or UASI funds may only be spent for operational overtime costs upon prior approval provided in writing by the FEMA Administrator per the instructions in IR 379.

Note: States with UASI jurisdictions can use funds retained at the state level to reimburse eligible operational overtime expenses incurred by the state (per the above guidance limitations and up to a maximum of 50 percent (50%) of the state share of the UASI grant). Any UASI funds retained by the state must be used in direct support of the Urban Area. States must provide documentation to the UAWG and DHS/FEMA upon request demonstrating how any UASI funds retained by the state would directly support the Urban Area.
Equipment (SHSP and UASI)
The 21 allowable prevention, protection, mitigation, response, and recovery equipment categories and equipment standards for HSGP are listed on the Authorized Equipment List (AEL). The AEL is available at [http://www.fema.gov/authorized-equipment-list](http://www.fema.gov/authorized-equipment-list). Unless otherwise stated, equipment must meet all mandatory regulatory and/or DHS/FEMA-adopted standards to be eligible for purchase using these funds. In addition, agencies will be responsible for obtaining and maintaining all necessary certifications and licenses for the requested equipment.

Grant funds may be used for the procurement of medical countermeasures. Procurement of medical countermeasures must be conducted in collaboration with state/city/local health departments who administer Federal funds from HHS for this purpose and with existing MMRS committees where available, in order to sustain their long term planning for appropriate, rapid, and local medical countermeasures, including antibiotics and antidotes for nerve agents, cyanide, and other toxins. Procurement must have a sound threat based justification with an aim to reduce the consequences of mass casualty incidents during the first crucial hours of a response. Prior to procuring pharmaceuticals, recipients must have in place an inventory management plan to avoid large periodic variations in supplies due to coinciding purchase and expiration dates. Recipients are encouraged to enter into rotational procurement agreements with vendors and distributors. Purchases of pharmaceuticals must include a budget for the disposal of expired drugs within each fiscal year's PoP for HSGP. The cost of disposal cannot be carried over to another DHS/FEMA grant or grant period.

EMS electronic patient care data systems should comply with the most current data standard of the National Emergency Medical Services Information System ([www.NEMSIS.org](http://www.NEMSIS.org)).

Training (SHSP and UASI)
Allowable training-related costs under HSGP include the establishment, support, conduct, and attendance of training specifically identified under the SHSP and UASI programs and/or in conjunction with emergency preparedness training by other Federal agencies (e.g., HHS and DOT). Training conducted using HSGP funds should address a performance gap identified through a TEP or other assessments (e.g., National Emergency Communications Plan NECP Goal Assessments) and contribute to building a capability that will be evaluated through a formal exercise. Any training or training gaps, including those for children, older adults, pregnant women, and individuals with disabilities, individuals with limited English proficiency and others who also have or access and functional needs, should be identified in a TEP and addressed in the state or Urban Area training cycle. Recipients are encouraged to use existing training rather than developing new courses. When developing new courses, recipients are encouraged to apply the Analysis, Design, Development, Implementation and Evaluation model of instructional design.

Exercises (SHSP and UASI)
Exercises conducted with grant funding should be managed and conducted consistent with HSEEP. HSEEP guidance for exercise design, development, conduct, evaluation, and improvement planning is located at [https://www.fema.gov/exercise](https://www.fema.gov/exercise).
Maintenance and Sustainment (SHSP, UASI, and OPSG)

The use of DHS/FEMA preparedness grant funds for maintenance contracts, warranties, repair or replacement costs, upgrades, and user fees are allowable, as described in FEMA Policy FP 205-402-125-1 under all active and future grant awards, unless otherwise noted. With the exception of maintenance plans purchased incidental to the original purchase of the equipment, the period covered by maintenance or warranty plan must not exceed the PoP of the specific grant funds used to purchase the plan or warranty.

Grant funds are intended to support the Goal by funding projects that build and sustain the core capabilities necessary to prevent, protect against, mitigate the effects of, respond to, and recover from those threats that pose the greatest risk to the security of the Nation. In order to provide recipients the ability to meet this objective, the policy set forth in GPD’s IB 379 (Guidance to State Administrative Agencies to Expedite the Expenditure of Certain DHS/FEMA Grant Funding) allows for the expansion of eligible maintenance and sustainment costs which must be in 1) direct support of existing capabilities; (2) must be an otherwise allowable expenditure under the applicable grant program; (3) be tied to one of the core capabilities in the five mission areas contained within the Goal, and (4) shareable through the Emergency Management Assistance Compact. Additionally, eligible costs must also be in support of equipment, training, and critical resources that have previously been purchased with either federal grant or any other source of funding other than DHS/FEMA preparedness grant program dollars.

Law Enforcement Terrorism Prevention Activities Allowable Costs (SHSP and UASI)

Activities eligible for use of LETPA focused funds are outlined in the National Prevention Framework (and where capabilities are shared with the protection mission area, the National Protection Framework) and include but are not limited to:

- Maturation and enhancement of designated state and major Urban Area fusion centers, including information sharing and analysis, threat recognition, terrorist interdiction, and training/hiring of intelligence analysts;
- Coordination between fusion centers and other analytical and investigative efforts including, but not limited to Joint Terrorism Task Forces (JTTFs), Field Intelligence Groups (FIGs), High Intensity Drug Trafficking Areas (HIDTAs), Regional Information Sharing Systems (RISS) Centers, criminal intelligence units, and real-time crime analysis centers;
- Implementation and maintenance of the Nationwide SAR Initiative, including training for front line personnel on identifying and reporting suspicious activities;
- Implementation of the “If You See Something, Say Something™” campaign to raise public awareness of indicators of terrorism and terrorism-related crime and associated efforts to increase the sharing of information with public and private sector partners, including nonprofit organizations. Note: DHS/FEMA requires that the Office of Public Affairs be given the opportunity to review and approve any public awareness materials (e.g., videos, posters, tri-folds, etc.) developed using HSGP grant funds for the “If You See Something, Say Something™” campaign to ensure these materials are consistent with the Department’s messaging and strategy for the campaign and the initiative’s trademark;
- Training for countering violent extremism; development, implementation, and/or expansion of programs to engage communities that may be targeted by violent extremist
radicalization; and the development and implementation of projects to partner with local communities to prevent radicalization to violence, in accordance with the Strategic Implementation Plan (SIP) to the National Strategy on Empowering Local Partners to Prevent Violent Extremism in the United States;

- Increase physical security, through law enforcement personnel and other protective measures by implementing preventive and protective measures at critical infrastructure site or at-risk nonprofit organizations; and
- Building and sustaining preventive radiological and nuclear detection capabilities, including those developed through the Securing the Cities initiative.

Controlled Equipment (SHSP, UASI, and OPSG)
Grant funds may be used for the purchase of Controlled Equipment, however, because of the nature of the equipment and the potential impact on the community, there are additional and specific requirements in order to acquire this equipment.

Refer to IB 407 Use of Grant Funds for Controlled Equipment for the complete Controlled Equipment List, information regarding the Controlled Equipment Request Form, and a description of the specific requirements for acquiring controlled equipment with DHS/FEMA grant funds. For additional information on controlled equipment refer to Executive Order (EO) 13688 Federal Support for Local Law Enforcement Equipment Acquisition, and the Recommendations Pursuant to Executive Order 13688.

Requirements for Small Unmanned Aircraft System (SHSP, UASI, and OPSG)
All requests to purchase Small Unmanned Aircraft System (SUAS) with FEMA grant funding must also include the policies and procedures in place to safeguard individuals’ privacy, civil rights, and civil liberties of the jurisdiction that will purchase, take title to, or otherwise use the SUAS equipment, see Presidential Memorandum: Promoting Economic Competitiveness While Safeguarding Privacy, Civil Rights, and Civil Liberties, in Domestic Use of Unmanned Aircraft Systems, issued February 20, 2015.

Critical Emergency Supplies (SHSP and UASI)
In order to further DHS/FEMA’s mission, critical emergency supplies, such as shelf stable products, water, and basic medical supplies are an allowable expense under SHSP and UASI. Prior to the allocation of grant funds for stockpiling purposes, each state must have DHS/FEMA’s approval of a five-year viable inventory management plan which should include a distribution strategy and related sustainment costs if planned grant expenditure is over $100,000. If grant expenditures exceed the minimum threshold, the five-year inventory management plan will be developed by the recipient and monitored by FEMA GPD with the assistance of the FEMA Logistics Management Directorate (LMD). FEMA GPD will coordinate with LMD and the respective FEMA Region to provide program oversight and technical assistance as it relates to the purchase of critical emergency supplies under UASI. FEMA GPD and LMD will establish guidelines and requirements for the purchase of these supplies under UASI and monitor development and status of the state’s inventory management plan.

States (through their Emergency Management Office) are strongly encouraged to consult with their respective FEMA Regional Logistics Chief regarding disaster logistics-related issues.
States are further encouraged to share their DHS/FEMA approved plan with local jurisdictions and Tribes.

Construction and Renovation (SHSP and UASI)
Project construction using SHSP and UASI funds may not exceed the greater of $1,000,000 or 15 percent (15%) of the grant award. For the purposes of the limitations on funding levels, communications towers are not considered construction.

Written approval must be provided by DHS/FEMA prior to the use of any HSGP funds for construction or renovation. When applying for construction funds, including communications towers, at the time of application, recipients must submit evidence of approved zoning ordinances, architectural plans, any other locally required planning permits, and a notice of federal interest. Additionally, recipients are required to submit a SF-424C Budget and Budget detail citing the project costs.

When applying for funds to construct communication towers, recipients and sub-recipients must submit evidence that the FCC’s Section 106 review process has been completed and submit all documentation resulting from that review to GPD using the guidelines in EHP Supplement prior to submitting materials for EHP review. Completed EHP review materials for construction and communication tower projects must be submitted as soon as possible to get approved by the end of the PoP. EHP review materials should be sent to gpdehpinf@fema.gov.

HSGP Program recipients using funds for construction projects must comply with the Davis-Bacon Act (40 U.S.C. § 3141 et seq.). Recipients must ensure that their contractors or subcontractors for construction projects pay workers no less than the prevailing wages for laborers and mechanics employed on projects of a character similar to the contract work in the civil subdivision of the state in which the work is to be performed. Additional information regarding compliance with the Davis-Bacon Act, including Department of Labor (DOL) wage determinations, is available from the following website http://www.dol.gov/whd/govcontracts/dbra.htm.

OPSG funds may not be used for any type of construction.

Personnel (SHSP and UASI)
Personnel hiring, overtime, and backfill expenses are permitted under this grant in order to perform allowable HSGP planning, training, exercise, and equipment activities. Personnel may include but are not limited to: training and exercise coordinators, program managers for activities directly associated with SHSP and UASI funded activities, intelligence analysts, and statewide interoperability coordinators (SWIC).

For further details, SAAs should refer to IB # 358, http://www.fema.gov/pdf/government/grant/bulletins/info358.pdf, or contact their HQ Program Analyst.
HSGP funds may not be used to support the hiring of any personnel for the purposes of fulfilling traditional public health and safety duties or to supplant traditional public health and safety positions and responsibilities.

The following are definitions as it relates to personnel costs:

- **Hiring.** State and local entities may use grant funding to cover the salary of newly hired personnel who are exclusively undertaking allowable/DHS/FEMA program activities as specified in this guidance. This may not include new personnel who are hired to fulfill any non-DHS/FEMA program activities under any circumstances. Hiring will always result in a net increase of Full Time Equivalent (FTE) employees.

- **Overtime.** These expenses are limited to the additional costs which result from personnel working over and above 40 hours of weekly work time as a direct result of their performance of DHS/FEMA-approved activities specified in this guidance. Overtime associated with any other activity is not eligible.

- **Backfill-related Overtime.** Also called “Overtime as Backfill,” these expenses are limited to overtime costs which result from personnel who are working overtime (as identified above) to perform the duties of other personnel who are temporarily assigned to DHS/FEMA-approved activities outside their core responsibilities. Neither overtime nor backfill expenses are the result of an increase of FTE employees.

- **Supplanting.** Grant funds will be used to supplement existing funds, and will not replace (supplant) funds that have been appropriated for the same purpose. Applicants or recipients may be required to supply documentation certifying that a reduction in nonfederal resources occurred for reasons other than the receipt or expected receipt of federal funds.

**Operational Packages (OPacks) (SHSP and UASI)**

Applicants may elect to pursue operational package (OPack) funding, such as Canine Teams, Mobile Explosive Screening Teams, and Anti-Terrorism Teams, for new capabilities as well as to sustain existing OPacks. Applicants must commit to minimum training standards to be set by the Department for all federally-funded security positions. Applicants must also ensure that the capabilities are able to be deployable, through EMAC, outside of their community to support regional and national efforts. When requesting new OPacks-related projects, applicants must demonstrate the need for developing a new capability at the expense of sustaining existing core capability.

**Western Hemispheric Travel Initiative (SHSP)**

In addition to the expenditures outlined above, SHSP funds may be used to support the implementation activities associated with the Western Hemisphere Travel Initiative (WHTI), including the issuance of WHTI-compliant tribal identification cards. More information on the WHTI may be found at [http://www.dhs.gov/files/programs/gc_1200693579776.shtm](http://www.dhs.gov/files/programs/gc_1200693579776.shtm) or [http://www.getyouhome.gov/html/eng_map.html](http://www.getyouhome.gov/html/eng_map.html).

**Other Secure Identification Initiatives (SHSP)**

SHSP funds may also be used to support the Department's additional efforts to enhance secure identification, including driver's license and identification security enhancements. Activities that facilitate secure identification, including IT enhancements for identification management and
verification systems are a priority. DHS/FEMA is currently developing and implementing a
number of screening programs in which secure identification credentials figure prominently.
These include the Transportation Worker Identification Credential (TWIC) program which
promotes tamper-resistant biometric credentials for workers who require unescorted access to
secure areas of ports, vessels, outer continental shelf facilities, and all credentialed merchant
mariners; and the credentialing of first responders which entails enhancing real-time electronic
authentication of identity and attribute(s) (qualification, certification, authorization, and/or
privilege) of emergency response/critical government personnel responding to terrorist attacks or
other catastrophic events.

States may continue implementing activities previously funded through the Driver’s License
Security Grant Program (DLSGP) that focus on securing driver’s license and identification card
issuance processes. Initiatives related to securing identification should:

- Have the greatest impact upon reducing the issuance and use of fraudulent driver’s
  license and identification cards;
- Reduce the cost of program implementation for individuals, states, and the Federal
  Government;
- Driver’s license identification material requirements;
- Expedite state progress toward meeting minimum security standards; and
- Plan and expedite state-specific activities to support federal data and document
  verification requirements and standards.

Operations (OPSG)
The intent of OPSG is to focus on operational aspects of enhancing coordination between
federal, state, local, tribal, and territorial law enforcement agencies to increase the security of the
United States Borders.

- Operational Overtime. OPSG funds should be used for operational overtime costs
  associated with law enforcement activities, in support of border law enforcement agencies
  for increased border security enhancement. At the request of a recipient, the FEMA
  Administrator may waive the 50 percent (50%) personnel cap. Waiver decisions are at the
  discretion of the FEMA Administrator and will be considered on a case-by-case basis. A
  formal OPSG personnel waiver request should:
  - Be requested on official letterhead, include a written justification, and be signed
    by the local jurisdiction;
  - Include a budget and method of calculation of personnel costs both in percentage
    of the grant award and in total dollar amount;
  - Include an approved Operations Order from the USBP Sector office which
    supports the local jurisdiction’s written justification; and
  - Be coordinated with the USBP Sector, SAA, and OBP.
- Part Time Personnel. OPSG funds may be used to pay additional current part time law
  enforcement personnel salaries in order to bring them to temporary full time status.
- Travel, Per Diem, and Lodging. Travel and per diem include costs associated with the
deployment/redeployment of personnel to border areas and for travel associated with law
enforcement entities assisting other local jurisdictions in law enforcement activities. In
addition, costs to support up to six month deployment of law enforcement personnel to
critical Southwest Border locations to support operational activities (travel costs must be in accordance with applicable travel regulations).

- **Vehicle and Equipment Rentals.**
- **Vehicle/Equipment Maintenance.**
- **Fuel Cost and/or Mileage Reimbursement.** There is no cap for reimbursement of operational activities.
- **Activate Reserve State, Local, Tribal, and Territorial Law Enforcement Personnel.** Supporting a request to the Governor to activate, deploy, or redeploy specialized National Guard Units/Package and/or elements of state law enforcement to increase or augment specialized/technical law enforcement elements operational activities.
- **Backfill.** Costs associated with backfill for personnel supporting operational activities.
- **Law Enforcement Readiness.** Use of OPSG funds may be used to increase operational, material, and technological readiness of state, local, tribal, and territorial law enforcement agencies.

### Unallowable Costs (OPSG)

OPSG unallowable costs include costs associated with staffing and general IT computing equipment and hardware, such as personal computers, faxes, copy machines, modems, etc. OPSG is not intended as a hiring program. Therefore, applying funds toward hiring full-time or permanent sworn public safety officers is unallowable. OPSG funding shall not be used to supplant inherent routine patrols and law enforcement operations or activities not directly related to providing enhanced coordination between local and federal law enforcement agencies. Finally, construction and/or renovation costs are prohibited under OPSG. Applicants should refer to [IB 358](#) or contact their HQ Program Analyst at (800) 368-6498 for guidance and clarification.

Due to the nature of OPSG, training and exercise expenses are not allowable costs under OPSG.

### Unallowable Costs (SHSP, UASI and OPSG)

Per FEMA policy, the purchase of weapons and weapons accessories is not allowed with HSGP funds.

### Prohibited Equipment (SHSP, UASI and OPSG)

Grant funds may not be used for the purchase of Prohibited Equipment. Refer to [IB 407 Use of Grant Funds for Controlled Equipment](#) for the complete Prohibited Equipment List. For additional information on Prohibited Equipment see [Executive Order (EO) 13688 Federal Support for Local Law Enforcement Equipment Acquisition](#) and the [Recommendations Pursuant to Executive Order 13688](#).

### Additional Planning Information

FEMA’s National Preparedness Directorate (NPD) offers technical assistance (TA) that is designed to provide recipients and sub-recipients with specialized expertise to improve their emergency plans and planning. TA deliveries are designed specifically to improve and enhance the continuing development of state and local emergency management across the five mission areas of the Goal and across all core capabilities. TA provides the opportunity to engage emergency managers, emergency planners, and appropriate decision-makers in open discussion.
of options to improve plans and planning in light of their jurisdiction’s needs. There is no cost to approved jurisdictions for DHS/FEMA TA.

TA deliveries combine current emergency management best practices with practical consideration of emerging trends, through discussion facilitated by DHS/FEMA contract specialists and with the support of FEMA Region operational specialists. While the invitation of participants is up to the requesting jurisdiction, DHS/FEMA encourages requesting jurisdictions to include the broadest practical range of its emergency managers and planners in all TA deliveries. TA deliveries should be made open to neighboring jurisdictions. As necessary, DHS/FEMA may also invite other Federal experts and practitioners to participate. Additionally, peer-to-peer representation may also be included from other jurisdictions that have recently used TA for the same planning issue.

The TA catalog, showing the full range of TA available across all five mission areas and by all providers, and the TA request form can be accessed at http://www.fema.gov/national-incident-management-system/fema-technical-assistance-division.

Additional Training Information
Per DHS/FEMA Grant Programs Directorate Policy FP 207-008-064-1, Review and Approval Requirements for Training Courses Funded Through Preparedness Grants, issued on September 9, 2013, states, territories, tribal entities and urban areas are no longer required to request approval from FEMA for personnel to attend non-DHS FEMA training as long as the training is coordinated with and approved by the state, territory, tribal or Urban Area Training Point of Contact (TPOC) and falls within the FEMA mission scope and the jurisdiction’s Emergency Operations Plan (EOP). The only exception to this policy is for Countering Violent Extremism courses.

DHS/FEMA will conduct periodic reviews of all state, territory, and Urban Area training funded by DHS/FEMA. These reviews may include requests for all course materials and physical observation of, or participation in, the funded training. If these reviews determine that courses are outside the scope of this guidance, recipients will be asked to repay grant funds expended in support of those efforts.

For further information on developing courses using the instructional design methodology and tools that can facilitate the process, SAAs and TPOCs are encouraged to review the NTED Responder Training Development Center (RTDC) website.

DHS/FEMA Provided Training. These trainings include programs or courses developed for and delivered by institutions and organizations funded by DHS/FEMA. This includes the Center for Domestic Preparedness (CDP), the Emergency Management Institute (EMI), and the National Training and Education Division’s (NTED) training partner programs including, the Continuing Training Grants, the National Domestic Preparedness Consortium (NDPC) and the Rural Domestic Preparedness Consortium (RDPC).

Approved State and Federal Sponsored Course Catalogue. This catalogue lists state and federal sponsored courses that fall within the DHS/FEMA mission scope, and have been approved
through the FEMA course review and approval process. An updated version of this catalog can be accessed at http://www.firstrespondertraining.gov.

**Training Not Provided by DHS/FEMA.** These trainings includes courses that are either state sponsored or federal sponsored (non-DHS/FEMA), coordinated and approved by the SAA or their designated TPOC, and fall within the DHS/FEMA mission scope to prepare state, local, tribal, and territorial personnel to prevent, protect against, mitigate, respond to, and recover from acts of terrorism or catastrophic events.

- **State Sponsored Courses.** These courses are developed for and/or delivered by institutions or organizations other than federal entities or DHS/FEMA and are sponsored by the SAA or their designated TPOC.

- **Joint Training and Exercises with the Public and Private Sectors.** These courses are sponsored and coordinated by private sector entities to enhance public-private partnerships for training personnel to prevent, protect against, mitigate, respond to, and recover from acts of terrorism or catastrophic events. Overtime pay for first responders and emergency managers who participate in public-private training and exercises is allowable. In addition, states, territories, Tribes, and Urban Areas are encouraged to incorporate the private sector in government-sponsored training and exercises.

Additional information on both DHS/FEMA provided training and other Federal and state training can be found at http://www.firstrespondertraining.gov.

**Training Information Reporting System ("Web-Forms").** Web-Forms are an electronic form/data management system built to assist the SAA and its designated state, territory and Tribal Training Point of Contact (TPOC). Reporting training activities through Web-Forms is not required under FY 2016 HSGP; however, the system remains available and can be accessed through the DHS/FEMA Toolkit located at http://www.firstrespondertraining.gov/admin in order to support recipients in their own tracking of training.

**Additional Exercise Information**

Recipients that use HSGP funds to conduct an exercise(s) are encouraged to complete a progressive exercise series. Exercises conducted by states and Urban Areas may be used to fulfill similar exercise requirements required by other grant programs. Recipients are encouraged to invite representatives/planners involved with other Federally-mandated or private exercise activities. States and Urban Areas are encouraged to share, at a minimum, the multi-year training and exercise schedule with those departments, agencies, and organizations included in the plan.

- **Exercise Scenarios.** The scenarios used in HSGP-funded exercises must be based on the state/Urban Area’s THIRA and SPR. The scenarios used in HSGP-funded exercises must focus on validating capabilities, must be large enough in scope and size to exercise multiple activities and warrant involvement from multiple jurisdictions and disciplines and non-governmental organizations, and take into account the needs and requirements for individuals with disabilities, individuals with limited English proficiency and others with access and functional needs. Exercise scenarios should align with priorities and capabilities identified in the Multi-year TEP.
• **Special Event Planning.** If a state or Urban Area will be hosting a special event (e.g., Super Bowl, G-8 Summit), the special event planning should be considered as a training or exercise activity for the purpose of the Multi-year TEP. The state or Urban Area should plan to use SHSP or UASI funding to finance training and exercise activities in preparation for those events. States and Urban Areas should also consider exercises at major venues (e.g., arenas, convention centers) that focus on evacuations, communications, and command and control.

• **Regional Exercises.** States should also anticipate participating in at least one Regional Exercise annually. States must include all confirmed or planned special events in the Multi-year TEP.

• **Role of Non-Governmental Entities in Exercises.** Non-governmental participation in all levels of exercises is strongly encouraged. Leaders from non-governmental entities should be included in the planning, design, and evaluation of an exercise. State, local, tribal, and territorial jurisdictions are encouraged to develop exercises that test the integration and use of non-governmental resources provided by non-governmental entities, defined as the private sector and private non-profit, faith-based, community organizations. Participation in exercises should be coordinated with the local Citizen Corps Whole Community Council(s) or their equivalent and other partner agencies.

**Unauthorized Exercise Costs**
Unauthorized exercise-related costs include:

• Reimbursement for the maintenance and/or wear and tear costs of general use vehicles (e.g., construction vehicles), medical supplies, and emergency response apparatus (e.g., fire trucks, ambulances).

• Equipment that is purchased for permanent installation and/or use, beyond the scope of the conclusion of the exercise (e.g., electronic messaging signs).
**SECTION A: SUBMITTING YOUR REQUEST**

Please submit legible supporting documents, files and completed request form at:

Grants@auditor.lacounty.gov

In the event e-mail is not available, you can mail your Grant payment request to (please do not fax or send duplicates):
Department of Auditor-Controller
Shared Services Division / Attn: Grants Unit
3470 Wilshire Blvd., Suite 812
Los Angeles, CA 90010

1. Grant Name & Year:

20_

**SECTION B: SUB-RECIPIENT'S INFORMATION**

1. Sub-recipient's Name: (reimbursement check will be made payable to the name enter here)

2. Mailing Address (please let us know where you want your check delivered, including attention line if necessary):

3. Taxpayer ID #:  

4. Contact's Name:

5. Contact's phone:

6. Contact's e-mail:

**SECTION C: DETAIL PAYMENT REQUEST INFORMATION**

1. SOLUTION AREA (e.g. equipment, training, planning, exercises)

2. ITEM # (e.g. 17.020)

3. PROJECT ALPHA (e.g. D)

4. EHP required? (Environmental & Historic Preservation)
   - Yes (attach prior State Approval)
   - No

5. VENDOR'S INVOICE #
   - If services, supplies or equipment were purchased, please attach invoices (maximum of 8) and indicate purchase method by completing numeral 6.

6. PURCHASE METHOD
   - Competitive Bid?
     - How many?
   - Non-Competitive Bid
   - Sole Source

7. CLAIM AMOUNT
   - (Indicate the amount per each line)

8. TOTAL $

**SECTION D: SUB-RECIPIENT'S CERTIFICATION**

I certify that (please use the checkbox):

1. I am the duly authorized officer of the claimant herein and this claim is in all respects true and correct. All expenditures were made in accordance with applicable laws, rules, regulations and grant conditions and assurances.

2. All instructions for this form were followed and all the supporting documentation (per instructions) is included with this claim.

3. ____________________________
   AUTHORIZED SIGNATURE

4. ____________________________
   AUTHORIZED PRINTED NAME

   ____________________________
   AUTHORIZED TITLE

5. AUTHORIZED CONTACT INFORMATION (if different from Section B):
   - PHONE #
   - E-MAIL:

NOTE: This Form is Intended for Internal SSD review purpose only.

Revised on 11/20/2017
Purpose of these instructions:
To assist sub-recipients in completing the Grant Payment Request. We appreciate your participation in this program, for questions or suggestions please use our e-mail below to contact us. Please do not send these instructions to us, they are to be used for your guidance only.

SECTION A: GENERAL INSTRUCTIONS FOR SUBMISSION OF GRANT PAYMENT REQUEST
In numeral 1 of this section, please enter the name and year of the grant program that you are submitting for payment. In addition, please help us expedite the process of your Homeland Security claims by:

- Completing the Grant payment request correctly and according to these instructions.
- Submitting your Grant payment request using our e-mail -> Grants@auditor.lacounty.gov (please do not fax documents).
- Sending your Grant payment request only once (we do not require original documents and duplicates will slow down our process).
- Using the checkboxes to ensure all the required supporting documents and files accompany your Grant payment request. Supporting documents are flagged for your convenience with a checkbox within the corresponding areas.
- Ensuring that all documents attached to your Grant payment requests are legible.
- Submitting Grant payment request timely. We do not guarantee the process of Grant payment requests that are submitted late or too close to the final due date. Reimbursable expenditures need to be charged within the performance period of the grant and submitted to us as soon as they are incurred.

SECTION B: SUB-RECIPIENT’S INFORMATION
The following numerals provide the instructions to fill in the corresponding numeral in the form:
1. Please enter the name of the agency requesting for payment. The name of the agency should be typed according to its signed agreement and as you need it to appear in the payee line of the reimbursement check.
2. Please enter the complete address (street number and name, city, zip code) and attention line where you will need to receive the reimbursement check. Please note that this is not necessary for L.A. County departments.
3. Please enter the tax ID of the governmental entity requesting payment. Please leave blank for L.A. County departments.
4. Please enter the information of the person that can assist us with detail claim questions.

SECTION C: DETAIL PAYMENT REQUEST INFORMATION
In order to expedite your Grant payment request, in this area’s grid, include a maximum of five (6) invoices or reimbursements charges (one charge or one invoice per line). The invoices or charges need to share the same solution area, project alpha and item #. In addition, invoices from one fiscal year should be claimed separate from invoices of another fiscal year. For example: an invoice dated June 2015 (FY 14/15) should not be combined with an invoice dated October 2015 (FY 15/16) in the same claim request.

The following numerals provide the instructions to fill in the corresponding numeral in the form:
1. Enter the solution area corresponding to the claim. This information is found in the latest budget of the grant. Examples of solution areas are: equipment, training, planning or exercise.
2. Enter the item # corresponding to the claim. This information is found in the latest budget of the grant. An example of Item # is 17.020.
3. Enter the project alpha corresponding to the claim. This information is found in the latest budget of the grant. An example of project alpha is D.
4. Check with an X under either yes or no according to the claim’s Environmental & Historical Preservation (EHP) requirements from the State. EHP approval needs to be obtained from the State prior to the start of the project on certain equipment items (see AEL description) or training/exercise projects. Please attach the following:
   a) [ ] State EHP Approval: if required by the state for your claim.
5. If the expenditures that you are claiming were purchased thru a vendor or contractor, please enter the invoice # in the grid area. Please note that you are responsible for following acceptable purchasing policies and for documenting your procurement process. Additionally please include the following documentation with your claim:

a) □ Copy of the invoice: Please attach an invoice that provides sufficient information to be used as a cross reference with the items described in your grant line item and AEL #. When the invoice includes items that are not being claimed or that belong to different claims or grants, please circle and designate on the invoice the items that you are requesting for reimbursement. Each item circled must have a project #, a funding source, and a total. Purchase orders and price quotes will not be accepted in the place of the invoice.

b) □ Copy of the purchase order

c) □ Print out the corresponding AEL # (Authorized Equipment List number). The AEL listing can be found at: https://www.rkb.us/fema_grants.cfm

d) □ Proof of payment of the invoice: The proof of payment for L.A. County Departments is the printout from e-CAPS showing that the check cleared the bank. The proof of payment for other than L.A. County Department is the corresponding copy of the bank’s cleared check.

e) □ Calculations for use tax paid: When use tax is paid, clearly show the calculations of the use tax in the invoice included in your claim.

f) □ Proof of payment of the use tax: Please provide official documents which authenticate the remittance of the use tax to the state, the amount and the reference to the invoice being claimed.

g) □ Federal Debarment Listing: Please provide a screen print out of the queried Federal Debarment Listing at http://www.sam.gov/portal/public/SAM (you will need a username and a password; if you don’t please create an account). The listing needs to be queried prior to the selection of the vendor.

6. If you are claiming services, supplies or any other type of items purchased thru a vendor or contractor, please indicate with an X the method that you used to acquire the items (do not leave blank or mark more than one). Please note that competitive bid, non-competitive bid or sole source are the only valid purchasing methods.

a) □ Competitive Bid: for projects that received more than one bid. Please indicate number of bids received (must be more than one).

b) □ Non-Competitive Bid: for single bid purchases of $150,000 or more to a single vendor or a single project, please attach the approval from the State. The approval needs to be requested from the State prior to the start of the project.

c) □ Sole Source: for non-bid purchases of $150,000 or more to a single vendor or a single project, please attach the approval from the State. The approval needs to be requested from the State prior to the start of the project.

7. Enter the amount of your claim after you verify that your budget is sufficient to cover your request. When the amount of the budget is not sufficient, please let your Program Coordinator know of the possible need for budget modification.

8. Enter the “Total Amount” by adding the subtotal claims included in each line.

SECTION D: SUB-RECIPIENT’S CERTIFICATION
The following numerals provide the instructions to fill in the corresponding numeral in the form:

1. Please read and check the box provided if you are an authorized signor.

2. Please read and check the box provided if you are an authorized signor.

3. Please sign the Grant payment request if you are an authorized signor of your agency.

4 & 5. When the authorized person is the same as the contact person in Section B you do not need to enter the authorized contact information. If the authorized person and the contact person in Section B are different, please enter all the fields in this area as requested.
For Equipment Claims:

a) Equipment Inventory Listing (Print out & Excel File): Please include both the printout of the listing and the corresponding excel file with your claim. The excel file is used to submit your claim with the state and the printout as backup document for audits. If there is no serial # for your equipment please assign a valid ID tag, or write "Consumable" (if it applies) or write N/A. please do NOT leave the corresponding space blank. Additionally, please refer to the Instructions to Equip Inty Tab for completion procedures of Equipment Inventory.

b) You need to inform us of any changes on the items above. This applies to each piece of equipment added in the Inventory Listing, including when the items are disposed and/or no longer useful. We will update the master inventory listing (per grant requirement) according to the information you give us. Please make sure that you include all the attachments that are necessary to provide us with the requested information.

For Training Claims:

a) State-Sponsored Training Reporting Form (with the tracking request #): Please add this form along with the Training Request Form Training Officer (POC), which you completed at the website, to the claim's backup documentation. All the backup documentation submitted for the training claim needs to agree with the training period and the detail description on the Training Reporting Form and the line item of the Grant. Training request #s must be obtained from the State prior to the start of the project.

b) Receipts and paid invoices: please include the complete copy of the receipts and paid invoices with your claim for itemized costs such as airplane tickets, hotel stays, instructor's fees, workshop cost, facilities fees, consulting services, etc. Additionally, you will need to include the documents requested in numeral 5 under Section C.

If you are including personnel cost with your training claim, please add the following:

c) Personnel List (Print out & Excel File): Please include both the printout of the listing and the corresponding excel file with your claim. The excel file is used to submit your claim with the state and the printout as backup document for audits.

d) Documents that certify completion of the training: please attach supporting documents that show the class name, dates of training, # of hours of the training class, printed name and signature of individual taking the class and approval signature from supervisor or trainer (attach the information for backfilled positions also). Examples of documents that certify completion of training are:

- Attendance sheets (signed by employee and instructor)
- Sign in sheets (same as above)
- Signed training certificates

e) Summary Listing of Charges: Please use the Training Summary Sheet form provided in this claim packet that clearly shows the breakdown of the training charges per employee and that match the total claimed. This form includes the following: employee name, assignment, job title, date, salary, hours claimed, regular rate, overtime rate, employee benefits rate, claim amount per employee, clear calculations of amount claimed per employee and total (equal to the amount claimed).

Please ensure that the Training Summary Sheet is verified/approved by an authorized signatory, with printed name and title, and dated.

f) Backup for the Benefits Rate: If you are adding benefits to your claim, please make sure that you include the official calculation for the rate used.

g) Timecards: Include a printout of the corresponding timecards. Manual timecards need to indicate the # of hours charged per day to the grant, supervisor's signature, employee name and signature. Automatic system generated timecards need to be approved and include the name of the employee and hours charged per day to the grant.

h) Explanation of timekeeping codes: When the supporting documentation (timesheet, payroll register, etc.) includes timekeeping codes please provide a printout with the explanation of the usage as detailed as possible.

i) Payroll register: The payroll register needs to clearly support and explain the amount claimed per employee. It also needs to show the salary, hourly rate, employee benefits and overtime rate.
The roster needs to include the name of the backfilling employee, a brief description of duties performed, the corresponding employee whose duties were covered and the dates accordingly. Please make sure that the roster is signed and that you include documentation corresponding to the employee covered by the backfilling position.

**For Planning Claims:**

a) [ ] Deliverable (or final product): Please include with your claim the final product of the planning activity (deliverable) that was identified in the grant award.

b) [ ] Signed Certificate of Completion: The certificate of completion can be an e-mail confirming that the planning activity was completed.

c) [ ] Invoices: If your planning claim includes charges invoiced by vendors, please see requirements and documents you need to attach to your claim form under Section C (numeral 5 and numeral 6).

d) [ ] Supporting Documentation for Personnel Cost: When your planning claim includes personnel cost, please see d) to i) under Training Claim (supporting documents needed) and add to the documentation.

**For Exercise Claims:**

a) [ ] Proof of State Approval of After Action Report (AAR): In order for your AAR to be approved you have to submit it to the State using the ODP Portal (see link below), within 90 days after completion of the exercise. You need to notify the State when the AAR is uploaded so they can proceed with the approval process.

https://hseep.dhs.gov/DHS_SSO/

b) [ ] Invoices: If your exercise claim includes charges invoiced by vendors please see requirements and documents you need to attach to your claim form under Section C (numeral 5 and numeral 6).

c) [ ] Supporting Documentation for Personnel Cost: When your exercise claim includes personnel cost, please see d) to i) under Training Claim (supporting documents needed) and add to the documentation.

**For Organization Claims:** Please see above b) and c) under Exercise Claims.

258
<table>
<thead>
<tr>
<th>Grant Year</th>
<th>Grant Project Line</th>
<th>AEL No.</th>
<th>Description of Property</th>
<th>Serial # or Other ID #</th>
<th>SAFECOM Consult (Yes/No/NA)</th>
<th>Source of Property (Program)</th>
<th>Department (Title Holder)</th>
<th>Vendor Name</th>
<th>Invoice Number</th>
<th>Acquisition Date</th>
<th>Cost</th>
<th>% of FED Participation</th>
<th>Location</th>
<th>Use &amp; Condition</th>
<th>Disposition</th>
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</table>

N:\Grants\Subrecipient\Monitoring\Forms\Property & Equipment Inventory Listing
Revised: 05/01/2017
Equipment Inventory Listing
Procedures for Completion

OBJECTIVE:

To provide an equipment inventory listing that links the State Homeland Security Workbook, to the Equipment Ledger and to the Equipment Listing to simplify the tracking and accountability, and to eliminate duplication and confusion.

<table>
<thead>
<tr>
<th>Field</th>
<th>Date Element</th>
<th>Procedure</th>
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<tbody>
<tr>
<td>(1)</td>
<td>Grant Name</td>
<td>SHSP or EMPG</td>
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<tr>
<td>(2)</td>
<td>Sub-Recipient</td>
<td>Name of your agency</td>
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<td>(3)</td>
<td>Date of Report</td>
<td>Date report completed {1}</td>
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<td>(4)</td>
<td>Grant Year</td>
<td>Grant Year of funds used to purchase equipment</td>
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<td>(5)</td>
<td>Project Line</td>
<td>Project Line (from Grant Workbook)</td>
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<td>Project Alpha</td>
<td>Project Alpha character (from Grant Workbook)</td>
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<td>(7)</td>
<td>AEL No.</td>
<td>Authorized Equip Listing No (from Grant Workbook)</td>
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<td>(8)</td>
<td>Description</td>
<td>Description of the equipment</td>
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<td>(9)</td>
<td>Serial # or Other ID #</td>
<td>Serial # or Other identification # used</td>
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<td>(10)</td>
<td>Safecom consult</td>
<td>Fill out either by Yes, No, or N/A</td>
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<tr>
<td>(11)</td>
<td>Source of Property</td>
<td>Funding source, i.e., SHSP, EMPG, etc.</td>
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<tr>
<td>(12)</td>
<td>Title Holder</td>
<td>Name of agency (City/Department)</td>
</tr>
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<td>(13)</td>
<td>Vendor Name</td>
<td>Name of the vendor</td>
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<td>(14)</td>
<td>Invoice Number</td>
<td>Invoice number</td>
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<tr>
<td>(15)</td>
<td>Acquisition Date</td>
<td>Date equipment acquired</td>
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<td>(16)</td>
<td>Acquisition Cost</td>
<td>Cost of the individual equipment item</td>
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<td>(17)</td>
<td>% of Fed Part</td>
<td>Fed participation in the cost of equipment</td>
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<td>(18)</td>
<td>Location</td>
<td>Location of equipment</td>
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<td>(19)</td>
<td>Use &amp; Condition</td>
<td>Use &amp; condition {2}</td>
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<td>(20)</td>
<td>Disposition data</td>
<td>Date of disposition</td>
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<tr>
<td>(21)</td>
<td>Sale Price</td>
<td>Sale price, If applicable, or N/A for not applicable</td>
</tr>
</tbody>
</table>

The Equipment Inventory Listing must be completed in its entirety to meet the objective of the form.

Note {1}: This date should be the date the physical inventory of equipment was taken and the results reconciled with the equipment records (at least once every two years).

{2} Indicate: N = New, D = Deployed, O = Out of Service, L = Lost & S = Stolen

Distribution
Copy maintained in sub-recipient file
Copy forwarded to Shared Services Division
Training Summary
Sheet

<table>
<thead>
<tr>
<th>EMP NO.</th>
<th>EMPLOYEE NAME</th>
<th>ASSIGNMENT</th>
<th>TITLE</th>
<th>TRAINING REQUEST #</th>
<th>TRAINING START DATE</th>
<th>TRAINING END DATE</th>
<th>SALARY</th>
<th>OT HOURS</th>
<th>REG RATE</th>
<th>OT RATE</th>
<th>OT PAY</th>
<th>Are you claiming for Employee Benefits?</th>
<th>Employee Benefit Rate</th>
<th>CLAIM TOTAL</th>
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Print Name and Title: ____________________ Date: ____________

261
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<th>Planning Activity</th>
<th>Solution Area Sub-Category</th>
<th>Discipline</th>
<th>Funding Source</th>
<th>Total Cost</th>
<th>Total Claimed</th>
<th>Cash Request Number</th>
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**GRAND TOTAL**

Approved by:

Authorized Signature

Print Name and Title: ____________________________ Date: ____________________________
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<th>Exercise Title</th>
<th>Funding Source</th>
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<th>Date of Exercise</th>
<th>Exercise Type</th>
<th>Exercise Role</th>
<th>Date AAR entered into HSEP</th>
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**GRAND TOTAL**

Approved by: ____________________________

Authorized Signature ____________________

Print Name and Title ____________________ Date ________
<table>
<thead>
<tr>
<th>Project</th>
<th>Employee Name</th>
<th>Project / Deliverable</th>
<th>Funding Source</th>
<th>Discipline</th>
<th>Solution Area</th>
<th>Solution Area Sub Category</th>
<th>Dates of Payroll Period</th>
<th>Total Salary &amp; Benefits charged for this Reporting Period</th>
<th>Total Project Hours</th>
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8. Notes on Personnel Cost:

**In general, costs associated with:**

- Work performed under contract for a specific deliverable DOES NOT count against the personnel cap, however,
- Work performed under contract for an undefined period, such as for personnel costs supporting operational activities, including general planning, training or exercise activities DO count against the personnel cap; and
- Work performed by all non-contractor personnel, including for full- or part-time staff and operational overtime DO count against the personnel cap.

**The following examples would not count towards the personnel cap:**

- Vendor installation of a radio tower;
- Vendor training on new equipment purchased;
- Contractor hired to create an Emergency Operations Plan;
- Contractor hired to provide deliveries of ICS 400; and
- Contractor hired to assist with planning, training, evaluating, and reporting the effectiveness of a specific exercise.

**The following examples would count towards the personnel cap:**

- Contractor hired to be the State’s WMD training instructor with no specific deliverables under contract;
- Contractor hired to facilitate unidentified number of exercises throughout the performance period;
- Contractor hired to be the part-time auditor of Homeland Security Grants throughout the year; and
- Contractor hired to be an intelligence analyst.
AGENDA DESCRIPTION:
Consideration and possible action regarding appointing the Director of Finance, Joseph Lillio, as a delegate to the Southern California Cities Consortium Joint Powers Authority (SCCCJPA). (Fiscal Impact $0)

RECOMMENDED COUNCIL ACTION:
1. Authorize the appointment of the Director of Finance, Joseph Lillio, as delegate to the SCCCJPA.
2. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
Exhibit 1: SCCCJPA Agreement
Exhibit 2: Minutes from the November 21, 1995 City Council meeting approving the City to join the SCCCJPA

FISCAL IMPACT: None
Amount Budgeted: $0
Additional Appropriation: N/A
Account Number(s): N/A

STRATEGIC PLAN:
Goal: 5(b) Champion Economic Development and Fiscal Sustainability:
El Segundo approaches its work in a financially disciplined and responsible way

Objective: 2 The City will maintain a stable, efficient, and transparent financial environment

ORIGINATED BY: Joseph Lillio, Director of Finance
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:
In November 1995 the City Council voted to join the Southern California Cities Consortium – JPA ("SCCJPA") and has been appointing a Delegate and Alternate to both attend and vote on JPA matters. The last delegate appointment by the City Council was in May of 2008.

The purpose of this JPA was to provide an additional means for the Member cities to improve the quality or reduce the costs of providing municipal services, including electrical, gas and water
services, to all Members, or any combination thereof, including, but not limited to, combined bargaining and buying power of Members in all areas of purchasing; monitoring and promoting legislative actions which could or would promote or advance said powers; any powers set forth in this Agreement; and any programs, projects or actions approved or authorized from time to time by the governing body of the Agency.

The SCCJPA is a 21-year old JPA with 10 Member Cities. The SCCJPA has been inactive for many years. In order to terminate the JPA agreement, two-thirds of the members (that is, 7 members) need to vote at a JPA meeting to terminate the agreement. Either the Delegate or Alternate, as the representative of the City is empowered to make the decision whether to terminate or not to terminate the JPA. It is recommended that the City Council appoint a representative to attend the upcoming JPA meeting.
JOINT POWERS AGREEMENT
OF THE
SOUTHERN CALIFORNIA CITIES CONSORTIUM
AGREEMENT

This Agreement ("Agreement"), is made and entered into pursuant to Section 6500 et seq., of the Government Code, as amended from time to time ("Act"), and other applicable laws, by and between the following public entities

(                                    .                                    .                                    .                                    .                                    . )

WITNESSETH

The parties hereto agree as follows

Section 1 Recitals This Agreement is made and entered into with respect to the following facts

(a) That each member city ("City") is located on the Westside and in the South Bay area of the County of Los Angeles, and

(b) That each City has determined by and through its legislative body to enter into an agreement to create a separate public entity pursuant to the provisions of the Act of the purposes set forth herein and desires that such separate public entity have the powers provided herein in connection with such purpose, and

(c) That the legislative body of each of the Cities has independently determined by resolution that the public interest, convenience and necessity require the execution of this Agreement by and on behalf of the said City.

Section 2 Creation of Separate Legal Entity It is the intention of the Cities to create, by means of this Agreement, a separate legal entity within the meaning of Section 6503.5 of the Act. Accordingly, there is hereby created a separate legal entity which shall exercise its powers in accordance with the provisions of the Act, as herein provided, other applicable laws and this Agreement (hereinafter "Agency").

Section 3 Name The name of the Agency shall be "Southern California Cities Consortium"

Section 4 Purpose of Agency The purpose of the creation of the Agency is to provide an additional means for the Cities to improve the quality or reduce the costs of providing municipal services, including electrical, gas and water services, of all member
Cities, or any combination thereof. Such means include, but are not limited to, combined bargaining and buying power of member Cities in all areas of purchasing, monitoring and promoting legislative actions which could or would promote or advance said powers; any powers set forth in this Agreement, and any programs, projects or actions approved or authorized from time to time by the governing body of the Agency ("Board of Directors" or "Board")

Section 5. Creation of Board of Directors. There is hereby created a Board of Directors which shall conduct the affairs of the Agency. The Board of Directors shall consist of one (1) director from each City ("Director"). The legislative body of each of the Cities shall designate its Director and alternate Directors, which may include elected officials.

Section 6. Board of Directors Functions

(a) Voting. Except as expressly otherwise provided in this Section 6, each Director on the Board shall be entitled to cast one (1) vote on any matters pending before the Board. A Director must be physically present at the meeting of the Board to cast a vote.

(b) Participation of Alternate Directors. An alternate Director of a City may participate in the proceedings of the Board only in the absence of such City's regular Director. Such alternate Director shall be deemed to be a Director for all purposes under this Agreement.

(c) Quorum. A quorum of the Board shall consist of not less than a majority of all Directors.

(d) Committees. As needed, the Board may create permanent or ad hoc advisory committees, to give advice to the Board on such matters as may be referred to such committee by the Board. Each such committee shall remain in existence until it is dissolved by the Board. Qualified persons, which may include Directors, shall be appointed to such committees by the Board and each such appointee shall serve at the pleasure of the Board.

(e) Actions. Actions taken by the Board shall be by not less than a majority affirmative votes of the Directors attending the meeting of the Board, unless by a provision of this Agreement, the Bylaws or applicable laws, a higher number of votes is required to carry a particular motion.

(f) Project Votes. Voting regarding any matter relating to a Project (as defined in Section 20) shall be as provided in a Project contract between the Agency and the participating Cities.
Section 7  Common Powers  The Agency shall have, and exercise the following powers

(a) All of those powers available to joint powers entities pursuant to the Act, other applicable laws and this Agreement; and

(b) All implied powers necessary to perform its purposes, and

(c) The power to enter into agreements as may be necessary for any legal purpose of the Agency

Such powers shall be exercised in the manner provided in Section 6509 of the Government Code, subject only to the restrictions in the manner of exercising such powers as are imposed upon the City of Culver City in the exercise of similar powers.

Section 8.  Duties of the Board  The Board shall be deemed, for all purposes, the policy making body of the Agency. All of the powers of the Agency, except as may be expressly delegated to others pursuant to the provisions of this Agreement or resolutions of the Board or by other specific authorization of the Board, shall be exercised by and through the Board.

The Board shall exercise its power only in a manner consistent with the provisions of the Act, other applicable laws and this Agreement.

Section 9  Roberts Rules of Order  The substance of Roberts Rules of Order shall apply to proceedings of the Board, except as may otherwise be provided in this Agreement, the Bylaws, resolutions of the Board or applicable laws.

Section 10  Meetings of Board  The Board shall by resolution establish the dates and times of regular meetings of the Board. The location of each such meeting shall be as directed by the Board. All meetings of the Board shall be held subject to the provisions of the laws of the State of California requiring notice of meetings of public bodies to be given in the manner provided in such laws.

Section 11  Election of Chair and Vice-Chair  Except as otherwise provided in this Section 11, annually at its first regular meeting of each calendar year the Board shall select one of its Directors to hold the position of Chair of the Agency and a second Director of the Board to hold the position of Vice-Chair of the Agency. The Chair shall be the chairperson of the Board and shall conduct all meetings of the Board and perform such other duties and functions as required of such person by this Agreement, the Board and the Bylaws. The Vice-Chair shall serve as Chair in the absence of the Chair and shall perform such duties as may be required by this Agreement, the Board and the Bylaws.

The first organizational meeting of the Board shall be within 30 days following the execution of this Agreement by at least five Cities. At such organizational meeting, the
Board shall elect the Chair of the Board and the Vice-Chair of the Board, for terms expiring on the date of the first regular meeting of the Board held in the following calendar year.

If there is a vacancy, for any reason, in the position of Chair or Vice-Chair, the Board shall forthwith conduct an election and fill such vacancy for the unexpired term of such prior incumbent.

The Chair, the Vice-Chair, the Treasurer and the Auditor, to the extent such officers' duties and responsibilities pursuant to the Act require, are designated as the public officers or persons who have charge of, handle, or have access to any property of the Agency, and each such officer shall file an official bond with the Board in the amount of $100,000.

Section 12 Designation of Treasurer and Auditor The Board shall designate or contract with a qualified person to act as the Treasurer for the Agency and a qualified person to act as the Auditor of the Agency. No person who is a Director or alternate Director of the Board shall be eligible to hold the position of Treasurer or Auditor. The compensation, if any, of the persons holding the offices of Treasurer and Auditor shall be as set by the Board.

Section 13 Duties of Treasurer and Auditor

(a) Treasurer The person holding the position of Treasurer of the Agency shall have charge of all funds to which the Agency is entitled. The Treasurer shall perform such other duties as may be imposed by applicable laws, including those duties described in Section 6505 and Section 6505.5 of the Government Code, the Bylaws and such duties as may be required by the Board. There shall be strict accountability of all funds and reporting of all receipts and disbursements of the Agency.

(b) Auditor The Agency's Auditor shall perform such auditing functions as may be required by the Act, the Bylaws, applicable laws, or this Agreement.

Section 14 Designation of Other Officers and Employees The Board may employ, upon such terms as it deems appropriate, such other officers or employees as it deems appropriate and necessary to conduct the affairs of the Agency. The Board may appoint a qualified person to serve in the position of General Manager of the Agency. The General Manager shall perform such duties as may be imposed upon that person by this Agreement, the Bylaws, other applicable laws, and resolutions of the Board. No person shall be eligible to hold office as an officer or employee of this Agency while such person is an employee or officer of an organization doing business with this Agency. No person shall be eligible to be an employee of this Agency within two years following a term of office as an elected or appointed official of a member City.
Section 15. **Obligation of Agency** The debts, liabilities and obligations of the Agency shall not be the debts, liabilities or obligations of any of the Cities. No City shall be responsible, directly or indirectly, for any obligation, debt or liability of the Agency, except as such City may formally approve by specific action of its legislative body or by execution of a Project Contract (as provided in Section 20) and as otherwise provided by Section 895.2 of the Government Code, as amended from time to time, regarding negligent or wrongful acts or omissions occurring in the performance of this Agreement.

Section 16 **Control and Investment of Agency Funds** The Board shall adopt from time to time a policy for the control and investment of its funds and shall require strict compliance with such policy. The policy shall comply, in all respects, with all provisions of applicable laws and shall be transmitted annually to each City.

Section 17 **Term** The Agency created pursuant to this Agreement shall continue in existence until such time as this Agreement is terminated, provided however, this Agreement cannot be terminated unless all indebtedness of the Authority is paid in full or adequate provisions have been made for such payment as determined by the Board. This Agreement may not be terminated except by an affirmative vote of two-thirds of the Directors of the Board.

Section 18 **Application of Laws to Agency Functions** The Agency shall comply with all applicable laws in the conduct of its affairs, including, but not limited to, the Ralph M Brown Act (Section 54950 et seq., of the Government Code, as amended from time to time).

Section 19 **Withdrawal New Parties to the Agreement**

(a) **Withdrawal from Agency** Any City may withdraw from this Agency upon the following conditions: (i) by filing with the Board at a regular or special meeting a certified copy of a resolution of its legislative body expressing its desire to so withdraw, and (ii) if the Agency, prior to the filing of such resolution, shall have incurred any obligation payable from contributions, payments or advances, which obligations mature after the date of such filing, the withdrawing City shall have paid, or made arrangements satisfactory to the Board to pay, to the Agency the withdrawing City’s pro rata portion of such obligation. Upon compliance with the preceding provisions of this Section 19 (a), the withdrawing City shall no longer be considered a member City for any reason under this Agreement and its rights and obligations under this Agreement shall terminate. Withdrawal by a City shall not affect the remaining Cities nor shall it affect any other obligation of the withdrawing City under any contract between such City and the Agency. A withdrawing City shall not be entitled to the return of any funds or other assets belonging to the Agency.
(b) **New Parties** New parties may be admitted to the Agency upon an affirmative vote of not less than a majority of the Directors of the Board attending the meeting, provided that such proposed new party is a public entity whose jurisdiction lies within, and/or immediately adjacent to, the boundaries of the County of Los Angeles. Admission to membership shall be subject to such terms and conditions as the Board may deem appropriate or as set forth in the Bylaws.

Section 20. **Projects Established by Board** Consistent with the purpose of the Agency as set forth in Section 4, the Board may approve any activity, program or other undertaking as a project of the Agency ("Project") Any two or more Cities may participate in any Project by executing a contract between the Agency and each participating City ("Project Contract") Each Project Contract shall provide, among other things, the manner by which Project costs shall be paid and each participating City's obligation to make payments with respect to such Project costs.

Section 21. **Contributions, Payments, Advances and Use of Public Funds and Property** The Cities shall, in accordance with applicable law, make such contributions, payments and advances to the Agency as are approved from time to time by the Board and subject to the provisions of Section 15 of this Agreement.

Any City which fails to make or pay when due any required contribution, payment or advance to the Authority, may have its rights under this Agreement terminated and may be excluded from participation in the Agency. Any such City shall continue to be liable for its obligations under any contract with the Agency and for any unpaid contribution, payment or advance approved by the Board prior to such City's exclusion and not objected to by such City by written notice to the Agency within thirty (30) days after such approval.

The Agency shall be empowered to utilize for its purposes, public and/or private funds, property and other resources received from the Cities and/or from other sources Subject to the approval of the Board, each City shall participate in the funding of the Agency in such a manner as the Board shall prescribe, subject to the provisions of Section 15 of this Agreement. Where applicable, and authorized by resolution, the Board may permit one or more of the Cities to provide in kind services, in lieu of devoting cash to the funding of the Agency's activities.

Section 22. **Issuance of Bonds** The Board shall be permitted to issue bonds or other evidence of indebtedness pursuant to the provisions of the Act and/or any other applicable laws. Notwithstanding the provisions of Section 15 of this Agreement to the contrary, a City that is a party to this Agreement may, in such manner as is permitted by applicable laws, guarantee or otherwise financially participate with the Agency in issuing bonds or other evidence of indebtedness only if such guarantee or other financial participation is expressly approved by that City's governing body.
Section 23  **Disposition of Assets**  Upon termination of this Agreement, after the payment of all obligations of the Agency, any assets remaining shall be distributed to the then member Cities in the manner determined by the Board in accordance with this Agreement, the Act and other applicable laws.

Section 24  **Liability Insurance**  Except as otherwise determined by the Board, any liability insurance obtained for the Agency shall name each of the Cities as additional insureds.

Section 25  **Amendment**  Subject to any requirements of law, including Section 6573 of the Government Code, as amended from time to time, this Agreement may be amended at anytime with the written consent of all of the then parties hereto. The withdrawal, exclusion or addition of new parties to this Agreement shall not constitute an amendment or modification of this Agreement for purposes of this Section 25.

Section 26  **Administrative Costs**  It is the intent of the signators to share administrative costs of the Agency, equitably, based on the percentage of each City's population to the total combined population of all member Cities.

Section 27  **Council Approval Required For Obligation of Funds**  Notwithstanding the provisions of Sections 19(a), 21, 22, and 26 of this Agreement, no member City shall be obligated to pay or reimburse any contributions, payments, advances, administrative costs, or debts incurred by the Agency or any of its member Cities unless prior approval of such payment or reimbursement is given by the City Council of the Member City.

Section 28  **Effective Date**  The effective date of this Agreement shall be the date upon which at least five (5) Cities have executed and delivered this Agreement. This Agreement may be executed in any number of counterparts. All such counterparts shall be deemed to be originals and shall together constitute but one and the same instrument.

That the members of this Agency have caused this Agreement to be executed on their behalf, respectively, as follows:

**ATTEST**  

City Clerk  

**CITY OF**  

By  

Mayor  

**DATE OF EXECUTION**.
ATTEST:                  CITY OF

__________________________________________  By __________________________
City Clerk                            Mayor

DATE OF EXECUTION _________________________

ATTEST:                  CITY OF

__________________________________________  By __________________________
City Clerk                            Mayor

DATE OF EXECUTION _________________________

ATTEST:                  CITY OF

__________________________________________  By __________________________
City Clerk                            Mayor

DATE OF EXECUTION _________________________

ATTEST:                  CITY OF

__________________________________________  By __________________________
City Clerk                            Mayor

DATE OF EXECUTION _________________________

ATTEST:                  CITY OF

__________________________________________  By __________________________
City Clerk                            Mayor

DATE OF EXECUTION _________________________

ATTEST:                  CITY OF

__________________________________________  By __________________________
City Clerk                            Mayor

DATE OF EXECUTION _________________________

- 9 -
RESOLUTION 1995-1
of the
Southern California Cities Joint Powers Consortium
July 12, 1995

1. WHEREAS, the Southern California Cities Joint Powers Consortium was formed for the purpose of investigating and pursuing methods for joint purchasing and/or reducing the utility costs of its member cities;

2. WHEREAS, New Energy Ventures, Inc. (NEV) has demonstrated to the Consortium that they possess unique qualifications and expertise, and that they are the only electricity buyer's agent who has either made itself known to or expressed an interest in working with the Consortium, including providing advocacy support in regulatory and legislative proceedings;

3. WHEREAS, the Consortium has evaluated the qualifications and expertise of several other electricity brokers, marketers, and suppliers, and has found NEV to possess the expertise, experience and willingness to submit a written proposal to the Consortium; and,

4. WHEREAS, the Consortium is in immediate need of services to both express its views in utility restructuring proceedings underway in California and Washington, D.C., to take affirmative action to reduce the utility costs of its member cities, and to begin planning alternative electricity purchasing strategies in order to be prepared for the onset of competitive electricity buying;

5. NOW, THEREFORE, BE IT RESOLVED, that the Consortium may, subject to member city approval, initiate one or more projects with New Energy Ventures under Section 20 of the Consortium's Joint Powers Agreement for the purpose of pursuing various programs and measures which will reduce the utility costs of Consortium members;

6. BE IT FURTHER RESOLVED, that, subject to the approval of the Chairman, New Energy Ventures is authorized to submit comments and testimony on behalf of the Consortium to the California Public Utilities Commission, and to the California Legislature, and other regulatory and legislative bodies consistent with the Consortium's public position in support of an open, competitively driven electricity market, and in opposition to wholesale pools such as the POOLCO concept under consideration in California;

7. BE IT FURTHER RESOLVED, that New Energy Ventures is authorized to formulate, and present for the Consortium’s consideration, projects designed to reduce the energy costs of member cities. Such project proposals will be formalized in project-specific contracts so that each member city can independently consider and approve the contract, and so that a minimum of two member cities can approve the contract to formalize the project under Section 20 of the Joint Powers Agreement;

8. BE IT FURTHER RESOLVED, that for the next six months New Energy Ventures will provide necessary administrative support to the Consortium and the costs thereof shall be recovered in New Energy Ventures' compensation to be negotiated on a project-specific basis. All NEV activities on behalf of the Consortium shall be subject to the direction of the Chairman.

Dr. James Boulgarides, Chairman
Southern California Cities Joint Powers Consortium

July 12, 1995
MINUTES OF THE
REGULAR MEETING OF THE EL SEGUNDO CITY COUNCIL
TUESDAY, NOVEMBER 21, 1995 - 7:00 P.M.

CALL TO ORDER Mayor Jacobson at 7:00 P.M.

INVOCATION - Rev. Alexei Smith, Saint Andrew Russian Greek Catholic Church

PLEDGE OF ALLEGIANCE - Councilwoman Friedkin

PRESENTATIONS - NONE.

ROLL CALL

Mayor Jacobson - Present
Mayor ProTem Weston - Present
Councilman Switz - Present
Councilman Robbins - Present
Councilwoman Friedkin - Present

PUBLIC COMMUNICATIONS - (Related to City Business Only - 5 minute limit per person, 30 minute limit total) Four (4) individuals addressed Council

1. Jim Fuller, President of the NRA Members Council of the South Bay, and Cynthia Crammers Vice President of the NRA Members Council of the South Bay; commended the Council's decision on opposing the California Police Chiefs Association Position on gun control. They also spoke regarding the safety education they provide to the communities and also presented CASE with food form their annual food drive.

2. Chris Powell, spoke on the Cougar Run plans.

3. Dorothy Kent, 909 Dune; spoke regarding the recent meeting with the DOA.

4. J. Wilson, resident; thanked the council for their action on getting a replacement bulb installed in a street light near her home.

A. PROCEDURAL MOTIONS

1. Consideration of a motion to read all ordinances and resolutions on this Agenda by title only.

MOVED by Councilwoman Friedkin SECONDED by Councilman Robbins to read all ordinances and resolutions on this Agenda by title only. MOTION PASSED BY UNANIMOUS VOICE VOTE 5/0

B. SPECIAL ORDERS OF BUSINESS - NONE.

C. UNFINISHED BUSINESS

1. Second reading and adoption of an Ordinance to amend various sections of Title 20 of the El Segundo Municipal Code regulating the sale and consumption of alcohol in commercial and industrial zones (EA-348, ZTA 94-1). Applicant: The City of El Segundo.

City Attorney Lee Dollery read the following:

ORDINANCE NO. 1239
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF EL SEGUNDO,
CALIFORNIA, APPROVING ENVIRONMENTAL ASSESSMENT NO. EA-348
AND ZONE TEXT AMENDMENT 94-1, AMENDING THE EL SEGUNDO
MUNICIPAL CODE BY AMENDING VARIOUS SECTIONS OF TITLE 20 [THE
ZONING CODE] RELATED TO THE SALE OF ALCOHOL, ALL OF WHICH
ARE COVERED BY PREVIOUSLY CERTIFIED ENVIRONMENTAL IMPACT
REPORT. PETITIONED BY THE CITY OF EL SEGUNDO
MOVED by Councilman Robbins SECONDED by Councilwoman Friedkin to adopt Ordinance No. 1239, an Ordinance to amend various sections of Title 20 of the El Segundo Municipal Code regulating the sale and consumption of alcohol in commercial and industrial zones (EA-348, ZTA 94-1). Applicant: The City of El Segundo. MOTION PASSED BY UNANIMOUS VOTE 5/0

2. The Southern California Cities Joint Powers Consortium (SCCJPC) is an organization formed by nine area cities to reduce the costs of providing municipal services through combined bargaining and purchasing power. These services are wide ranging and include electric power. There is no fiscal impact associated with joining the Consortium.

Bob Jensen spoke regarding the SCE position on the Consortium and the proposed use of electrical power.

Mayor ProTem Weston stated the consortium does not require El Segundo to join in the purchase of electricity and they will provide the City with a voice in the process.

Mayor Jacobson stated that the City would have no voice in the PUC decision to deregulate electrical power. He further stated that originally it was stated that the consortium would be used in a joint purchasing effort to reduce many City costs, but this has not been discussed at recent meetings. He also stated that the City needs to look at all alternative after the PUC takes action.

Councilwoman Friedkin stated that the purpose of the consortium is to form an organization to reduce costs to cities through joint purchasing power and not every city must participate in all the joint purchasing efforts.

Councilman Switz stated he would prefer to wait for the decision of the PUC on December 9, 1995 and its effect before agreeing to a consortium.

Councilman Robbins asked if their were currently any administrative costs involved. Mayor ProTem Weston stated there were not any at this time and that the City Council could withdraw from the consortium with 30 days notice.

Susan Williams, The Gas Company, stated they are at present neutral on the consortium.

MOVED by Mayor ProTem Weston SECONDED by Councilman Robbins to join the consortium and approve Agreement No. 2425 officially becoming a part of the SCCJPC. MOTION PASSED BY THE FOLLOWING VOICE VOTE. AYES: MAYOR PROTEM WESTON, COUNCILWOMAN FRIEDKIN, AND COUNCILMAN ROBBINS. NOES: MAYOR JACOBSON AND COUNCILMAN SWITZ. 3/2

Council consensus to have the agreement reviewed in three months (March 5, 1996) and to appoint Mayor ProTem Weston as a delegate and Councilman Robbins as alternate.

D. REPORTS OF COMMITTEES, BOARDS AND COMMISSIONS - NONE.

E. CONSENT AGENDA

All items listed are to be adopted by one motion without discussion and passed unanimously. If a call for discussion of an item is made, the item(s) will be considered individually under the next heading of business.

1. Warrant Numbers 226565-226748 on Demand Register Summary Number 19 in total amount of $924,020.77.

2. Warrant Numbers 226749-226864 on Demand Register Summary Number 20 in total amount of $197,113.36, and Wire Transfers in the amount of $1,046,925.48

3. PULLED FOR DISCUSSION BY COUNCILMAN ROBBINS.

4. PULLED FOR DISCUSSION BY COUNCILMAN ROBBINS.

5. Request for the City Council to approve proposed timetable and action plan for the Annual City Auction of unclaimed and surplus items. Fiscal impact is $4,000 anticipated General Fund revenue.
6. Lease agreement number 2424 between the City of El Segundo and Eaton Corporation to lease a portion of City property at 530 South Douglas Street. (Annual revenue of $14,610).

7. PULLED FOR DISCUSSION BY COUNCILMAN ROBBINS.

8. PULLED FOR DISCUSSION BY COUNCILMAN ROBBINS.

9. Request from Center Street School for approval of the 1996 Center Street Cougar 5K Run on Saturday, March 2, 1996 (Approximate Fiscal Impact: $447).

MOVED by Councilwoman Friedkin  SECONDED by Councilman Robbins to approve consent agenda items 1, 2, 5, 6, and 9. MOTION PASSED BY UNANIMOUS VOICE VOTE 5/0

CALL ITEMS FROM CONSENT AGENDA

3. City Council meeting minutes of October 17, November 1 and November 7, 1995.

MOVED by Councilman Robbins SECONDED by Councilman Switz to approve the minutes of November 1, and 7, 1995. MOTION PASSED BY UNANIMOUS VOICE VOTE 5/0

Councilman Robbins requested his corrections to be included in the October 17, 1995 meeting minutes.

MOVED by Councilman Robbins SECONDED by Mayor ProTem Weston to approve the meeting minutes of October 17, with all the corrections contained in the November 15, 1995 memorandum from councilman Robbins, and return to Council with the corrected minutes at the December 5, 1995 meeting. . MOTION PASSED BY THE FOLLOWING VOICE VOTE AYES: MAYOR JACOBSON, MAYOR PROTEM WESTON, COUNCILWOMAN FRIEDKIN, AND COUNCILMAN ROBBINS. NOES: COUNCILMAN SWITZ 4/1

Councilman Robbins and Mayor ProTem Weston clarified the motion, deleting the return of the minutes to Council for further approval.


Councilman Robbins stated he is concerned with the fiscal impact to the City and the spending the School District is doing. Mayor ProTem Weston stated that the Library agreement has all accountable funds.

MOVED by Councilman Switz SECONDED by Councilwoman Friedkin to approve the extension to Contract No. 2132 the City/School District Library System Affiliation Agreement from December 3, 1995 through December 2, 1996. MOTION PASSED BY UNANIMOUS VOICE VOTE 5/0

7. A resolution of the City Council authorizing the submittal of an application to the California Integrated Waste Management Board for grants authorized under the California Integrated Waste Management Act for a period of five years. (No net fiscal impact.)

MOVED by Councilman Robbins SECONDED by Councilwoman Friedkin to approve Resolution No. 3951, (the copy signed by the City Attorney) authorizing the submittal of an application to the California Integrated Waste Management Board for grants authorized under the California Integrated Waste Management Act for a period of five years. MOTION PASSED BY UNANIMOUS VOICE VOTE 5/0

8. Request from the El Segundo Chamber of Commerce, for approval of the 1995 Holiday Parade on Sunday, December 10, 1995 (Approximate Fiscal Impact: $4,000.00).

ITEM PULLED IN ERROR BY COUNCILMAN ROBBINS
Councilman Robbins announced the date of this event.
MOVED by Councilwoman Friedkin SECONDED by Councilman Robbins to approve the request from the El Segundo Chamber of Commerce for the 1995 Holiday Parade on Sunday, December 10, 1995. MOTION PASSED BY UNANIMOUS VOICE VOTE 5/0

F. NEW BUSINESS - CITY MANAGER

1. Report by the City Traffic Committee on petition requesting removal of the barrier for westbound traffic on Walnut Avenue west of Washington Street.

Bellur Devaraj, City Engineer gave a brief staff report.

Public Comment:

1. David Johnson, 1503 E. Walnut; stated his opposition to the removal of the barricades and his reasoning.

2. Phyllis Langdon, 1434 E. Walnut; stated she is opposed to the removal of the barricades.

3. Stanley William, 1510 E. Sycamore; stated he is in favor of the removal of the barricades.

4. Mark Renner, 1212 E. Walnut; opposes the removal of the barricades.

5. Tak Sih, 1506 E. Sycamore; supports the removal of the barricades and proposed that the City Council request Hughes to close the Washington Street entrance to their parking lot.

6. Eric Johnson, 1414 E. Sycamore; supports the removal of the barricades, and suggested possible installation of either speed bumps or "bots dots".

7. Jim Helvey, 1502 E. Walnut; referenced the 1985 Greer report and stated they suggested speed bumps and dots and the traffic committee did not even refer to this study. He also stated that the barricades were put in because of non-residential through traffic from Washington to Imperial. He further stated he opposes the removal of the barricades.

8. Don Gardner, 1432 E. Walnut; opposes the removal of the barricades.

9. Bill Ehrhart, 1406 E. Walnut; opposes the removal of the barricades.

10. William Birdsall, 876 Center; opposes the removal of the barricades.

Mayor Jacobson stated he sees no reason for the removal of the barricades at this time, and hopes that eventually the Hughes facility will be full again.

Mayor ProTem Weston agreed with Mayor Jacobson.

Councilwoman Friedkin stated she would like to look at the Greer Report and give the matter further study.

Councilman Switz stated that any westbound traffic on Walnut is currently being serviced by other westbound streets and he supports the removal of the barricades.

Councilman Robbins requested the cost of removing and re-installing the barricades. He also stated that the barricades are used as a crime deterrent and he is not prepared to vote to remove the barriers at this time.

City Manager Jim Morrison, responded that the cost was approximately $2000 to remove and $5000 to re-install.

Council decision to take no action on this item.

2. Resolution of Intention to approve an Amendment to Contract between the Board of Administration of the Public Employees Retirement System and the City Council of the City of El Segundo that implements 2% at 50 retirement formula as required by the Firefighters Association 1992-95 Memorandum of Understanding. Fiscal Impact: Increase in city paid employee retirement
contribution, $33,750 on an annualized basis. Anticipated 1.497% increase in employer contribution rate, as determined by PERS, does not go into effect until July 1, 1997.

City Attorney Lee Dolley read the following:

RESOLUTION NO. 3952
A RESOLUTION OF INTENTION TO APPROVE AN AMENDMENT TO CONTRACT BETWEEN THE BOARD OF ADMINISTRATION OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND THE CITY COUNCIL OF THE CITY OF EL SEGUNDO

MOVED by Councilman Robbins SECONDED by Councilwoman Friedkin to adopt Resolution No. 3952, a resolution of intention to approve an Amendment to Contract between the Board of Administration of the Public Employees Retirement System and the City Council of the City of El Segundo that implements 2% at 50 retirement formula as required by the Firefighters Association 1992-95 Memorandum of Understanding. MOTION PASSED BY UNANIMOUS VOICE VOTE 5/0

City Attorney Lee Dolley read the following:

ORDINANCE NO. 1241

COUNCILMAN ROBBINS INTRODUCED THE ORDINANCE

G. NEW BUSINESS - CITY ATTORNEY - NONE
H. NEW BUSINESS - CITY CLERK - NONE
I. NEW BUSINESS - CITY TREASURER - NONE
J. NEW BUSINESS AND REPORTS - CITY COUNCILMEMBERS

- Councilwoman Friedkin -
Reminded the Public about the openings on Commissions and Committees

- Councilman Robbins -
1. Receive and file corrections to October 17, 1995 City Council minutes.
ITEM DISCUSSED EARLIER IN THE MEETING

- Councilman Switz - NONE
- Mayor ProTem Weston - NONE
- Mayor Jacobson -

Requested those who voted in the affirmative to re-evaluate their votes due to the costs for a 400 word candidate statement.

PUBLIC COMMUNICATIONS - (Related to City Business Only - 5 minute limit) One (1) individual addressed Council


MEMORIALS - NONE
CLOSED SESSION - NONE

ADJOURNMENT at 9:10 P.M. to December 5, 1995, 5:00 P.M.

Cindy Montes, City Clerk

City Council Minutes
11-21-95

283
AGENDA DESCRIPTION:
Consideration and possible action to authorize the Mayor to execute a Memorandum of Understanding (MOU) between the City of El Segundo and the Los Angeles Air Force Base to participate in a Housing Partnership Program. (Fiscal Impact: $0)

RECOMMENDED COUNCIL ACTION:
1. Authorize the Mayor to execute the MOU on behalf of the City; and/or
2. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
1. Housing Partnership Program MOU
2. Staff Report from April 5, 2016 re: MOU designating the Mayor as a member of the Leadership Committee of the Los Angeles Air Force Base Community Partnership (LACP)

FISCAL IMPACT: None
Amount Budgeted: $0
Additional Appropriation: N/A
Account Number(s): 001-400-XXXX-XXXX

STRATEGIC PLAN:
Goal: Champion Economic Development
Objective: To ensure the City encourages a vibrant business climate that is accessible, user-friendly, and welcoming to all residents, businesses, and visitors.

ORIGINATED BY: Mickie Tagle, Senior Executive Assistant
REVIEWED BY: Suzanne Fuentes, Mayor
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:
On April 5, 2016, City Council designated the Mayor as a member of the Leadership Committee of the LACP. The committee consists of the Commander of the 61st Air Base Group, Mayor of El Segundo, and Redondo Beach City Councilmember. The partnership provides an ongoing framework to identify requirements and needs among the partners, and to develop collaborative opportunities to increase LAAFB’s ability to contribute to the Department of Defense’s future mission capabilities and support the economic vitality and quality of life of the region.

The Housing Partnership Program is one of many opportunities to meet the needs and requirements identified in the LACP Leadership Committee. The rise in the housing costs in the Greater Los Angeles area over recent years has made it difficult for military members and their families to find attainable housing and rental options that meet their needs. This includes finding housing that is
within the military member's allotted Basic Allowance for Housing (BAH), as well as having to cover security deposits. This MOU establishes the LAAFB Housing Partnership Program that offers military members transitioning to LAAFB a list of participating apartment/housing leasing managers who provide financial relief for housing costs and fees to military members. The purpose, authority, general info, and concept of operations are called out in greater detail in the attached MOU.

Participation in this effort does not commit the City to cover housing only expenses or actions other than a commitment to assist with outreach efforts to identify interested property owners and management companies. This is an effective method of maintaining a strong relationship between the City and the Air Force Base in El Segundo.

ENVIRONMENTAL REVIEW:

The proposed action is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) because it can be seen with certainty that there is no possibility that this action (authorization to execute an MOU) will have a significant impact on the environment. Therefore, this action does not constitute a "project" under CEQA and is exempt from further review under CEQA pursuant to CEQA Guidelines section 15061(b)(3).

CONCLUSION:

Staff recommends the City Council authorize the Mayor to execute the Housing Partnership Program MOU.
MEMORANDUM OF UNDERSTANDING (MOU)
BETWEEN
LOS ANGELES AIR FORCE BASE, CALIFORNIA
AND
THE CITY OF EL SEGUNDO
FOR
THE LOS ANGELES AIR FORCE BASE HOUSING PARTNERSHIP PROGRAM

AGREEMENT NO. ______________________

This is a Memorandum of Understanding (MOU) between Los Angeles Air Force Base, California (LAAFB) and the City of El Segundo about the workings of the LAAFB Housing Partnership Program. When referred to collectively, LAAFB and the City of El Segundo are referred to as the “Parties”.

1. PURPOSE: To streamline relationships between incoming military personnel and verified community partner landlords, resulting in greater housing and tenant options for all participating Parties. This MOU will result in increased visibility of attainable housing options for military members transitioning into the Los Angeles area. Once introductions are made, landlords and prospective military tenants may work together towards flexible pricing options in exchange for tenant stability.

Parties agreeing to this program should be prepared to waive security deposits, structure rents according to military members Basic Allowance for Housing (BAH), waive application fees, and to honor, without limitation, the Servicemembers Civil Relief Act (SCRA), Title 50, United States Code sections 3901 through 4043, which includes a provision for early termination of the lease when the military member is issued movement orders for deployments, separation, or Permanent Change of Station (PCS).

2. AUTHORITY:


   b. AFI 36-3009, Airmen and Family Readiness Centers, para. 3.5 provides for Airman & Family Readiness Center’s responsibility to provide relocation assistance.

   c. AFI 32-6001, Family Housing Management, para. 7.1 the Housing Flight must provide eligible personnel with professional and personalized service to assist them in locating suitable, nondiscriminatory community housing, recognizing that adequate housing is required within a commuting distance of either 60 minutes or 20 miles of the installation.
3. GENERAL:

a. The rise in the housing costs in the Greater Los Angeles area over recent years has made it difficult for military members and their families to find attainable housing and rental options that meet their needs. This includes finding housing that is within the military member’s allotted Basic Allowance for Housing (BAH), as well as having to pay high security deposits to apartment and housing leasing managers. This MOU establishes the LAAF H Housing Partnership Program that offers military members transitioning to LAAF a list of participating apartment/housing leasing managers who provide financial relief for housing costs and fees to military members.

b. This MOU delineates the understanding of the Parties concerning the roles and responsibilities of the LAAF H Housing Management Office (HMO) and the apartment/housing leasing managers participating in the LAAF H Housing Partnership Program.

c. This MOU becomes effective beginning on the day after the last Party signs and may be terminated in writing at will be either Party.

d. It is expressly understood and agreed that this MOU embodies the entire understanding between the Parties regarding the MOU’s subject matter.

4. CONCEPT OF OPERATIONS, LAAF HMO:

a. HMO collaborates with City of El Segundo to establish a mailing list of potential participating apartment and housing leasing agencies.

b. HMO provides a confirmation email to participating apartment/housing leasing managers containing the HMO’s contact information (email and phone) and a list confirming the concessions that the apartment/leasing manager will offer to military members.

c. HMO posts lists of apartment/housing leasing managers that are participating in the LAAF H Housing Partnership Program (including name, location, email, phone), and the respective concessions offered, at both HMO locations (i.e., Fort MacArthur, Building 31, and LAAF H, Building 272, 3rd Floor).

d. HMO contacts participating apartment/housing leasing managers, that have been provided by the City of El Segundo, at least annually to confirm continued participation in the program.

e. HMO will brief/provide metrics as requested, such as the number of participating apartment/housing leasing agencies in the program and the number of Active Duty personnel who have used/are using the program, at each Community Partnership Meeting.
5. CONCEPT OF OPERATIONS, CITY OF EL SEGUNDO:

   a. City of El Segundo notifies HMO of landlords willing to participate in the LAAFB Housing Partnership Program within their geographic boundary.

   b. City of El Segundo educates participating landlords prepared to offer stated terms to incoming LAAFB military personnel.

   c. City of El Segundo updates its own participating landlord list at least annually.

FOR LOS ANGELES AIR FORCE BASE, CALIFORNIA
61st AIR BASE GROUP

CHARLES P. ROBERTS, Colonel, USAF
Commander, 61st Air Base Group

Date______________________

FOR THE CITY OF EL SEGUNDO

SUZANNE FUENTES
Mayor

Date______________________

ATTEST:

Tracy Weaver
City Clerk

APPROVED AS TO FORM:

Mark D. Hensley,
City Attorney
EL SEGUNDO CITY COUNCIL  MEETING DATE:  April 5, 2016
AGENDA ITEM STATEMENT  AGENDA HEADING: Mayor Fuentes

AGENDA DESCRIPTION:
Consideration and possible action to authorize the Mayor to enter into a Memorandum of Understanding (MOU) that designates the Mayor as a member of the Leadership Committee of the Los Angeles Air Force Base Community Partnership (LACP).  (Fiscal Impact: None)

RECOMMENDED COUNCIL ACTION:
1. Authorize the Mayor to enter into the Memorandum of Understanding
2. Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
Los Angeles Air Force Base Community Partnership Leadership Committee Memorandum of Understanding

FISCAL IMPACT: None
Amount Budgeted: N/A
Additional Appropriation: N/A
Account Number(s): N/A

PREPARED BY: Suzanne Fuentes, Mayor
REVIEWED BY:
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND & DISCUSSION:
Earlier this year, the Mayor and representatives of neighboring South Bay cities were asked to participate in a preliminary planning effort to develop the LACP. The LACP program is part of the Air Force Community Partnership initiative started in 2012. This Partnership provides an ongoing framework to identify requirements and needs among the partners, and to develop collaboration opportunities to increase LAAFB’s ability to contribute to the Department of Defense’s future mission capabilities and support the economic vitality and quality of life of the region. These partnerships offer a means to leverage the capabilities and resources of military installations, local governments or commercial entities to enhancing mission effectiveness or creating efficiencies or economies of scale, including reducing costs while enhancing the quality of life of our respective communities.

The successful implementation of the program requires the formation of a Leadership Committee. The committee’s purpose is to provide strategic level vision, decision-making and oversight in furtherance of the LACP program. Likewise, the Leadership Committee will set partnership priorities and the ongoing agenda. The members, or their designated representatives, should have the authority to commit their organizations to both action and investment, within the limitations set by their own legal structures. The draft MOU calls for the Leadership Committee members will consist of the following partners or their designated representatives:
- Commander, 61st Air Base Group
- Mayor of El Segundo
- Redondo Beach City Councilmember

The duties and authority of the Leadership Committee are called out in greater detail in the attached MOU.

Participation in this effort does not commit the City to any expenses or actions other than a commitment on the part of the Mayor to look for creative opportunities to mutually share resources and facilities to promote the missions of the Base and the City. This is an effective method of maintaining a strong relationship between the City and the Air Force Base and illustrates the City’s commitment to supporting the continued presence and success of the Los Angeles Air Force Base in El Segundo.
1. Purpose. This document establishes the Los Angeles Community Partnership (LACP) Program, for the purpose of promoting innovative and collaborative partnerships between Los Angeles AFB (LAAF B), and the state of California, Los Angeles County, the cities comprising the South Bay Cities Council of Governments, community organizations, businesses and institutions.

2. Mission. The LACP program is part of the Air Force Community Partnership initiative started in 2012. This Partnership provides an ongoing framework to identify requirements and needs among the partners, and to develop collaboration opportunities to increase LAAF B’s ability to contribute to the Department of Defense’s future mission capabilities and support the economic viability and quality of life of the region. These partnerships offer a means to leverage the capabilities and resources of military installations, local governments or commercial entities to enhancing mission effectiveness or creating efficiencies or economies of scale, including reducing costs while enhancing the quality of life of our respective communities.

3. Structure. The Memorandum of Understanding (MOU) structure outlines both decision-making and staff/action officer support for identifying, developing, implementing, revising and when necessary, concluding mutually beneficial initiatives.

3.1 The Leadership Committee provides strategic level vision, decision-making and oversight in furtherance of the LACP Program. Likewise, the Leadership Committee will set partnership priorities and the ongoing agenda. The members, or their designated representatives, should have the authority to commit their organizations to both action and investment, within the limitations set by their own legal structures. The Leadership Committee members will consist of the following partners or their designated representatives:

- Commander, 61st Air Base Group
- Mayor of El Segundo
- Redondo Beach City Councilmember

3.2 An Executive Secretary may be appointed, as necessary, to produce the LACP agenda, draft working documents, coordinate working group actions, and/or perform other duties as assigned. The ability of each organization to support the duties or requirements of this position shall be determined by the individual organization’s structure and governing regulations.

3.3 Work Groups will be tasked out by the Leadership Committee to address the tactical level actions needed to develop partnerships and supporting courses of action. Work Groups are established as
required for a limited duration to achieve specific objectives. Work Groups should consist of creative senior individuals who are able to advise on policy, organizational capabilities, and insight into how their organization can support a partnership opportunity. However, it is recognized that from time to time these individuals will be unable to attend all meetings. Therefore, each member may delegate another individual with similar authority from their organization as their representative to the Work Group.

4. Supporting Organizations. The Leadership Committee should coordinate its efforts, as required, with other Federal, state, and local government entities. In addition, as appropriate, they should involve economic development organizations, academia, and business organizations for their advice, recommendations, planning support, and project assistance. It should remain cognizant at all times of the potential for such coordination efforts to create appearances of or actually perpetuate favoritism or endorsement of non-Federal entities, in violation of the Joint Ethics Regulation, and take affirmative steps to avoid the same.

5. Guiding Principles,

5.1 The Leadership Committee is a consensus-based collaborative body. Therefore voting is unnecessary, and will not be required.

5.2 The Leadership Committee, as an organization, will not engage in lobbying or other political activity.

5.3 Participation in the Leadership Committee shall not impede otherwise normal direct communication and other coordination between individual members.

5.4 No member is authorized to speak for, or make any representations to the public, or others, on behalf of the Leadership Committee.

6. Meeting Schedule and Agenda

6.1 The Leadership Committee will schedule quarterly or “as-needed” meetings by agreement of the Committee Members. Meeting location will be determined by a consensus of the Leadership Committee. The meeting host assignment will rotate amongst the Leadership Committee members who will be responsible for securing a location for the meeting and granting access to the site.

6.2 The meetings will provide the Leadership Committee the opportunity to:

- Manage the development and implementation of initiatives by supporting the Work Group(s) with resources and guidance
- Identify new initiatives through open discussions of shared challenges
- Review and revise existing initiatives to ensure they are having the desired impact
- When necessary, discuss the conclusion of an initiative

6.3 Meeting agenda will include, but not be limited to, the following:

- Agenda items submitted through the Work Groups
- Updates from Work Groups
- Objective prioritization and tracking of projects
- New partnering opportunities
- Partnership agreement signing ceremonies and media events as appropriate
7. Each Party to this agreement is responsible for all costs of its own personnel, including pay and benefits, support, and travel. Each Party is responsible for supervising and managing its own personnel. Further, this MOU neither documents nor provides for the exchange of funds or manpower between the Parties, and does not make any commitment of funds or resources.

Signed this ______ day of ____________________ 2016.

______________________________
DONNA L. TURNER, Colonel, USAF
Commander
61st Air Base Group
Los Angeles AFB, CA

______________________________
SUZANNE FUENTES
Mayor
City of El Segundo

______________________________
LAURA EMDEE
Council Member
City of Redondo Beach
EL SEGUNDO CITY COUNCIL
AGENDA STATEMENT

AGENDA DESCRIPTION:
Consideration and possible action to send a letter to United States Senate urging support to a proposed law, H.R. 620, also called the ADA Education and Reform Act of 2017. (Fiscal Impact: N/A)

RECOMMENDED COUNCIL ACTION:
1. Authorize the Mayor to sign a letter of support on behalf of the City; and/or,
2. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
2. Congressional Budget Office Cost Estimate

FISCAL IMPACT: None
- Amount Budgeted: N/A
- Additional Appropriation: N/A
- Account Number(s): N/A

STRATEGIC PLAN:
- Goal: 1 It does not fall under a Strategic Plan or Key Performance Indicator
- Objective: 1 It does not fall under a Strategic Plan or Key Performance Indicator

ORIGINATED BY: Mickie Tagle, Senior Executive Assistant
REVIEWED BY: Greg Carpenter, City Manager
APPROVED BY: Suzanne Fuentes, Mayor

BACKGROUND AND DISCUSSION:

On February 15, 2018, The United States House of Representatives passed the H.R. 620 – ADA Education and Reform Act of 2017. If passed by the Senate and signed into law by the President, the Act would amend the Americans with Disabilities Act of 1990 and require demand letters be sent to business owners, to provide for a notice and cure period before a plaintiff may commence of a private civil action.

The H.R. 620 Summary per the Congress.gov website is as follows:

(Sec. 2) This bill requires the Disability Rights Section of the Department of Justice to develop a program to educate state and local governments and property owners on strategies for promoting access to public accommodations for persons with a disability. The program may include training for professionals to provide a guidance of remediation for potential violations of the Americans with Disabilities Act of 1990.

(Sec. 3) The bill prohibits civil actions based on the failure to remove an architectural barrier to access into an existing public accommodation unless: (1) the
aggrieved person has provided to the owners or operators a written notice specific enough to identify the barrier, and (2) the owners or operators fail to provide the person with a written description outlining improvements that will be made to improve the barrier or they fail to remove the barrier or make substantial progress after providing such a description. The aggrieved person's notice must specify the circumstances under which public accommodation access was denied.

(Sec. 5) The Judicial Conference of the United States must develop a model program to promote alternative dispute resolution mechanisms to resolve such claims. The model program should include an expedited method for determining relevant facts related to such barriers and steps to resolve accessibility issues before litigation.

H.R. 620 bill was received in the United States Senate on February 26, 2018, but the date for a vote on the legislation has not yet been announced.

The City of El Segundo Mayor Suzanne Fuentes requests that Council authorize the Mayor to sign a letter of support on behalf of the City for the passage of H.R. 620.
115th Congress
2d Session

H. R. 620

AN ACT

To amend the Americans with Disabilities Act of 1990 to promote compliance through education, to clarify the requirements for demand letters, to provide for a notice and cure period before the commencement of a private civil action, and for other purposes.

1 Be it enacted by the Senate and House of Representa-
2 tives of the United States of America in Congress assembled,
SECTION 1. SHORT TITLE.

This Act may be cited as the "ADA Education and Reform Act of 2017".

SEC. 2. COMPLIANCE THROUGH EDUCATION.

(a) IN GENERAL.—Based on existing funding, the Disability Rights Section of the Department of Justice shall, in consultation with property owners and representatives of the disability rights community, develop a program to educate State and local governments and property owners on effective and efficient strategies for promoting access to public accommodations for persons with a disability (as defined in section 3 of the Americans with Disabilities Act (42 U.S.C. 12102)). Such program may include training for professionals such as Certified Access Specialists to provide a guidance of remediation for potential violations of the Americans with Disabilities Act.

(b) MATERIALS PROVIDED IN OTHER LANGUAGES.—The Disability Rights Section of the Department of Justice shall take appropriate actions, to the extent practicable, to make technical assistance publications relating to compliance with this Act and the amendments made by this Act available in all the languages commonly used by owners and operators of United States businesses.
SEC. 3. NOTICE AND CURE PERIOD.

Paragraph (1) of section 308(a) of the Americans with Disabilities Act of 1990 (42 U.S.C. 12188(a)(1)) is amended to read as follows:

"(1) AVAILABILITY OF REMEDIES AND PROCEDURES.—

"(A) IN GENERAL.—Subject to subparagraph (B), the remedies and procedures set forth in section 204(a) of the Civil Rights Act of 1964 (42 U.S.C. 2000a–3(a)) are the remedies and procedures this title provides to any person who is being subjected to discrimination on the basis of disability in violation of this title or who has reasonable grounds for believing that such person is about to be subjected to discrimination in violation of section 303. Nothing in this section shall require a person with a disability to engage in a futile gesture if such person has actual notice that a person or organization covered by this title does not intend to comply with its provisions.

"(B) BARRIERS TO ACCESS TO EXISTING PUBLIC ACCOMMODATIONS.—A civil action under section 302 or 303 based on the failure to remove an architectural barrier to access into an existing public accommodation may not be
commenced by a person aggrieved by such failure unless—

“(i) that person has provided to the owner or operator of the accommodation a written notice specific enough to allow such owner or operator to identify the barrier; and

“(ii)(I) during the period beginning on the date the notice is received and ending 60 days after that date, the owner or operator fails to provide to that person a written description outlining improvements that will be made to remove the barrier; or

“(II) if the owner or operator provides the written description under subclause (I), the owner or operator fails to remove the barrier or, in the case of a barrier, the removal of which requires additional time as a result of circumstances beyond the control of the owner or operator, fails to make substantial progress in removing the barrier during the period beginning on the date the description is provided and ending 60 days after that date.
“(C) Specification of Details of Alleged Violation.—The written notice required under subparagraph (B) must also specify in detail the circumstances under which an individual was actually denied access to a public accommodation, including the address of property, whether a request for assistance in removing an architectural barrier to access was made, and whether the barrier to access was a permanent or temporary barrier.”.

SEC. 4. EFFECTIVE DATE.

This Act and the amendments made by this Act take effect 30 days after the date of the enactment of this Act.

SEC. 5. MEDIATION FOR ADA ACTIONS RELATED TO ARCHITECTURAL BARRIERS.

The Judicial Conference of the United States shall, under rule 16 of the Federal Rules of Civil Procedure or any other applicable law, in consultation with property owners and representatives of the disability rights community, develop a model program to promote the use of alternative dispute resolution mechanisms, including a stay of discovery during mediation, to resolve claims of architectural barriers to access for public accommodations. To the extent practical, the Federal Judicial Center should provide a public comment period on any such proposal. The
goal of the model program shall be to promote access quickly and efficiently without the need for costly litigation. The model program should include an expedited method for determining the relevant facts related to such barriers to access and steps taken before the commencement of litigation to resolve any issues related to access.

Passed the House of Representatives February 15, 2018.

Attest:

Clerk.
115TH CONGRESS
2D SESSION

H. R. 620

AN ACT

To amend the Americans with Disabilities Act of 1990 to promote compliance through education, to clarify the requirements for demand letters, to provide for a notice and cure period before the commencement of a private civil action, and for other purposes.
H.R. 620
ADA Education and Reform Act of 2017

As ordered reported by the House Committee on the Judiciary on September 7, 2017

H.R. 620 would require the Department of Justice (DOJ) to establish a program to educate state and local governments and property owners on strategies for promoting access to public accommodations for persons with disabilities. The bill would modify the process by which an individual can pursue civil action against the owner or operator of a public accommodation where an architectural barrier limits access. H.R. 620 also would direct the federal Judiciary to develop a model program encouraging alternative mediation to resolve claims of architectural barriers to public accommodations.

Based on an analysis of information from the DOJ and assuming appropriation of the necessary amounts, CBO estimates that the DOJ program would cost about $2 million in 2018 and $4 million each year thereafter. About half of those costs would be for additional personnel and specialists in accessibility issues and half for other costs to train state and local officials and private property owners. Over the 2018-2022 period CBO estimates that implementing the program would cost $18 million.

According to the Administrative Office of the U.S. Courts, implementing the bill could lead to a decrease in the number of cases that are filed and fully litigated. CBO estimates that any savings associated with those changes would offset costs associated with the model program for alternative mediation.

Enacting H.R. 620 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply. CBO estimates that enacting H.R. 620 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 620 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

The CBO staff contact for this estimate is Janani Shankaran. The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.