

**SPECIAL MEETING OF THE
Board of Directors of the
El Segundo Senior Citizens Housing Corporation
AGENDA
In-Person Meeting**

MEETING DATE: Wednesday, December 7, 2022

MEETING TIME: 3:30 p.m.

LOCATION: Peter and Edna Freeman Community Room
Park Vista Apartments
615 E. Holly Avenue
El Segundo, CA 90245

The Board of the Senior Citizen Housing Corporation, with certain statutory exceptions, can only take action upon properly posted and listed agenda items. Unless otherwise noted in the agenda, the public can only comment on City-related business that is within the subject matter jurisdiction of the Board.

The time limit for comments is five (5) minutes per person. Before speaking to the Board, please state: your name and residence or the organization you represent. Please respect the time limits.

Members of the public may also provide comments electronically by sending an email to the following address before 3:00 P.M. on the day of the meeting: eschonborn@elsegundo.org. **Please include the meeting date and item number in the subject line.** If you would like to request that your emailed comment be read into the record, please include the request at the top of your email, limit your comments to 150 words or less, and email your comments at least 30 minutes prior to the start of the meeting. Depending on the volume of communications, the emails will be read to the Board at the appropriate time.

NOTE: Emails and documents submitted will be considered public documents and are subject to disclosure under the Public Records Act and possibly posted to the City's website.

NOTE: Public Meetings can be recorded and are subject to disclosure under the Public Records Act and possibly posted to the City's website.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact Venus Wesson, 310-524-2344. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

CALL TO ORDER:

ROLL CALL

A. PUBLIC COMMUNICATION

At this time, members of the public may speak to any subject within the Board's subject matter jurisdiction. Also, any member of the public wishing to address the Board regarding an item listed

on this agenda must do so at this time. Before speaking, you are requested, but not required, to state your name and address for the record. If you represent an organization or a third party, please so state.

B. APPROVAL OF MEETING MINUTES

1. Regular Meeting: Wednesday, October 26, 2022

Recommendation: Approve

C. CITY STAFF REPORT

2. El Segundo Senior Citizen Housing Corporation Board of Directors Handbook

Recommendation: Receive and File

D. NEW BUSINESS

3. President's Report. (Paul Lanyi)

Reports regarding correspondence, meetings, and business related to Park Vista.

Recommendation: Receive and File

4. Financial Statements and LAIF Local Agency Investment Fund). (Neil Cadman)

a. Discuss, review and status report including, but not limited to, statements, invoices, and finances for October 2022.

b. LAIF investment fund and transfers between accounts.

Recommendation: Receive and File.

5. Washer/Dryer Machines Contract. (Neil Cadman)

At the September 28th meeting, the Board directed Neil Cadman to speak with residents about technologic amenities for washers and dryers, as offered by All Valley Washer Service, Inc.; Report back to the Board with survey results; and, Review and consider the three options provided by All Valley Washer Service, Inc. to replace washers/dryers at Park Vista.

Recommendation: Receive and File oral report; Review and select an option for washer/dryer machine contract; and direct Cadman Group to enter into a contract with All Valley Washer Service, Inc. when the need arises.

6. Amend the Bylaws of the El Segundo Senior Citizen Housing Corporation in accordance with City Council direction. (Eduardo Schonborn)

On January 18, 2022, the City Council directed staff to review the Bylaws of El Segundo's nine Committees, Commissions, and Boards (CCBs), and make recommendations to unify the operations of all of the City CCBs. In August 2022, the City Council approved changes to the overall CCB Bylaws and directed that all CCB Bylaws be updated and presented to the respective CCB for approval and adoption.

Recommendation: Approve the amended Bylaws of the El Segundo Senior Citizen Housing Corporation Board of Directors.

E. UNFINISHED BUSINESS

None.

F. MANAGEMENT REPORT

Report from the Cadman Group regarding Park Vista operations and management. Unless otherwise listed on the agenda, the Board may not discuss or take action on matters raised in the management report but may vote to place an item on a future agenda for discussion and possible action.

G. BOARD MEMBERS REPORT

A general report from individual Board members.

ADJOURNMENT

NEXT REGULAR MEETINGS:

Wednesday, December 28, 2022 (Cancelled)

Wednesday, January 25, 2023

Wednesday, February 22, 2023

MINUTES OF THE MEETING
El Segundo Senior Citizen Housing Board Corporation
Wednesday,
October 26, 2022
Park Vista Senior Housing
350 Main St., El Segundo, CA 90245

CALL TO ORDER:

The meeting was called to order at 3:30 p.m. by Board Vice President Denise Fessenbecker.

ROLL CALL

Members Present: Paula Rotolo
Tim Whelan
Denise Fessenbecker

Absent: Paul Lanyi
Julia Newman

Others: Neil Cadman
Michael Allen
Eduardo Schonborn
Venus Wesson
Hank Lu

A. PUBLIC COMMUNICATION

- Ms. Alma in #415 inquired on how public comments were being handled; indicated that most recent security issues are from non-Park Vista residents entering the facility and doors being ajar.
- Val asked about the next scheduled management tenant meeting. Neil stated that it would be held in November.
- Resident inquired about the carpet cleaning on the fourth floor.

B. APPROVAL OF MEETING MINUTES

Paula Rotolo motioned and seconded by Tim Whelan to approve September 28, 2022 Minutes. Motion to approve passed 3-0.

C. CITY STAFF REPORT

None.

D. NEW BUSINESS

2. President's Report.

None.

3. Financial Statements an LAIF (Local Agency Investment Fund). (Neil Cadman)

- Tim inquired what constitutes a major vacancy. Neil stated when you get beyond the expense of \$5,000 - \$6,000 for flooring, countertops, fixtures, and cabinets.
- Neil stated that the city felt that LAIF was not receiving high return on the investment and now they have moved funds from Senior Facility and the City into another investment vehicle called Camp, which is also used by other municipalities. He is not sure how much of the funds have been moved into the new account.
- Paula asked about LAIF reports status. Neil has confirmed that LAIF has been reconcile up to August 31st.

Receive and file: Motion carried 3-0

4. Amendment to Management Agreement Between Cadman Group, Inc. and the City of El Segundo Senior Citizens Housing Corporation. (Hank Lu)

- Hank provided the board an overview of the amendment to the Agreement regarding insurance policy.
- The board members requested copies of previous amendments.
- Hank stated that the board will need to sign the 7th Amendment.
- Neil gave a brief history on the management company policy, liability and property policy carried by the management company and it covers the city.

Receive and file: Motion carried 3-0

5. Update on the Facilities Upgrade Report. (Neil Cadman)

- Neil stated that in 2019 a retaining wall with brick stone was repaired, and since then there have not been other repairs done. There were no expenses during 2020. In 2022 Phase 2 domestic cost of \$583 was reported and he does not recall any repairs.

6. Election of Board Officers. (Eduardo Schonborn)

- Paula nominated Paul to continue as board President. The board voted 3-0 to reelect as President.
- Denise nominated Tim for Vice President and Paula second.
- Tim nominated Denise for Secretary and Paula second it.
- Denise nominated Paula for Treasure and Tim second.

Received and file: Motion carried 3-0

E. UNFINISHED BUSINESS

None.

F. MANAGEMENT REPORT (Neil Cadman)

- Neil requested to agendize All Valley Wash for the next meeting, and in the meantime would get feedback from tenants during a meeting with them and obtain updated quotes from All Valley Wash.
- Rotary Club asked to provide a Christmas Tree and host the Christmas party for Park Vista resident.
- Neil addressed the non-resident issue that was discussed during Public Communication. He stated that tenants are all provided key cards and Cadman Group monitors use for

security purposes. He also indicated that security video shows doors being propped open by tenants, which potentially provides non-residents with access to the facility. All key cards are assigned to specific residents and if they hand over the key card to a non-resident, then that person has now gained access to the facility.

- Carpet cleaning is done annually but it is on rotating schedule, and the cost is between \$400 - \$500 per floor.

G. BOARD MEMBER REPORT

None.

ADJOURMENT: 4:27 pm

NEXT MEETING: Wednesday, November 23, 2022, Day before Thanksgiving, Cancelled
Wednesday, December 7, 2022 (Special meeting)
Wednesday, December 28, 2022, Cancelled
Wednesday, January 25, 2023

EL SEGUNDO SENIOR CITIZEN HOUSING CORPORATION
BOARD OF DIRECTORS HANDBOOK
(December 1, 2022)

1) Bylaws (July 7, 2015)

2) Board Director Information

- a) Board member term expiration
- b) Board member Roles and Responsibilities
- c) Municipal Law Guidebook for Elected & Appointed City Officials (June 2021)

3) Operating Agreement

- a) Original Agreement No. 1888 (May 6, 1986)
- b) First Amendment (April 7, 1992)
- c) Second Amendment (July 2005)

4) Plan of Operations

- a) Plan of Operations (Revised June 7, 2014)

5) Park Vista Lease Checklist

- Utility Contacts information for gas, electricity and cable
- Park Vista Rental Agreement
- Move In and Move Out Procedures - Addendum No. 3 (rev. March 20, 2010)
- State of Authorization and Responsibility Form
- Emergency Medical Form
- Bed Bug Addendum
- House Rules and Affidavit - Addendum No. 1
- Unit Inspection Report Addendum No. 4 (rev. March 20, 2010)
- Pet Agreement – Addendum No. 2 (rev. March 20, 2010)
- Exhibit A Pet Rules (rev. March 20, 2010)
- Pet Registration Form (rev. March 20, 2010)

6) Policies

- a) Rental Rates applicable to Inter-Unit (Unit-to-Unit) Transfers, dated June 23, 2021
- b) Rental Rates applicable to Inter-Unit (Unit-to-Unit) Transfers and Close Transfer List, dated August 25, 2021
- c) Inter-Unit Transfers for Change of Life Tenants Inter unit transfer policy, dated December 1, 2021
- d) Parking Policies

7) Management Company Agreement

- a) Original Agreement No. 3364, dated October 1, 2004
- b) First Amendment, dated July 25, 2007, extending term with Cadman Group
- c) Second Amendment, dated October 26, 2011, extending term and service fee with Cadman Group
- d) Third Amendment, dated September 24, 2014, extending term and service fee with Cadman Group
- e) Fourth Amendment, dated September 28, 2017, extending term and service fee with Cadman Group
- f) Fifth Amendment, dated July 23, 2020, extending term and service fee with Cadman Group
- g) Sixth Amendment, dated September 1, 2020, deleting Section 13.2.1.2 regarding earthquake overage
- h) Seventh Amendment, dated October 9, 2022, deleting Section 13.2.1.1 regarding fire insurance coverage

BYLAWS
(JULY 7, 2015)

Bylaws of the El Segundo Senior Citizen Housing Corporation

Adopted by City Council: July 7, 2015

Section 1. **Principal Office.**

The principal office for the transaction of the activities and affairs of the El Segundo Senior Citizen Housing Corporation (hereinafter "Corporation") is located at the City Hall (350 Main Street) of the City of El Segundo, California, 90245. The Board of Directors (hereinafter "Board") may change the principal office from one location to another. Any change of location of the principal office shall be noted by the Secretary on these bylaws opposite this Section, or this Section may be amended to state the new location.

Section 2. **Purposes and Limitations.**

A. **The purposes for which this Corporation is formed are:**

- (1) To establish policies for the operation of and to operate the City of El Segundo Senior Citizen Housing Project.
- (2) To provide affordable housing opportunities for El Segundo senior Residents.
- (3) To promote the common good and general welfare of the senior Residents of the City of El Segundo and ,
- (4) Any other purposes beneficial to the public.

B. **The limitations of the activities of this Corporation are as follows:**

- (1) No substantial part of the activities of this Corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, nor shall this Corporation participate or intervene directly or indirectly, in any political campaign (including publishing or distribution of statements) on behalf of or against any candidate for public office.
- (2) This Corporation is organized and operated exclusively for social welfare purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. Notwithstanding any other provision of these articles, the Corporation shall not, except to an insubstantial degree, carry on or engage in any other activities or exercise any powers not permitted to be carried on or exercised by a corporation exempt from federal income tax under Section 501 (c)(3) of the Internal Revenue Code.

Section 3. **Members.**

This corporation shall have no members.

Section 4. **Directors.**

A. Powers:

Subject to the provisions and limitations of the California Public Benefit Corporation Law and any other applicable laws, and subject to any limitations of the Articles of Incorporation, the Operating Agreement between the City of El Segundo and the Corporation and these Bylaws, the Corporation's activities and affairs shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board.

B. Specific Powers:

Without prejudice to the general powers set forth above, but subject to the same limitations, the Directors shall have the power to:

- (1) Change the principal office or the principal business office in California from one location to another, and designate any place for holding any meeting of the Board.
- (2) Adopt and use a corporate seal and alter the form of the seal.
- (3) Borrow money and incur indebtedness on behalf of the Corporation and cause to be executed and delivered for the Corporation's purposes in the Corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.

C. Number and Qualifications of Directors:

- (1) Authorized Number. The authorized number of Directors shall be five.
- (2) All directors shall be Residents of El Segundo.

- (3) All Directors shall be designated by the City Council of El Segundo. Each Director shall hold office for four years, except that the initial Directors shall hold office for staggered terms of one, two, three or four years, as designated by the City Council. Any Director may repeat consecutive terms if recommended by the remaining Directors and approved by City Council.

D. Vacancies on Board:

- (1) Events Causing Vacancy - A vacancy or vacancies on the Board shall exist on the occurrence of the following: (a) the death of resignation of any Director; (b) the declaration by resolution of the Board of a vacancy in the office of a Director who has been declared of unsound mind by order of court, convicted of a felony, or found by final order or judgment of any court to have breached a duty under Article 3 of Chapter 2 of the California Nonprofit Public Benefit Corporation Law; (c) the declaration by resolution of the Board of a vacancy in the office of a Director who has failed to attend and participate in three (3) consecutive regular meetings of the Board or who has failed to attend and participate in five (5) meetings of the Board over the course of one year. This provision shall be reviewed annually by the Board at its annual meeting and revised as necessary.
- (2) Resignations - Except as provided below, any Director may resign by giving written notice to the President or the Secretary. The resignation shall be effective when the notice is given unless it specifies a later time (not to exceed sixty days) for the resignation to become effective. Except on notice to the Attorney General of California, no Director may resign if the Corporation would be left without a duly elected Director or Directors.
- (3) Filling Vacancies - Within thirty (30) days of the occurrence of a vacancy or vacancies pursuant to Sections 4D(1) or (2) above, the Board shall identify the area(s) of expertise needed by a replacement Director or Directors and shall advise City Council, in writing, of the existence of a vacancy and the criteria to be evaluated in filling the vacancy. The City Council shall actively advertise any vacancy. Utilizing the criteria identified by the Board, City Council shall appoint a replacement Director or Directors to fill the unexpired term or terms within sixty (60) days after receiving notice of the existence of such vacancy or vacancies.

- (4) No Vacancy on Reduction of Number of Directors -- No reduction of the authorized number of Directors shall have the effect of removing any Director before that Director's term of office expires.

D. Directors' Meetings:

- (1) Place of Meetings - Meetings of the Board shall be held at any place that has been designated by resolution of the Board or in the notice of the meeting or, if not so designated, at the principal office of the Corporation.
- (2) Annual Meeting - Immediately after each annual meeting, the Board shall hold a regular meeting for purposes of organization, election of officers, and transaction of other business. The annual meeting is designated as the July meeting.
- (3) Other Regular Meetings - Other regular meetings of the Board may be held at such time and place as the Board may fix. Meeting dates and times are posted three days in advance of each meeting.
- (4) Special Meetings - Authority to Call - Special meetings of the Board for any purpose may be called at any time by the President or Vice President, or the Secretary or any two Directors.
- (5) Notice - Notice of the time and place of special meetings shall be given to each Director by one of the following methods: (a) by personal delivery of written notice; (b) by first-class mail, postage prepaid return receipt requested; (c) or by telephone, either directly to the Director or to a person at the Director's office or residence who would reasonably be expected to communicate that notice promptly to the Director. All such notices shall be given or shown on the records of the Corporation. Notices sent by first-class mail shall be deposited in the United States mail at least six days before the time set for the meeting. Notices given by personal delivery or telephone shall be delivered or telephoned at least 48 hours before the time set for the meeting. The notice shall state the time of the meeting, and the place if the place is other than the principal office of the Corporation. It need not specify the purpose of the meeting.

- (6) Quorum - A majority of the authorized number of Directors (or such reduced number, if a vacancy or vacancies exist) shall constitute a quorum for the transaction of business.
- (7) Waiver of Notice - Notice of a meeting need not be given to any Director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. Notice of a meeting need not be given to any Director who attends the meeting and does not protest, before or of the commencement of the meeting, the lack of notice to him or her.
- (8) Adjournment - A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place.
- (9) Notice of Adjourned Meeting - Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than 24 hours. If the original meeting is adjourned for more than 24 hours, notice of any adjournment to another time and place shall be given, before the time of the adjourned meeting, to the Directors who were not present at the time of the adjournment.

Section 5. Officers.

A. Officers of the Corporation:

The officers of the Corporation shall consist of the President, Vice President, the Secretary, and the Chief Financial Officer. No two offices may be concurrently held by the same person. Should both the President and Vice President be absent from a meeting, the most senior Director who is neither Secretary nor Chief Financial Officer shall be acting President.

B. Election of Officers:

The Board of Directors shall elect all officers of the Corporation for terms of one year, or until their successors are elected and qualified. Officers shall be elected at the annual meeting.

C. Responsibility of Officers:

- (1) President - The President shall be the general manager of the Corporation and shall supervise, direct, and control the Corporation's activities, affairs, and officers. The President shall preside at all Board meetings. The President shall be responsible for representing the Corporation, before other governmental agencies. The President shall have such other powers and duties as the Board or the bylaws may prescribe.
- (2) Vice President - If the President is absent or disabled, the Vice President shall perform all duties of the President. When so acting, the Vice President shall have all powers of and be subject to all restrictions of the President. The Vice President shall have such other powers and perform such other duties as the Board or the bylaws may prescribe.
- (3) Secretary - The Secretary shall keep or cause to be kept, at the Corporation's principal office or such other place as the Board may direct, a book of minutes of all meetings, proceedings, and actions of the Board, and of committees of the Board. The minutes of meetings shall include the time and place that the meeting was held, whether the meeting was annual, regular, or special, and, if special, how authorized, the notice given, the names of those present at Board and committee meetings. The Secretary shall keep or cause to be kept, at the principal office in California, a copy of the Articles of Incorporation and bylaws, as amended to date.

The Secretary shall give, or cause to be given, notice of all meetings of the Board and of committees of the Board required by these bylaws to be given. The Secretary shall keep the Corporate seal in safe custody and shall have such other powers and perform such other duties as the Board or the bylaws may prescribe.

- (4) Chief Financial Officer -
- a. Books of Accounts - The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books of accounts of the Corporation's properties and transactions. The Chief Financial Officer shall send or cause to be given to the Directors such financial statements and reports as are required to be given by law, by these bylaws, or by the Board. The books of accounts shall be open to inspection by any Director at all reasonable times.
 - b. Deposit and Disbursement of Money and Valuables - The Chief Financial Officer shall deposit, or cause to be deposited all money and other valuables in the name and to the credit of the Corporation with such depositories as the Board may designate; shall disburse the Corporation's funds as the Board may order; shall render to the President and the Board, when requested, an account of all transactions as the Chief Financial Officer and of the financial condition of the Corporation; and shall have such other powers and perform such other duties as the Board or the bylaws may prescribe.
 - c. Bond - If required by the Board, the Chief Financial Officer shall, at the expense of the Corporation, give the Corporation a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of the office and for restoration to the Corporation of all its books, papers, vouchers, money, and other property of every kind in the possession or under the control of the Chief Financial Officer on his or her death, resignation, retirement, or removal from office.

Section 6. **Indemnification.**

A. Right of Indemnification:

To the fullest extent permitted by law, this Corporation shall indemnify its Directors, Officers, employees, and other persons described in Section 5238(a) of the California Corporations Code, including persons formerly occupying any such position, against all expenses, judgments, fees, settlements and other amounts actually and reasonably incurred by them in connection with any "proceeding", as that term is used in that Section, and including an action by or in the right of the Corporation, by reason of the fact that the person is or was a person described in that section. "Expenses", as used in this bylaw, shall have the same meaning as in Section 5238(a) of the California Corporation Code.

B. Approval of Indemnity:

On written request to the Board by any person seeking indemnification under Section 5238(b) or Section 5238(c) of the California Corporation Code, the Board shall promptly determine under Section 5238(e) of the California Corporations Code whether the applicable standard of conduct set forth in Section 5238(b) or Section 5238(c) has been met and, if so, the Board shall authorize indemnification. If the Board cannot authorize indemnification because the number of Directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of Directors who are not parties to that proceeding, the Board shall promptly call a meeting of City Council. At that meeting, the Council shall determine under Section 5238(e) of the California Corporations Code whether the applicable standard of conduct set forth in Section 5238(b) or Section 5238(c) has been met and, if so, the Council members present at the meeting in person or by proxy shall authorize indemnification.

C. Advancement of Expenses:

To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under Section 6 of these bylaws in defending any proceeding covered by those Sections shall be advanced by the Corporation before final disposition of the proceeding. On receipt of the Corporation of an undertaking by or on behalf of that person, the advance will be repaid, unless it is ultimately determined that the person is entitled to be indemnified by the Corporation for those expenses.

Section 7. Insurance.

The Corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its Officers, Directors, employees, and other agents, against any liability asserted against or incurred by any Officer, Director, employee, or agent in such capacity or arising out of the Officer's Director's, employee's, or agent's status as such.

Section 8. Amendments.

These bylaws may be amended or repealed and new bylaws adopted by the vote of a majority of the members of the Board of Directors. No bylaw shall be amended or repealed and new bylaws shall not be adopted, without the prior approval of the City Council.

BOARD DIRECTOR INFORMATION

SENIOR HOUSING BOARD CORPORATION – BOARD MEMBERS

<u>Name</u>	<u>Appointed/Re-appointed</u>	<u>Expires</u>
Denise Fessenbecker	partial term 5/18/2021 (1 st)	6/30/2024
Tim Whelan	partial term 5/18/2021 (1 st)	6/30/2024
Paul Lanyi	6/19/2018 (2 nd)	6/30/2025
Julia Newman	7/1/2021 (1 st)	6/30/2025
Paula Rotolo	6/21/2022 (7 th)	6/30/2026

EL SEGUNDO SENIOR CITIZEN HOUSING CORPORATION

ROLE AND RESPONSIBILITIES OF BOARD OR DIRECTORS

The El Segundo Senior Citizen Housing Corporation is a California nonprofit public benefit corporation. As within any corporate structure, the general role of the Board of Directors is to hire management and assess overall direction and strategy of the corporation. Management hires and fires all employees and oversees the day-to-day operations of the business. It is in the best interest of any corporation to avoid conflict by ensuring that the relative roles of the board and management are adhered to. It is not proper for a board to meddle in day-to-day operations and it is not proper for management to take responsibility for overall policy decisions of the corporation.

The El Segundo Senior Citizen Housing Corporation is unique in that its Board of Directors is appointed entirely by the City Council of the City of El Segundo. For that reason, the Board is subject to the Brown Act, California's "sunshine law," and its meetings must be open and public. The Board acts as a body only. Other than the special responsibilities placed on the officers (President, Vice President, Secretary, Chief Financial Officer) as detailed in the Bylaws, individual Board members have no authority to act on behalf of the Corporation without the prior express authorization of the Board.

The City of El Segundo owns the Park Vista facility. The City created the Housing Corporation to administer the operation of Park Vista and to encourage affordable housing opportunities for El Segundo's senior residents. The Housing Corporation and the City are parties to an Operating Agreement that sets forth the terms and conditions under which the Housing Corporation is to operate and manage the facility for the City. Although the Housing Corporation is charged with its operation and management, the City, through the City Council, retains ultimate control and authority over Park Vista.

Pursuant to the Housing Corporation's Bylaws and the Operating Agreement between the City and the Corporation, the Board's responsibilities include:

1. Recruiting, maintaining, evaluating, and compensating professional management.
2. Establishing policies for the operation of, and to operate, the Senior Citizen Housing Project (Park Vista). This includes carrying out the Plan of Operations and the functions described therein (included in this list).

3. Establishing and maintaining eligibility standards for use in selecting residents of the facility and recommending procedures for securing and selecting residents, including methods of advertising, application procedures and application forms.
4. Establishing and maintaining rental contracts and rules and regulations governing the facility.
5. Establishing and maintaining rental rates.
6. Establishing and maintaining methods and standards for the general upkeep of the facility.
7. Establishing and maintaining insurance coverages and carriers respecting the facility.
8. Establishing and annual budget. and keeping, or cause to be kept, accurate, complete and separate records in accordance with generally accepted accounting standards and procedures, showing income and expenditures in connection with the operation of the facility, so that any accounts payable, other obligations, cash, accounts receivable and other assets can be identified and the amount determined at all times.
9. Using best efforts to maintain the tenancy of the facility and to promote available units in the facility.
10. Overseeing, through its professional property management agent, the operation and maintenance of the facility.
11. Establishing and maintaining bank accounts and keeping the City Treasurer informed concerning the collection of rents and any difficulties in connection therewith.
12. Overseeing the collection and disbursement of revenues.
13. Submitting an annual report to the City Council that includes (1) any proposed revisions in the Operating Agreement between the City and the Housing Corporation, (2) any revisions in the Plan of Operations, (3) the annual operating budget for the ensuing year, and (4) a summary report of tenancy and building maintenance.

CITY OF EL SEGUNDO

MUNICIPAL LAW GUIDEBOOK FOR ELECTED AND APPOINTED CITY OFFICIALS

PRESENTED BY THE

OFFICE OF THE CITY ATTORNEY



JUNE 2021

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INTRODUCTION

The El Segundo City Attorney's office prepared this Guidebook for elected and appointed City officials (collectively "Officials") to provide an overview of some basic laws and procedures that will affect you while in public service. This Guidebook is not meant to provide an in-depth discussion regarding these laws; they are complex and the legal outcome in a particular circumstance often depends on the facts surrounding each case.

Since civil and criminal liability can arise in some situations, it is important for you to consult with the City Attorney's office before taking action that may be regulated by the laws and regulations cited in this Guidebook.

Please note that the City Attorney's office is unable to provide assistance in some circumstances because the nature of an inquiry or concern is private or creates a conflict of interest. Should that occur, we will refer you to the appropriate agency or to your private attorney.

THE RALPH M. BROWN ACT

In 1953, the California Legislature enacted the Ralph M. Brown Act (Government Code¹ §§ 54950-54962), commonly referred to as the "Brown Act" or "Open Meeting Law," to ensure that deliberations and actions of local public agencies are performed at meetings open to the public and free from any veil of secrecy.² To further this overall goal, the Brown Act requires that the City's meetings be properly noticed and generally open to the public.

➤ *Application of the Act*

Under the Brown Act, "legislative bodies" must hold meetings that are open to the public.³ The City Council and most city commissions (e.g., the Planning Commission), committees, and boards are legislative bodies.⁴ Note that Officials who have not yet assumed the duties of office must still conform their conduct to Brown Act requirements and are subject to Brown Act penalties as if they had assumed office.⁵

¹ Unless otherwise specified, all further statutory references are to the Government Code.

² § 54950.

³ *Ibid.*

⁴ § 54952(b) [For purposes of the Brown Act, "legislative body" includes the City Council and also generally includes any commission, committee or board created by the City Council.]

⁵ § 54952.1.

➤ *What is a Meeting?*

A “meeting” is generally ***any gathering*** of a majority of the members of a legislative body to hear, discuss, or deliberate regarding any issue that is within its subject matter jurisdiction.⁶ This includes using direct communication, personal intermediaries, or technological devices to develop a collective concurrence on any matter by members of the legislative body.⁷

Exceptions to this general rule are limited to

- Individual conversations between an Official and any other person;
- A majority of Officials attending a gathering open to the public involving issues of general interest to the public, e.g., a conference, if the Officials do not discuss business;
- Attending an open and publicized meeting organized to address a topic of local community concern if the meeting is not sponsored by the City and Officials do not discuss business;
- Attending an open and noticed meeting of one of the City’s standing committees if Officials in attendance attend only as observers (meaning they do not discuss business and do not speak or otherwise participate in the meeting); or
- Attending a purely social event if the Officials do not discuss business.⁸

It is important to keep this rule in mind whenever a majority of Officials meet, e.g., after a regularly scheduled meeting is adjourned. While such gatherings are not impermissible, Officials must be aware that conversation topics are generally limited to matters other than business.

Remember that a *minority* of Officials may attend any event; such a gathering is not defined as a meeting under the Brown Act. As explained more fully below, however, an Official may be required to disclose his or her attendance at a particular event under some circumstances.

Also remember, however, that serial meetings are prohibited. A serial meeting occurs where less than a quorum of public officials meet in a series of different meetings, but eventually the majority of a legislative body is involved. There are two classic examples of serial meetings. The first is where Official 1 contacts Official 2 who contacts Official 3 regarding a particular issue that is within the subject-matter jurisdiction of the legislative body. This process creates a quorum and can lead to a collective consensus with regard to action that should be taken.⁹

As can be seen, the advances in technology can present a problem for Officials. In particular, the ease of using the “reply” or “forward” e-mail options can quickly lead to a serial meeting

⁶ § 54952.2(a).

⁷ § 54952.2(b); see also *Wolfe v. City of Fremont* (2006) 50 Cal.Rptr.3d 524.

⁸ § 54952.2(c).

⁹ See *Sac. Newspaper Guild v. Sac. County Bd. of Suprs.* (1968) 263 Cal.App.2d 41.

(example: Official 1 sends an e-mail to Official 2 who forwards it to Official 3 along with Official 2's comments, etc.). While a unilateral e-mail may be permissible (i.e., where there is no expectation or solicitation for a response)¹⁰ an electronic "conversation" is not.¹¹

The other type of serial meeting is a "hub and spoke" meeting. This occurs where a staff member, for example the city manager, telephones individual Officials and reveals the respective views of the other members. As stated by the Attorney General,

"problems arise when systematic communications begin to occur which involve [Officials] acquiring substantive information for an upcoming meeting or engaging in debate, discussion, lobbying or any other aspect of the deliberative process either among themselves or with staff."¹²

In both of these examples, the Brown Act is violated since the public is deprived of meaningful participation and the collective concurrence of a majority is reached without a public meeting. Accordingly, it is important to exercise caution when using the convenience of communication technology and social media; while advances in technology can facilitate communication, the very convenience provided by such technology can result in inadvertent violations of the Brown Act.

The mayor or chairperson or a majority of Officials on a particular legislative body may schedule special meetings at any time and location within the City's jurisdiction (with certain exceptions).¹³ Note, however, that a minimum of 24-hours' notice must be given for special meetings.¹⁴

➤ *The Agenda Requirement; Limits on Discussion and Action*

The purpose of the Brown Act is to ensure that the deliberations and actions of local legislative bodies are open to the public and that the public is afforded meaningful access to the decision-making process.

"In enacting this chapter, the Legislature finds and declares that the public commissions, boards and councils and the other public agencies in this State exist to aid in the conduct of the people's business. It is the intent of the law that their actions be taken openly and that their deliberations be conducted openly. [¶] The people of this State do not yield their sovereignty to the agencies which serve them. The people, in delegating authority, do not give their public servants the right to decide what is good for the people to know and what is not good for them to know. The people insist on remaining

¹⁰ *Roberts v. City of Palmdale* (1993) 5 Cal. 4th 363, 376.

¹¹ *Ibid.*

¹² Civil Law Division, California Attorney General's Office, *The Brown Act: Open Meetings for Local Legislative Bodies* 12 (Ted Prim, et al., ed. 2003).

¹³ § 54956.

¹⁴ *Ibid.*

informed so that they may retain control over the instruments they have created.”¹⁵

To facilitate public participation in all phases of local government decision-making and to curb misuse of the democratic process, the Brown Act, among other things, (1) requires that an agenda be posted at least 72 hours before a regular meeting and (2) forbids action or discussion on any item not described on the posted agenda.¹⁶ The agenda requirement acts as a limitation on what the public body is authorized to do at the meeting, because the statute specifies that “[n]o action or discussion shall be undertaken on any item not appearing on the posted agenda....”¹⁷

There are exceptions to this general rule: Officials may briefly respond to statements or questions made during public comment; may ask for clarification on a topic; make brief announcements; report on activities; or direct staff to place a matter on a future agenda.¹⁸

Taking action¹⁹ is defined as:

1. A collective decision by a majority of the members of a legislative body;
2. A collective commitment or promise by a majority of the members to make a positive or negative decision; or
3. An actual vote by a majority of the members of the legislative body sitting as a body or entity, upon a motion, proposal, resolution, order or ordinance.

Please note that Officials who attend a meeting where action is taken in violation of the Brown Act are subject to criminal penalties.²⁰

➤ *Public Attendance and Comments*

With certain specific exceptions, all meetings must be open to the public and attendance cannot be conditioned upon submitting personal information.²¹ Officials may adopt reasonable regulations for public comment.²² Persons attending a meeting may record the proceedings

¹⁵ § 54950.

¹⁶ § 54954.2, subd. (a)(1) & (3); *San Joaquin Raptor Rescue Center v. County of Merced* (“*San Joaquin*”) (2013) 216 Cal.App.4th 1167, 1176; *Epstein v. Hollywood Entertainment Dist. II Business Improvement Dist.* (2001) 87 Cal.App.4th 862, 868.

¹⁷ *San Joaquin*, *supra*, 216 Cal.App.4th at 1176 (quoting Gov’t Code § 54954.2, subd. (a)(3)); see also *Los Angeles Time Communications v. Los Angeles County Bd. of Supervisors* (2003) 112 Cal.App.4th 1313, 1321-22.

¹⁸ *Ibid.*

¹⁹ § 54952.6.

²⁰ § 54959.

²¹ § 54953.3.

²² § 54954.3(b).

using any reasonable method that does not interrupt the proceeding.²³ This right does not, however, include recording closed sessions.

The Act requires that every agenda provide an opportunity for public comment.²⁴ As already explained, Officials may briefly respond to public remarks but if those responses concern an item that is not described on the posted agenda, Officials must take care to ensure that their brief responses do not evolve into a discussion. If any Official on the body believes a discussion on the topic is warranted, he or she should simply propose that the matter be placed on a future agenda for discussion in accordance with the Brown Act.

MEETING PROCEDURES

Meetings before public bodies are often opportunities for persons to express their displeasure or support for particular matters being considered. Some may regard such meetings the quintessential opportunity to exercise their First Amendment rights.

It is important, however, to remember that meetings held by the City's council and commissions are also government proceedings that are necessary to conduct City business.²⁵ Accordingly, the City may impose limitations upon persons attending a meeting in order to help facilitate the orderly progression of such meetings.²⁶

➤ *Regulation Permitted.*

The right to petition government and free speech are activities protected by the United States and California Constitutions.²⁷ These protections, however, are not unlimited. The United States Supreme Court recognizes that

“[e]ven protected speech is not equally permissible in all places and at all times. Nothing in the Constitution requires the Government freely to grant access to all who wish to exercise their right to free speech on every type of Government property without regard to the nature of the property or to the disruption that might be caused by the speaker's activities.”²⁸

The City Council, and other legislative bodies in the City, may therefore regulate the activities of persons attending a City meeting to facilitate the orderly progression of the meeting.²⁹ Such regulations, however, must govern the actions of a person; they cannot generally constrain the content of that person's speech.³⁰ A commission may not, therefore, prohibit public criticism of

²³ § 54953.5.

²⁴ § 54954.3(a).

²⁵ *White v. City of Norwalk* (9th Cir., 1990) 900 F.2d 1421, 1425.0

²⁶ *Ibid.*; § 54954.3(b).

²⁷ U.S. Const. amends. I and XIV; Cal. Const. Art. I §§ 1, 2, and 4.

²⁸ *Cornelius v. NAACP Legal Defense and Education Fund* (1985) 473 U.S. 788, 799-800.

²⁹ §§ 36813, 54954.3(b).

³⁰ § 54954.3(c); *In re Kay et al.* (1970) 1 Cal.3d 930, 942; *Acosta v. City of Costa Mesa* (9th Cir. (Cal.) 2013) 718 F.3d 800.

the policies, procedures, programs, or services of the agency or the acts or omissions of the legislative body.³¹ It may, however, prevent members of the public from commenting on matters that are not within the commission's subject matter jurisdiction.³² It would be improper, therefore, for individuals to speak on matters other than such issues.

➤ *Willful disturbance of a meeting is unlawful.*

Penal Code § 403 states, in relevant part, that “[e]very person who . . . willfully disturbs or breaks up any . . . meeting that is not unlawful in character . . . is guilty of a misdemeanor.” This provision is interpreted as applying to persons who intentionally commit acts that violate implicit customs or explicit rules for a meeting that were actually known, or should have been known.³³ Shouting, yelling, and clapping have all been held to be sufficiently disruptive to permit persons to be removed from and arrested at local government meetings.³⁴

The City Council, and other legislative bodies, may adopt rules and procedures for the orderly conduct of its meetings.³⁵ If a person disrupts a meeting, the legislative body may, in addition to having a person arrested, remove the person disturbing the meeting or clear the meeting room.³⁶

The mayor or chairperson is generally in charge of keeping order. They, or a majority of officials on a commission, may impose rules of decorum to facilitate the orderly progression of a meeting.³⁷

DECISION-MAKING

Ordinarily, a public decision-making body takes either legislative or adjudicative actions regarding a matter. Legislative actions are mainly political where the public body “declare[s] a public purpose and make[s] provisions for the ways and means of its accomplishment.”³⁸ In essence, legislative action formulates rules that apply to all future cases.³⁹

Adjudicative actions “apply law that already exists to determine specific rights based upon specific facts ascertained from evidence adduced at a hearing.”⁴⁰ Examples of legislative actions include plan amendments and rezones; adjudicative actions include decisions regarding conditional use permits and approving tentative maps.⁴¹

³¹ § 54954.3(c).

³² § 54954.3(a); 78 Op. Cal. Att’y. Gen. 224 (1995).

³³ *In re Kay*, 1 Cal.3d at 943.

³⁴ *See Kindt v. Santa Monica Rent Control Board* (9th Cir. (Cal) 1995) 67 F.3d 266, 268-69; *Owolo v. City of Inglewood* (9th Cir., 1996) 103 F.3d 140, 1996 WL 681262, at **1.

³⁵ §§ 36813, 54954.3.

³⁶ §§ 36813, 54957.9.

³⁷ *See, e.g.*, § 36813; *Neuens v. City of Chino* (1965) 233 Cal.App.2d 775, 778; 75 Op. Cal. Att’y. Gen. 89 (1992).

³⁸ *Marblehead v. City of San Clemente* (1991) 226 Cal.App.3d 1504, 1509.

³⁹ *Dominey v. Dept. of Personnel Admin.* (1988) 205 Cal.App.3d 729, 737-38.

⁴⁰ *Sierra Club v. Gilroy City Council* (1990) 222 Cal.App.3d 30, 38 [overruled on other grounds].

⁴¹ *Horn v. Ventura County* (1979) 24 Cal.3d 605, 619; see also *San Francisco Tomorrow v. City and County of San Francisco* (2014) 228 Cal.App.4th 1239, 1254; *Taxpayers for Accountable School Bond Spending v. San Diego Unified School District* (2013) 215 Cal.App.4th 1013, 1058-1059.

➤ *Due Process*

A quasi-judicial action triggers the procedural due process rights of the United States and California Constitutions.⁴² Under such circumstances, a party appearing before the legislative body is entitled to

1. Notice of the proposed action;
2. Reasons for the action;
3. A copy of the evidence on which the action is based; and
4. The right to respond “before a reasonably impartial, noninvolved reviewer.”⁴³

The last requirement is one of fundamental fairness. It is a long-standing rule that quasi-judicial bodies can only make decisions based upon the evidence before them; they “cannot act on their own information.”⁴⁴ A legislative body acting upon its own information, without a party’s input, does not conduct a fair hearing.⁴⁵

➤ *Independent Investigation*

There is nothing that prohibits an Official from conducting an independent investigation.⁴⁶ However, it is important that an Official disclose his or her investigation and any *ex parte* communications (communications that occur outside of a noticed, public meeting) if information obtained through such communications could influence the Official’s decision. Disclosure of this information provides a party with the opportunity to challenge or explain that evidence. Without such disclosure, due process would be violated.

CONFLICT OF INTEREST ISSUES

Conflict of interest issues are one of the most complex areas of law that will affect you as a public Official. There are a myriad of laws and regulations that govern conflicts of interest. While the City Attorney’s office is available to discuss conflict of interest issues, you have a duty to present any information concerning potential conflicts of interest to the City Attorney’s office. If you believe you may have a conflict of interest on an upcoming item of business, you should notify the City Attorney’s office as soon as possible. Because of the complexity of the

⁴² U.S. Const. amend. V, XIV; Cal. Const. art. I, §§ 7, 15.

⁴³ *Burrell v. City of Los Angeles* (1989) 209 Cal.App.3d 568, 581.

⁴⁴ *English v. City of Long Beach* (1950) 35 Cal.2d 155.

⁴⁵ *Safeway Stores, Inc. v. City of Burlingame* (1959) 170 Cal.App.2d 637, 647-48; *La Prade v. Dept. of Water & Power* (1945) 27 Cal.2d 47, 51-52.

⁴⁶ *Todd v. City of Visalia* (1967) 254 Cal.App.2d 679, 691

conflict of interest laws, an evaluation of the facts and applicable law could take several days or even longer.

While an Official's conflict may render City action in a particular matter ineffective, the Official may be personally liable for criminal and civil penalties. Additionally, under most circumstances, the City Attorney's advice on a particular situation will not safeguard the Official from personal liability; the City Attorney does not represent Officials in their personal capacity – our client is the City itself.

➤ *Common Law Doctrine*

In 1928, the California Supreme Court enunciated the common law doctrine against conflicts of interest as follows: A public officer is impliedly bound to exercise the powers conferred on the officer with disinterested skill, zeal, and diligence and primarily for the benefit of the public.⁴⁷

This common law doctrine was developed through court decisions and is generally secondary to the significant regulations adopted by the Legislature and the Fair Political Practices Commission⁴⁸ (“FPPC”). These laws and regulations are part of the Political Reform Act (“PRA”).

➤ *Political Reform Act*

The PRA regulates conflicts of interest by requiring that Officials disclose *potential* conflicts and prohibiting their participation in decision-making where there are *actual* conflicts. The California Attorney General, the FPPC, and local district attorneys are empowered to enforce the PRA through criminal sanctions and civil penalties.⁴⁹ Generally, criminal violations of the Act are prosecuted as misdemeanors,⁵⁰ but may also be pursued as felonies.⁵¹

Although the penalties for violations of various provisions of the Act vary, civil penalties are generally based upon the amount of money or value of a gift or contribution not reported; penalties can be as high as ten thousand dollars (\$10,000) or three times the amount not reported, whichever is greater.⁵² Because good faith may sometimes be relevant in determining criminal and civil liability,⁵³ it is particularly important to seek further advice whenever a potential problem appears.

➤ *General Rule for Disqualification*

The PRA states that “[n]o public official at any level of state or local government shall make, participate in making or in any way attempt to use his [or her] official position to influence a

⁴⁷ *Noble v. City of Palo Alto* (1928) 89 Cal. App. 47, 51.

⁴⁸ 2 Cal. Code of Regs. (“FPPC Regs.”) §§ 18700, *et seq.*

⁴⁹ §§ 91000 and 91001.

⁵⁰ § 91000.

⁵¹ § 91002.

⁵² § 91000.

⁵³ § 91001(c).

governmental decision in which he [or she] knows or has reason to know he [or she] has a financial interest.”⁵⁴

Under the PRA, an Official participates in making a decision when the Official influences the decision-making process in any manner including, without limitation, proffering advice or making recommendations to a legislative body regarding a matter.⁵⁵ With certain exceptions,⁵⁶ Officials must refrain from participating in the decision-making process when it is reasonably foreseeable that the decision will have a material effect on the Official’s financial interest distinguishable from that of the general public.⁵⁷

The best advice that we can provide when a conflict issue arises is to contact the FPPC and seek its assistance (www.fppc.ca.gov and 1-866-275-3772). Our office can assist it requesting both formal and informal written advice from the FPPC. Please note that obtaining written advice from the FPPC can take a significant amount of time. In the best of circumstances, a response would be expected within a month. Only FPPC advice can protect an Official from potential enforcement actions concerning conflicts of interest. With that caution, below is a general outline of the current requirements regarding conflicts of interest.

➤ *Determining When a Material Financial Interest Exists*

There is a complex set of FPPC regulations that determine whether an Official has a material interest in a governmental decision that would have a nontrivial and reasonably foreseeable effect on (1) the Official’s financial interest in a business entity; (2) the Official’s financial interest in real property; (3) the Official’s financial interest in a source of income; (4) the Official’s financial interest in a source of gifts; (5) the Official’s personal finances; or (6) the personal finances of a member to the Official’s immediate family:⁵⁸

1. The effect on an Official’s business entity is material where the business entity (1) initiated the proceeding pertaining to the governmental decision; (2) offers to sell a service or a product to the Official’s agency; (3) bids on or enters into a contract with the agency; (4) is either the manufacturer of any product purchased by the agency or the sales provider of products which amount to \$1000 or more within a 12-month period; (5) applies for a permit or other entitlement that the agency is authorized to issue; or (6) is subject to an action under the agency’s regulatory authority, or (7) is subject to an action taken by the agency that is directed at the entity.⁵⁹ If the Official’s only interest in the entity is an investment interest,⁶⁰ the decision’s effect will be material if (a) the decision may result in an increase/decrease of the entities annual gross revenues or the value of the

⁵⁴ § 87100.

⁵⁵ FPPC Regs. § 18704(a-c).

⁵⁶ FPPC Regs. § 18704(d).

⁵⁷ § 87103; FPPC Regs. § 18703.

⁵⁸ FPPC Regs. § 18702.

⁵⁹ FPPC Regs. § 18702.1(a).

⁶⁰ See FPPC Regs. § 18702.1 (b) (where the investment interest has a value of \$25,000 or less and is less than one percent of the entities shares)

entities assets or liabilities⁶¹; (b) the decision may cause the entity to incur/avoid additional expenses or to reduce/eliminate expenses⁶²; or (c) there is clear and convincing evidence the decision would have a substantial effect on the property.⁶³ Additionally, business costs related to travel, food, and lodging, made in the course of carrying out an agency function, are not material if it is authorized by the agency and the business provides the same services to the general public, unless these costs affect the value of the company or stock.⁶⁴

2. Generally, the effect on an Official's real property is material where it involves land use policies, improvements, zoning, or taxes applicable to the property, where it relates to the transfer of an interest in the property, where it involves consideration of a permit pertaining to the property, where it would affect the value, use, income potential, development potential, or character of the property, or where it involves property located within 500 feet of property in which the Official has a financial interest.⁶⁵ If the governmental decision involves property more than 500 feet but less than 1,000 feet from a property in which the Official has a financial interest, the effect on the Official is presumed to be material if the decision would change the subject parcel's (a) development potential, (b) income potential, (c) highest and best use, (d) character by substantially altering traffic levels, intensity of use, parking, view, privacy, noise levels, or air quality, or (e) market value.⁶⁶ However, decisions which exclusively concern repair and maintenance of streets, sewers, and similar systems, and certain decisions which solely involve the adoption or amendment of a general plan, are not held to have a material financial effect on the Official.⁶⁷
3. An Official will be materially affected if either the Official or the Official's spouse will receive salary, other payment for goods and services, or a gift from the person or entity that is the subject of a proceeding, or from an individual, nonprofit, or business that will be affected, or which the Official has reason to believe will be affected by the decision.⁶⁸ The Official will also be affected if he or she receives income as a result of the sale of real property in which he or she has an ownership interest, where the purchaser is either the subject of the proceeding or has an interest in a business or property that will be affected by the decision.⁶⁹ Likewise, there is a material effect where the Official is promised, or receives income so that the source of the income may achieve a goal that is likely to be affected by the decision.⁷⁰ Note that certain exceptions may apply with

⁶¹ In an amount equal to or more than \$1,000,000 or five percent of the entity's annual gross revenues and the increase or decrease is at least \$10,000 (see FPPC Regs. § 18702.1(a)(2)).

⁶² In an amount equal to or more than \$250,000 or one percent of the entity's annual gross revenues and the change in expenses is at least \$2,5000 (see FPPC Regs. § 18702.1(a)(3)).

⁶³ FPPC Regs. § 18702.1(b).

⁶⁴ FPPC Regs. § 18702.1(a), (b).

⁶⁵ FPPC Regs. § 18702.2 (a-b).

⁶⁶ FPPC Regs. § 18702.2(a)(7).

⁶⁷ FPPC Regs. § 18702.2(c).

⁶⁸ FPPC Regs. §§ 18702.3(a), 18702.4.

⁶⁹ FPPC Regs. § 18702.3(b).

⁷⁰ FPPC Regs. § 18702.3(c).

regard to income from retail sales of a business entity including, without limitation, whether or not the retail business is open to the general public, whether the Official can distinguish customers by amount of sales, or whether the clientele of the business is comprised of a broad base of persons representative of the City.⁷¹

- 4, 5, and 6. The Official will be materially affected where the Official or his or her immediate family will “receive a measurable financial benefit or loss” as a result of a decision,⁷² though certain exceptions apply.⁷³ As of the writing of this version of the Guidebook, the gift limitation is \$520 (this will be in effect until December 31, 2022).⁷⁴

➤ *Definition of “Income”*

“Income” includes, without limitation, dividends; rents; capital gains; salary; wages; gifts; loans; and your community property interest in spousal income. Except for gifts, the only income relevant to a conflict situation is income received from a source within the City; from a source presently doing, or planning to do, business within the City; and a source having done business in the City during the last two years.⁷⁵

➤ *Effect of Decision on Official Indistinguishable From Effect on Public Generally*

An Official does not have a conflict of interest when a legislative body’s decision is indistinguishable from the effect on the public generally.⁷⁶ Under this “public generally” exception, an Official may participate in a decision, even when it would have a material financial effect, if the Official is affected in the same manner as the general public.⁷⁷ This occurs when a legislative body’s decision (1) will affect a significant segment of the public, defined as at least 25% of the business or nonprofit entities, real property, or individuals within the jurisdiction; and (2) the financial effect on the Official is “not unique.”⁷⁸ If the only interest the Official has in the governmental decision is the Official’s primary residence, the effect on the Official’s financial interest is considered indistinguishable from its effect on the public generally if at least 15 percent of the residential real property in the Official’s jurisdiction is similarly affected by the decision.⁷⁹

Other applications of the “public generally” exception include, for example, changing the City’s sales tax. A change in the tax does not create a conflict because it affects all residents, even though it may significantly affect an Official’s income. Likewise, where an Official’s spouse owns a business located near a major street, and over half of the City’s commercial properties are

⁷¹ FPPC Regs. § 18702.3(c).

⁷² FPPC Regs. § 18702.5(a).

⁷³ FPPC Regs. § 18702.3(b).

⁷⁴ FPPC Regs. § 18940.2.

⁷⁵ § 82030.

⁷⁶ FPPC Regs. § 18703(a).

⁷⁷ FPPC Regs. § 18700(a).

⁷⁸ FPPC Regs. § 18703.

⁷⁹ FPPC Regs. § 18703(b)(2).

also located near that street, that official may participate in decisions relating to improvements made on the street, because the improvements would affect most businesses in the City and would not “uniquely” affect the Official’s spouse.⁸⁰

➤ *Prohibition on Participation or Influencing Decision Once an Official is Disqualified*

If you have a conflict of interest, you are disqualified from participating in the decision-making process for that matter. Accordingly, you may not have any influence over the decision before it comes before your legislative body; you must declare for the record the nature of your conflict; you must leave the room when it comes before the legislative body (unless the matter is on the consent calendar, in which case you need not leave the room⁸¹); and you may not discuss the matter with other Officials or with City staff members. An Official may, however, for certain defined personal interests make a public appearance before his or her legislative body as a member of the general public, but only in a personal capacity to comment on matters related solely to personal interests.⁸²

As noted throughout this Guidebook, the PRA is extremely complex; this paper only provides a summary and is not meant to provide legal advice. Specific questions should be directed to the City Attorney’s office for a determination well in advance of when a decision needs to be made.

➤ *Government Code § 1090*

Section 1090 prohibits Officials and City employees from having financial interests in contracts made by them or by any board or body of which they are members. This prohibition applies in two basic situations. First, if the financially interested Official or City employee is a member of a board or other body that executes the contract (e.g., the City Council), the potential conflict prohibits the City from entering into the proposed contract, regardless of whether or not the Official participates in or abstains from the actual decision, unless certain limited exceptions apply. Second, if a staff member has a financial interest in a contract with the City, there is a conflict only if that staff member participates in the making of the contract.⁸³ In either case, if such a contract is made, the City may void it.⁸⁴

You should also understand that the term “contract” is used very broadly and applies to any agreement between the City and another party whether written or oral and whether formal or informal. Additionally, the prohibitions of Section 1090 apply equally to the councilmember who votes on a written contract, a member of an advisory board who makes a recommendation on a contract, and to an employee who advises the council on a particular contract.⁸⁵

⁸⁰ FPPC Adv. A-15-126 (2015).

⁸¹ FPPC Regs. § 18704.5(d)(1).

⁸² FPPC Regs. §§ 18702.4, 87105(d)(3), 18704(d)(2), 18707.

⁸³ *Fraser-Yamor Agency v. County of Del Norte* (1977) 68 Cal.App.3d 201.

⁸⁴ § 1092.

⁸⁵ *Stigal v. City of Taft* (1962) 58 Cal. 2d 565; *City Council v. McKinley* (1978) 80 Cal. App. 3d 204; and *Schaefer v. Berinstein* (1956) 140 Cal. App. 2d 278.

Note that a § 1090 violation may result in severe criminal penalties. While there are certain exceptions to the general prohibition, it is best to contact the City Attorney's office with any questions you may have.

➤ *No Free Passes*

A somewhat dated provision of the California Constitution prohibits any public officeholder from accepting a pass or discount from a transportation company. Specifically, Article XII, § 7, of the Constitution states that

“[a] transportation company may not grant free passes or discounts to anyone holding an office of the State; and the acceptance of a pass or discount by a public officer, other than public utilities commissioner, shall work a forfeiture of that office ...”

Actions by the Southern Pacific Railroad leading to political corruption caused this provision to be added to the Constitution in 1879, but it has rarely been used. The California Attorney General, however, has opined that an official may forfeit their office because of this prohibition even though (1) the official was completely unaware of the provision; (2) the official had no regulatory power or other official influence over the activities of the transportation company or any other transportation company; (3) the transportation company's activities were not restricted to intrastate business, but included interstate and international operations as well; (4) the official, upon learning of the prohibition, immediately reimbursed the carrier for the transportation received; and (5) the official's travel was personal travel rather than official business.⁸⁶

It is unlikely that this provision would apply to special rates given to the public generally. Moreover, the Attorney General's Office has opined that it does not apply to the use of Frequent Flyer miles or to tickets obtained by a public official when the eligibility is based on the fact that the official's spouse is an airline employee.⁸⁷ Finally, this provision does not apply if the ticket is provided by a non-“transportation company,” i.e., provided by your employer, as a gift from a friend, or to enable you to make an out-of-town speech or attend an out-of-town event. Note, however, that such gifts would need to be disclosed under the PRA.

➤ *AB 1234 Ethics Training*

AB 1234⁸⁸ allows the City to reimburse elected and appointed officials for actual and necessary expenses incurred in the performance of official duties in accordance with a written policy adopted by the City Council. Such a policy⁸⁹ identifies the types of expenses for which the City can reimburse a public official relating to travel, meals, lodging, and other actual and necessary expenses. Among other things, AB 1234 requires the person attending activities and receiving

⁸⁶ 76 Op. Cal. Att'y. Gen. 1 (1993).

⁸⁷ 80 Op. Cal. Att'y. Gen. 146 (1997); 85 Ops. Cal. Atty. Gen. 40 (2002).

⁸⁸ §§ 53232, *et seq.*

⁸⁹ *Id.*

reimbursements to give a brief report to the City Council at its next regular meeting regarding those official duties.

Public officials must also receive at least two hours of training in ethics every two years;⁹⁰ newly elected public officials must obtain such training within one year after being elected.⁹¹ A local agency or an association of local agencies may offer one or more training courses, or sets of self-study materials with tests, to meet the requirements. The courses may be taken at home, in-person, or online.

If you are interested in the online training, go to localethics.fppc.ca.gov/login.aspx.

➤ *Mass Mailings*

The PRA also regulates “mass mailings” (Government Code §§ 81000-91014). In relevant part, the PRA states: “No newsletter or mass mailing shall be sent at public expense.”⁹² The term “mass mailing” means “over two hundred substantially similar pieces of mail but does not include a form letter or other mail which is sent in response to an unsolicited request, letter or other inquiry.”⁹³

The PRA prohibits *any* public money from being spent to *distribute* a mass mailing.⁹⁴ Moreover, the law prohibits more than \$50 of public money from being spent to design, produce, or print an otherwise prohibited mass mailing.⁹⁵

Mass mailings are prohibited when they “feature” an elected officer as follows:⁹⁶

“(A) Features an elected officer affiliated with the agency which produces or sends the mailing; or

(B) Includes the name, office, photograph, or other reference to an elected officer affiliated with the agency which produces or sends the mailing, and is prepared or sent in cooperation, consultation, coordination, or concert with the elected officer.”

An item is “sent” if delivered to residences, businesses, or post office boxes by any means (not simply the mail).⁹⁷ Items that are publicly available for distribution at meetings or can be actively obtained by the public from public facilities (e.g., City Hall) are not “sent” for purposes of the PRA. Moreover, the regulation of mass mailings does not apply to solicitations for information; only to unsolicited requests.⁹⁸ The mass mailing regulations affect written

⁹⁰ § 53235(b).

⁹¹ § 53235.1(b).

⁹² § 89001.

⁹³ § 82041.5.

⁹⁴ FPPC Regs. § 18901.1 (a)(3)(A).

⁹⁵ FPPC Regs. § 18901.1(a)(3)(B).

⁹⁶ FPPC Regs. § 18901.1(f).

⁹⁷ FPPC Regs. § 18901.1(a)(l).

⁹⁸ §§ 82041.5.

documents, records, videotapes and buttons.⁹⁹ However, these regulations do not affect webpages.¹⁰⁰

PUBLIC RECORDS

The California Public Records Act (“CPRA”) defines a public record as

“any writing containing information relating to the conduct of the public’s business prepared, owned, used, or retained by any ...local agency regardless of physical form or characteristics.”¹⁰¹

A “writing” includes

“handwriting, typewriting, printing, photostating, photographing, and every other means of recording upon any form of communication or representation, including letters, words, pictures, sounds, or symbols, or combination thereof, and all papers, maps, magnetic or paper tapes, photographic films and prints, magnetic or punched cards, discs, drums, and other documents....”¹⁰²

Generally, all public records must be “open to inspection at all times during the office hours of the...local agency and every person has a right to inspect any public record....”¹⁰³ Based on these statutory definitions, virtually every piece of information created, received, or stored in the course of performing City business constitutes a public record and may be inspected by the public upon request.

➤ *Time for responding to a CPRA request.*

As stated above, public records must generally be available for public inspection during the City’s business hours. If public records are stored on medium other than paper, e.g., CD-ROMs or microfiche, equipment for viewing these records must be made available for the public.¹⁰⁴

Persons may also request that the City provided them with copies of public records. Ordinarily, public agencies must respond to requests for copies of public records within ten (10) days. In “unusual” circumstances, the City may extend the time for responding by an additional fourteen (14) days if the city manager, or designee, explains the reasons for the delay to the requestor within the initial 10-day time period.¹⁰⁵

⁹⁹ FPPC Regs. § 18901.1(a)(l).

¹⁰⁰ *In re Peltzer*, FPPC Priv. Adv. Ltr. A-97-106 (Mar. 25, 1997); see also *In re Foote*, CA FPPC Adv. A-98-114 (1998) website links not restricted by the Act’s prohibition on publicly funded mass mailings; *In re Ratto*, CA FPPC Adv. A-07-085 (2007) [candidate information may be placed on agency website].

¹⁰¹ § 6252(d).

¹⁰² § 6252(e).

¹⁰³ § 6253(a).

¹⁰⁴ 64 Ops. Cal. Atty. Gen. 317 (1981); 57 Op. Cal. Att’y. Gen. 307, 311 (1974); see §§ 6253.1, 6253.9.

¹⁰⁵ § 6253(c).

The definition of “unusual circumstances” includes (1) “[t]he need to search for and collect the requested records from field facilities or other establishments that are separate from the office processing the request; (2) [t]he need to search for, collect, and appropriately examine a voluminous amount of separate and distinct records that are demanded in a single request; (3) [t]he need for consultation, which shall be conducted with all practicable speed, with another agency having substantial interest in the determination of the request or among two or more components of the agency having substantial subject matter interest therein”; and (4) [t]he need to compile data, to write programming language or a computer program, or to construct a computer report to extract data.”¹⁰⁶

➤ *When may public records be withheld?*

As stated above, virtually everything drafted, received, or kept by the City constitutes a public record. However, although the CPRA favors disclosure of public records, cities are generally not required to *create* documents in response to a public record request.¹⁰⁷ Nor must the City comply with requests for documents that are unduly burdensome.¹⁰⁸

Moreover, there are specific types of documents that may be withheld by public agencies for other reasons. A partial list of exempt City records includes:

- Preliminary drafts, notes, or interagency or intra-agency memoranda that are not retained by the City in the ordinary course of business, provided that the public interest in withholding those records clearly outweighs the public interest in disclosure.
- Records pertaining to pending litigation to which the City is a party until the pending litigation or claim is finally adjudicated or settled.
- Personnel, medical, or similar files, the disclosure of which would constitute an unwarranted invasion of personal privacy.
- Geological and geophysical data, plant production data, and similar information relating to utility systems development, or market or crop reports, which are obtained in confidence from any person.
- Other than as specifically required by the Government Code, records of complaints, investigations, intelligence information, or security procedures of the police and fire departments (code enforcement).
- Test questions, scoring keys, and other examination data used to administer a licensing examination, examination for employment, or academic examination.

¹⁰⁶ § 6253(c)(1-4).

¹⁰⁷ *Rosenthal v. Hansen* (1973) 34 Cal.App.3d 754.

¹⁰⁸ *State Bd. of Equalization v. Sup. Ct.* (1992) 10 Cal.App.4th 1177.

- The contents of real estate appraisals or engineering or feasibility estimates and evaluations made for or by the City relative to the acquisition of property, or to prospective public supply and construction contracts, until all of the property has been acquired or all of the contract agreement obtained.
- Information required from any taxpayer in connection with the collection of local taxes that is received in confidence and the disclosure of the information to other persons would result in unfair competitive disadvantage to the person supplying the information.
- Records the disclosure of which is exempted or prohibited pursuant to federal or state law.
- Information contained in applications for licenses to carry firearms that indicates when or where the applicant is vulnerable to attack or that concerns the applicant's medical or psychological history or that of members of his or her family.¹⁰⁹

➤ *Assistance with identifying public records.*

The City is required to assist persons seeking public records by helping them “make a focused and effective request that reasonably describes an identifiable record...”¹¹⁰ To fulfill this obligation (with certain exceptions¹¹¹), the City must take the following steps “to the extent reasonable under the circumstances”¹¹²:

- Help the requestor identify those documents that meet the request “or to the purpose of the request”;
- “Describe the information technology and physical location in which the records exist”; and
- “Provide suggestions for overcoming any practical basis for denying access to the records or information sought.”¹¹³

The City cannot recoup its costs for such assistance from the requestor.

➤ *Records Provided to a Majority of the Legislative Body*

The Government Code¹¹⁴ provides that

¹⁰⁹ § 6254.

¹¹⁰ § 6253.1(a).

¹¹¹ § 6253.1(d).

¹¹² § 6253.1(a).

¹¹³ § 6253.1(a)(1-3).

¹¹⁴ § 54957.5(a) (emphasis added).

“[A]gendas of public meetings and any other writings, when distributed to all, or a majority of all, of the members of a legislative body of a local agency by any person in connection with a matter subject to discussion or consideration at an open meeting of the body, are disclosable public records . . . and shall be made available upon request without delay.”

As seen by the emphasized language, *any writing* related to a subject of discussion or consideration at a meeting of a legislative body, that was distributed to a majority of the body is a public record and must be available for public inspection. As noted above, such writings include electronic mail correspondence with members of the body. Consequently, if it is obvious (or reasonably certain) that a majority of the members of the body received a writing, it is important that a copy be provided to the City Clerk (or other person in charge of recordkeeping for the body) for filing and inspection. This is true even if an appointed public official, such as the City Manager, did not receive a copy of the correspondence. Accordingly, please ensure that the City Clerk (or other applicable recordkeeper) receives a copy of all writings you may receive where it is apparent that the same writing was provided to a majority of the legislative body.

CONCLUSION

As noted earlier, this Guidebook is only a superficial overview of laws and regulations that will affect you while in public service. Questions or concerns regarding specific facts should be directed to the City Attorney’s office.

If you are interested in reviewing any of the legal sources cited in this Guidebook, or would like to contact one of the State Agencies, the following information may be helpful:

For case law: <http://www.findlaw.com/cacases/>

For California Statutes: <http://leginfo.legislature.ca.gov/>

For California Regulations: <http://ccr.oal.ca.gov>

For Attorney General Opinions (since 1986): <https://oag.ca.gov/opinions>

For the FPPC: <http://www.fppc.ca.gov/> and 1-866-275-3772

For an overview of ethics: <http://www.ca-ilg.org/document/understanding-basics-public-service-ethics-laws>

Please feel free to contact the City Attorney’s office if you have any questions.

OPERATING AGREEMENT

OPERATING AGREEMENT

This Operating Agreement ("Agreement") is entered into as of May 6, _____, 1986, by and between the City of El Segundo ("City") and the El Segundo Senior Citizens Housing Corporation ("Corporation").

RECITALS

This Agreement is made with reference to the following facts and objectives:

A. The City is the owner of certain real property located at 615 East Holly Avenue, _____ in the City of El Segundo, and more particularly described on Exhibit A attached hereto. The City is in the process of constructing on said real property a senior citizen housing facility ("Facility") for the purpose of providing safe, clean and economical housing for senior citizens.

B. Upon completion of the construction of the Facility, the City desires to have the Corporation operate and manage the Facility for the City.

C. The City and the Corporation have entered into this Agreement for the purpose of setting forth the terms and conditions under which the Corporation shall operate and manage the Facility for the City.

1. Services.

1.1. In accordance with and subject to the terms and conditions of this Agreement, the City hereby engages the Corporation for the purpose of managing and operating the Facility. The relationship of the Corporation to the City in the performance of this Agreement shall be that of an independent contractor, and this Agreement shall not be deemed or construed as creating an employment relationship. By entering into this Agreement, the City does not delegate to the Corporation any of the governmental powers,

duties and responsibilities vested by law in the City. The City, through its City Council, shall at all times have ultimate control and authority over the Facility, and the Corporation shall perform the duties and functions described in this Agreement to be performed by it in accordance with and subject to the terms and conditions of this Agreement.

2. Professional Management Standards.

2.1. The Corporation shall employ its best efforts in performing the duties and functions described in this Agreement to be performed by it and shall devote such time to the performance thereof as shall be necessary to perform the same in a careful, competent, diligent and professional manner.

3. Proposed Plan of Operation.

3.1. Promptly following the execution of this Agreement, the Corporation shall proceed with the preparation of a proposed plan for the operation of the Facility ("Proposed Plan of Operation"). The Proposed Plan of Operation shall address such matters as shall be necessary and appropriate to the efficient and effective management and operation of the Facility and shall include the following:

3.1.1. Recommendations as to eligibility standards to be utilized in selecting tenants of the Facility, and recommended procedures for securing and selecting tenants, including methods of advertising, application procedures and application forms.

3.1.2. Recommendations as to the form of rental contracts to be utilized in renting units in the Facility, including recommendations as to the duration of such contracts, and recommendations as to rules and regulations governing the use of units and common areas within and appurtenant to the Facility.

3.1.3. Recommendations as to rental rates to be charged for the use of units in the Facility.

3.1.4. Recommendations regarding methods and standards for the general maintenance and upkeep of the Facility.

3.1.5. Recommendations regarding insurance coverages and carriers respecting the Facility.

3.1.6. Recommendations regarding the ongoing management of the Facility through the retention of a professional real estate management firm, resident manager or other appropriate means.

3.1.7. A recommended annual budget with respect to the operation of the Facility setting forth major operating objectives, anticipated revenues, expenses, cash flow and capital expenditures, as well as such other items of income and expense as are necessary and appropriate for the efficient and effective management and operation of the Facility.

3.2. In preparing the Proposed Plan of Operation, the Corporation shall consult with the City as necessary and shall keep the City informed as to the Corporation's progress in the preparation of the Proposed Plan of Operation. The City shall provide such assistance to the Corporation as shall be necessary to enable the Corporation to prepare the Proposed Plan of Operation. The City shall advance to the Corporation the sum of Ten Thousand Dollars (\$10,000) for the purpose of paying the Corporation's necessary expenses in connection with the preparation of the Proposed Plan of Operation. The Corporation shall not incur any expenses in excess of said sum without the express prior written consent of the City Council of the City, and any such expenses incurred in the absence of such consent shall be the sole liability of the Corporation. Upon submission of the Proposed Plan of Operation as hereinafter provided,

the Corporation shall provide to the City an accounting of its expenses and shall remit to the City any unexpended funds.

3.3. The Proposed Plan of Operation shall be submitted to the City Council of the City for its approval on or before September 1, 1986. The Proposed Plan of Operation shall not be effective until approved by the City Council of the City, but upon such approval, it shall constitute the Plan of Operation for the Facility ("Plan of Operation").

4. Leasing of Property.

4.1. The Corporation agrees to use its best efforts to obtain tenants for units within the Facility and to promote the renting of available units in the Facility to tenants in accordance with the standards and procedures set forth in the Plan of Operation. All renting shall be accomplished by rental contracts in form and substance approved by the Board of Directors of the Corporation.

4.2. The Corporation shall maintain businesslike relations with tenants who place service requests and shall provide for the disposition of tenant grievances in an efficient and professional manner. However, the Corporation shall keep the City Manager informed concerning problems of a serious nature, including the steps being taken or proposed to be taken in resolving the same.

5. Operation and Maintenance.

5.1. The Corporation shall provide and be responsible for the hiring, supervision and discharging of employees, contractors and other persons necessary to properly maintain and operate the Facility, including building supervisors, janitors, groundskeepers and resident managers.

5.2. The Corporation shall cause the Facility to be maintained in good order and condition and according to standards consistent with the Plan of Operation, including

interior and exterior cleaning, painting, decorating, plumbing, heating and ventilating systems, elevators, carpentry and such other normal maintenance and repair work as may be necessary.

5.2.1. In fulfillment of its duties under this Section, the Corporation shall purchase, or oversee the purchase of, such supplies, equipment and services as are necessary for the operation and maintenance of the Facility; provided, however, that no disbursement not approved by the City Council of the City in the Plan of Operation for this purpose shall be made in excess of One Thousand Dollars (\$1,000) unless specifically authorized by the City Council of the City, except that emergency repairs, involving potential or actual danger to life or property, or immediately necessary for the preservation and safety of the Facility or of its tenants, or required to avoid the suspension of any necessary service to the Facility, may be made by the Corporation irrespective of the foregoing cost limitation. Notwithstanding this authority as to emergency repairs, it is understood and agreed that the Corporation will, if at all possible, confer with the City regarding every such expenditure before proceeding.

5.3. The Corporation shall oversee, and shall cause to be furnished to the Facility at competitive rates, all services and utilities necessary for the efficient operation and maintenance of the Facility, including water, electricity, gas, fuel, telephone, cable television service, vermin extermination, rubbish hauling and window cleaning.

5.4. The Corporation shall manage and operate the Facility in accordance with all applicable statutes, ordinances, laws, rules, regulations and orders (collectively "laws") of all governmental or regulatory bodies having jurisdiction

respecting the use and operation of the Facility. The Corporation shall promptly advise the City of all action necessary to be taken to comply with any such laws affecting the Facility.

5.5. The Corporation shall cause to be placed and kept in force all forms of insurance provided for in the Plan of Operation; provided, that the obtaining of such insurance, and any changes or modifications thereto, shall be subject to the prior approval of the City Council of the City. The Corporation and the City, and their respective officials, directors, officers, agents and employees, shall be named as co-insureds in all policies related to public liability insurance.

5.5.1. The Corporation shall promptly investigate and make a full written report to the City Manager as to all accidents or claims for damage relating to the ownership, operation or maintenance of the Facility, including any damage or destruction to the Facility and the estimated cost of repair, and shall cooperate and make any and all reports required by any insurance company in connection therewith.

5.6. The Corporation shall be responsible for and shall provide Workers' Compensation Insurance and such other employment benefits as may be required by law for its employees.

6. Collection and Disbursement of Revenues.

6.1. The Corporation shall be responsible for and shall use its best efforts to collect all rents and revenues from the Facility. The Corporation shall keep the City Treasurer fully advised concerning the collection of such rents and revenues and any difficulties which the Corporation experiences in connection therewith.

6.2. The Corporation shall establish and maintain, in a bank whose deposits are insured by the Federal Deposit Insurance Corporation, a trust account for the deposit of the monies collected from the Facility. The Corporation shall have the authority to draw on this account, subject to the limitations of this Agreement, for any payments which the Corporation must make to discharge any liabilities or obligations incurred pursuant to this Agreement; provided, that any drawing on the account in an amount in excess of Five Thousand Dollars (\$5,000.00) shall require the signature of the City Treasurer.

6.2.1. The Corporation, its employees and all persons who handle or are responsible for the handling of the monies of the Facility shall be bonded by a fidelity bond acceptable to the City, indemnifying the City as obligee against loss, theft, embezzlement or other fraudulent acts on the part of the Corporation, its employees and all such persons.

6.3. The Corporation shall cause to be disbursed punctually the regularly recurring operating expenses of the Facility as authorized by, and subject to the limitations of, this Agreement, including, without limitation, expenditures necessary for the maintenance and repair of the Facility and expenditures necessary to maintain insurance coverages as provided in Section 5.5 and Section 6.2.1 of this Agreement.

6.4. The Corporation shall maintain and oversee a system of controls designed to ensure the authenticity of bills paid and the fairness of the price charged. The Corporation shall promptly investigate and advise the City Treasurer concerning any improprieties in connection with such matters.

7. Financial Records and Reports.

7.1. The Corporation agrees to keep accurate, complete and separate records in accordance with accepted accounting standards and procedures, showing income and expenditures in connection with the operation of the Facility, to the end that any accounts payable, other obligations, cash, accounts receivable and other assets pertaining thereto can be identified and the amount determined at all times. The City shall have the right at all reasonable times, through its representatives, to inspect any record of the Corporation which in its opinion may verify the financial or monthly reports, including, but not limited to, all checks, bills, vouchers, statements, cash receipts, correspondence and all other records in connection with the management of the Facility. The City shall have the further right at all reasonable times to audit, or to cause an audit to be made of, all account books and records connected with the management and operation of the Facility.

7.2. On or before the fifteenth (15th) day of each month, the Corporation shall submit to the City a statement showing in detail all receipts and disbursements for the previous month, itemizing all delinquent accounts and vacant space. Not later than ninety (90) days following the close of each fiscal year of the City, the Corporation shall submit to the City an annual statement summarizing receipts and disbursements for the previous fiscal year.

8. Revision of Plan of Operation.

8.1. Not later than sixty (60) days prior to the close of each fiscal year of the City, the Corporation shall submit to the City a revised Plan of Operation for the Facility for the ensuing fiscal year. Upon approval of such revised Plan of Operation by the City Council of the City, such revised

Plan of Operation shall be the Plan of Operation for the ensuing fiscal year.

8.2. Notwithstanding the provisions of Section 8.1., the Corporation from time to time may submit to the City proposed revisions to the Plan of Operation. Upon approval of such revisions by the City Council of the City, such revisions shall become a part of the Plan of Operation for the Facility.

8.3 During the period following presentation of a revised Plan of Operation, and prior to approval of such revised Plan by the City Council of the City, the Corporation shall continue to operate the Facility under the provisions of the Plan of Operation approved for the prior year.

9. Indemnification.

9.1. The City shall protect, indemnify and hold the Corporation, its directors, officers, agents and employees harmless from and against any and all liability and expense of any kind, arising from the management and operation of the Facility and from injuries or damages to persons or property in connection with the operation of the Facility, except to the extent that such liability and expense arises from (a) the actions of the Corporation, its directors, officers, agents and employees outside the scope of its authority under this Agreement, or (b) the willful misconduct or gross negligence of the Corporation, its directors, officers, agents and employees in connection with the management or operation of the Facility, in which case the Corporation shall protect, indemnify and hold the City harmless from and against all liability and expenses of any kind arising therefrom.

10. Term of Agreement.

10.1. This Agreement may be terminated by either the City or the Corporation at any time upon the giving of at least

thirty (30) days prior written notice of termination. No termination of this Agreement shall relieve either party of any liability arising prior to such termination.

11. Miscellaneous Provisions.

11.1. This Agreement constitutes the entire agreement between the parties hereto and supersedes any and all prior or contemporaneous agreements between the parties. This Agreement cannot be changed or modified except by an instrument in writing executed by both of the parties hereto.

11.2. This Agreement may not be assigned by the Corporation and any attempted assignment shall be of no force or effect.

11.3. The headings contained herein are for convenience of reference only, are not intended to define, limit or describe the scope or intent of any provision of this Agreement, and shall not be referred to in construing or interpreting the provisions of this Agreement.

11.4. This Agreement shall be governed by the laws of the State of California.

11.5. All notices, statements and reports which either party desires or is required to give to the other under this Agreement shall be in writing, and shall be delivered by registered or certified mail, postage prepaid, return receipt requested, or shall be delivered by personal delivery, addressed as follows:

If to City: City of El Segundo
350 Main Street
El Segundo, CA 90245
Attention: City Manager

If to Corporation: El Segundo Senior Citizen
Housing Corporation

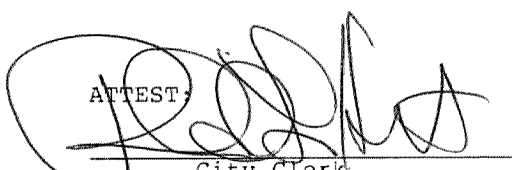
Attention:

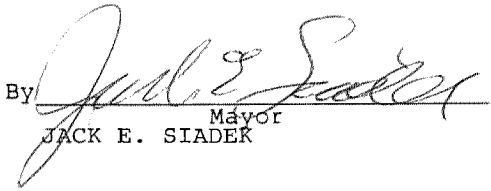
Notices shall be deemed effectively communicated as of the date of receipt. Either party may change its address for purposes of notices under this Agreement by means of written notice given in accordance with the provisions of this Section.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

CITY OF EL SEGUNDO

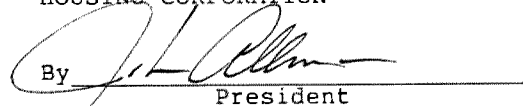
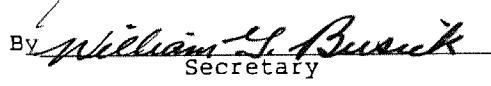
(SEAL)

ATTEST: 
City Clerk
RONALD L. HART

By 
Mayor
JACK E. SIADER

EL SEGUNDO SENIOR CITIZEN HOUSING CORPORATION

(SEAL)

By 
President
By 
Secretary

CONTRACT

21 52 7888A

EL SEGUNDO

AMENDMENT TO OPERATING AGREEMENT

This Amendment to Operating Agreement ("Amendment") is entered into as of April 7, 1992, by and between the City of El Segundo ("City") and the El Segundo Senior Citizens Housing Corporation ("Corporation").

R E C I T A L S

This Amendment is made with reference to the following facts and objectives:

A. WHEREAS, the City is the owner of certain real property located at 615 East Holly Avenue in the City of El Segundo and more particularly described in Exhibit "A" attached hereto.

B. WHEREAS, the City constructed on said real property a senior citizen housing facility ("Facility") for the purpose of providing safe, clean and economical housing for senior citizens.

C. WHEREAS, the City and Corporation entered into an Operating Agreement ("Operating Agreement") on May 6, 1986 for the operation and management of the Facility by the Corporation.

D. WHEREAS, the City has constructed a parking lot ("Parking Lot") on said real property.

E. WHEREAS, the City and Corporation desire to enter into this Amendment for the purpose of setting forth the terms and conditions under which the Corporation shall operate and manage the Parking Lot.

NOW, THEREFORE, in consideration of the Recitals set forth above, and for other valuable consideration, the receipt and sufficiency of which are acknowledged hereby, the City and Corporation hereto agree as follows:

1. The Corporation shall manage and operate the Parking Lot according to all applicable terms and provisions for the management and operation of the Facility contained in the Operating Agreement.

2. The use of the Parking Lot shall be restricted to residents and on-duty staff of the Facility. The City reserves the right to modify this policy in the future subject to the limitation that residents and on-duty staff of the Facility shall have priority for use of the Parking Lot.

3. The Corporation agrees to maintain the surface area of the Parking Lot in safe condition. This maintenance includes required periodic repair, resurfacing and/or restripping of the Parking Lot as specified by the City.

4. The Corporation shall be responsible for the maintenance and repair of the electronic gate to the Parking Lot and the fencing surrounding the Parking Lot.

5. The Corporation shall be responsible for the maintenance and repair of the lighting structures located in the Parking Lot area.

6. The Corporation shall provide outdoor custodial services and trash removal for the Parking Lot area to insure that the Parking Lot remains in safe and sanitary condition.

XXXXXXXXXX

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XXXXXXXXXX

7. The Corporation shall post signs to indicate parking restrictions in the Parking Lot area as necessary.

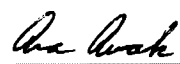
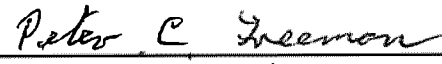
B. All other provisions of the Operating Agreement not inconsistent with the terms of this Amendment shall continue in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first set forth above.

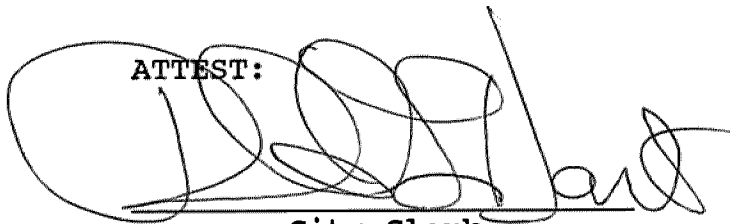
CITY OF EL SEGUNDO

By 
Mayor

EL SEGUNDO SENIOR CITIZENS HOUSING CORPORATION

By 
President
By 
Secretary

ATTEST:


City Clerk

SEAL

21 52

EL SEGUNDO

**SECOND AMENDMENT TO
AGREEMENT NO. 1888 BETWEEN
THE CITY OF EL SEGUNDO AND
THE EL SEGUNDO SENIOR CITIZENS HOUSING
CORPORATION**

THIS FIRST AMENDMENT (“Amendment”) is made and entered into this 19th day of July 2005, by and between the CITY OF EL SEGUNDO, a general law city and municipal corporation existing under the laws of California (“CITY”), and the EL SEGUNDO SENIOR CITIZENS HOUSING CORPORATION, a California nonprofit public benefit corporation (“CORPORATION”).

1. Pursuant to Agreement No. 1888, executed on or about May 6, 1986 (“Agreement”), Section 5.2.1 is amended to read as follows:

“In fulfillment of its duties under this Section, Corporation will purchase, or oversee the purchase of, such supplies, equipment and services as are necessary for the operation and maintenance of the Facility; provided, however, that no disbursement not approved by the City’s City Council in the Plan of Operation for this purpose can be made in excess of Ten Thousand Dollars (\$10,000) unless specifically authorized by the City Council, except that emergency repairs, involving potential or actual danger to life or property, or immediately necessary for the preservation and safety of the Facility or of its tenants, or required to avoid the suspension of any necessary service to the Facility, may be made by Corporation irrespective of the foregoing cost limitation. Notwithstanding this authority as to emergency repairs, it is understood and agreed that the Corporation will, if at all possible, confer with the City regarding every such expenditure before proceeding.”

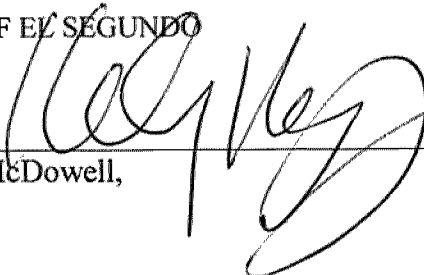
2. This Amendment may be executed in any number or counterparts, each of which will be an original, but all of which together constitutes one instrument executed on the same date.
3. Except as modified by this Amendment, all other terms and conditions of the Agreement remain the same.

[SIGNATURES ON NEXT PAGE]

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

CITY OF EL SEGUNDO

Kelly McDowell,
Mayor



EL SEGUNDO SENIOR CITIZENS
HOUSING CORPORATION

X Peter Freeman,
President



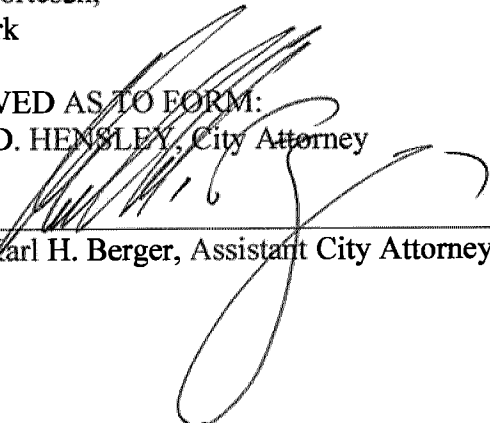
ATTEST:

Cindy Mortesen,
City Clerk



APPROVED AS TO FORM:
MARK D. HENSLEY, City Attorney

By: Karl H. Berger, Assistant City Attorney



PLAN OF OPERATIONS

PLAN OF OPERATIONS

1. DESCRIPTION

The El Segundo Senior Citizen Housing Project was developed and is wholly owned by the City of El Segundo. It is operated by the El Segundo Senior Citizen Housing Corporation and its Board of Directors.

The El Segundo Senior Housing Project “Park Vista”, is located at 615 East Holly Avenue. There are 96 units available, divided among efficiency apartments of 414 square feet; small one-bedroom apartments of 520 square feet; large one-bedroom apartments of 610 square feet; handicapped units of 537 square feet and a two bedroom management unit. All units are furnished with carpets, drapes, refrigerators and ranges. Each unit has an individual patio or balcony. The common outdoor areas are pleasantly landscaped. Features include elevators, laundry facility, exercise room, media room, meeting and recreation rooms.

The maximum number of Residents in each apartment is two. Rents are substantially lower than rents for comparable units in the area.

Due to the limited number of units available the apartments are assigned as they become vacant.

2. ELIGIBILITY REQUIREMENTS

Eligibility requirements for application for residency at Park Vista are based on age, income and El Segundo residency. These criteria as well as a general description of the project and application procedures are detailed in the following pages.

Great care has been taken in the development of criteria, application forms, and the structuring of the application process and selection procedures to ensure an objective and fair resident selection process. This procedure is detailed in this section as is the Resident selection system. The procedure has been developed to ensure a process which is both fair and equitable, and which offers prospective residents both privacy and assistance as is practical in the process.

Applications will be accepted at the Park Vista Office only. Upon review of the application, the prospective resident’s name will be placed on the waiting list. When a unit becomes available the prospective resident at the top of the waiting list will be notified for an in-person interview with the manager and a walk through of the apartment. A move-in date will be discussed at that time.

There are three main eligibility requirements that must be met in order to reside in these apartments.

1. AGE – The applicant must be 62 or older. Any co-resident must be at least 62 years of age unless:

a. The co-resident is a Permitted Health Care Resident as defined by California Civil Code section 51.3, or

b. The co-resident will also be on the Rental Agreement and has previously lived with the applicant. If the co-resident is on the Rental Agreement and previously lived with the applicant, he or she can reside at Park Vista if he or she is 55 years or older, or was a spouse of the senior citizen, or provided primary economic or physical support to the senior citizen.

2. INCOME/NET WORTH – Maximum allowable combined incomes and net worth are as follows: For a one person household, five percent (5%) of an applicant's total net worth plus the applicant's annual income cannot exceed \$35,000; for a two person household, five percent (5%) of the applicant's and proposed co-resident's combined total net worth plus the applicant's and proposed co-resident's combined annual income cannot exceed \$40,000. These amounts are subject to change. The net worth and/or annual income of a Permitted Health Care Resident as defined in California Civil Code section 51.3 shall not be counted towards the income threshold.

3. RESIDENCY – Applicants must be residents of the City of El Segundo at the time of application. For purposes of this requirement, a "Resident of the City of El Segundo" is a person who has resided in the City of El Segundo at least five proven contiguous years during his or her adult life prior to submitting an application.

Additionally, Park Vista is not an assisted living or managed care facility. A single apartment resident must be physically and mentally able to care for himself/herself, or be able to make alternate provisions for any necessary care at the resident's expense. In the case of joint tenancy, both residents must be able to care for themselves, or one of the co-residents must be able to fully care for both residents as necessary, or the residents must be able to make alternate provisions for necessary care at their own expense.

Park Vista is intended only for use as a primary residence. "Primary residence" is defined as that place where the tenant resides for a minimum of 75% of each calendar year. Any tenant failing to meet this requirement is subject to eviction. Absences from the unit due to hospitalization or other necessary medical treatment shall not be considered as absences for purposes of this requirement.

3. APPLICATION PROCEDURE

- I. Applications can be obtained from Park Vista. Park Vista is open from 9:00AM- 5:00 PM Monday through Friday.
- II. Resident Handbooks and application materials are available at Park Vista.
- III. Completed Applications should be returned to the Park Vista office. A waiting list for occupancy will be maintained at the Park Vista office.
- IV. Evaluation of Application
 - A. Evaluation of applications will be made according to the eligibility criteria discussed in Section 2, "Eligibility Requirements".
 - B. If the completed application satisfies the eligibility criteria, the Applicant will be placed on the waiting list in order of date of application.
- V. Notification Process
 - A. The Management Company notifies eligible applicant that a unit is available.
 - B. Park Vista manager sets up personal interview and conducts a walk through.
 - C. Park Vista manager is responsible for Rental Agreement signing and taking required deposit to hold unit.
 - D. Park Vista manager sets up move in date.
 - E. Those ineligible for residency shall be notified in writing.

4. RESIDENT SELECTION PROCEDURE

1. Person or persons must meet age, income and residency requirements before submitting an application.
2. If eligibility criteria are satisfied, an applicant will be placed on the waiting list according to the date his/her application was submitted.

3. Names will be selected from the waiting list in order by date of application.
4. When a vacancy occurs, those residing in Park Vista will be given the option of changing units, providing they meet move-in rules and cost requirements. An existing resident may change units by right during his or her tenancy. Any resident requesting a move shall be responsible for all costs including, but not limited to, painting, cleaning and shampooing of carpet and any other costs necessary to prepare that resident's existing unit for a subsequent tenant. This transfer procedure requires a new lease, updated security deposit at the current rental rates, and re-qualification under the current eligibility requirements as applied to new tenants.
5. If an applicant turns down an offered apartment two times, the applicant's name will be removed from the waiting list for two years, at which time the applicant will be permitted to re-apply.
6. Upon notification, the apartment manager will conduct a walk through and an interview. A move-in date will be set at that time.
7. When it is an applicant's turn for consideration for residency based upon that applicant's position on the waiting list, if the applicant does not have a satisfactory credit history, the application will be denied and will receive no further consideration.

5. RENTAL RATES

In keeping with the intent of the City Council in the development of the Senior Housing Project, and to provide a quality living opportunity at an affordable cost, a range of rental fees has been established. These rates were designed to reflect a realistic approach in the operational needs of the property, ensure a proper operating budget and maintain an appropriate maintenance reserve.

The rental schedules established for Park Vista reflect the cost necessary to meet (a) the annual operating budget for the current year of operation, (b) an appropriate operational reserve, and (c) a sinking fund to be known as "Replacement Reserve" for the replacement of major components of the property, (appliances, roof, carpet, etc.) over an assumed 3 to 30 year life.

Rates are subject to periodic review and change. The Park Vista Site Manager can provide a list of current rental rates.

6. GENERAL MAINTENENCE

The policy established by the Board in conjunction with the management company has been designed to ensure the highest standards of maintenance.

Requests for maintenance are filed in writing by the Residents. A log is kept of all work requested and completed. Most requests are handled within a three-day period.

Particular attention will be given to preventative maintenance procedures which are designed to ensure the extension of the useful lives of the fixtures and equipment of the facility. Routine inspections are conducted annually of all apartments. The preventative maintenance philosophy is reflected in the Operating Budget which contains a specific section for maintenance expenses.

An annual physical inspection of units and grounds is conducted by management and Board Members and a written report is submitted to the Board with findings and recommendations.

7. INSURANCE

The Board recognizes the need to appropriately insure the Senior Housing Facility and therefore, maintains the following policy:

1. Total replacement cost of the building is insured against loss;
2. Public liability insurance is provided, with the El Segundo Senior Citizen Housing Board and City Council of the City of El Segundo as named insured.
3. Loss of rental income due to fire or other damage is included insurance coverage;
4. Earthquake insurance is not provided.
5. Park Vista's insurance does not cover the contents within any unit or any resident's personal property. Residents are encouraged to obtain a renter's insurance policy to protect personal belongings.

8. MANAGEMENT

The Board recognized the need for appropriate day-to-day management of the property and Resident support services. To this end a management company has been contracted to provide management services for Park Vista Apartments. Management services are provided pursuant to the terms and conditions of the Management Agreement, a copy of which is maintained by the Board.

PARK VISTA LEASE CHECKLIST

CADMAN GROUP



Park Vista Lease

Checklist

- Utility Company Phone Numbers (1 page)
- Park Vista Rental Agreement (9 pages)
- Addendum No.1 - House Rules (6 pages)
- Addendum No. 2 – Pet Agreement (if applicable) (3 pages)
- Addendum No. 3 – Move-In & Move-Out Procedures (2 pages)
- Addendum No. 4 – Unit Inspection Report (1 page)
- State of Authorization and Responsibility (1 page)
- Confidential/ Emergency Medical Form (2 pages)
- Bed Bug Infestation Addendum (1 page)

Cadman Group
214 Main Street # 361
El Segundo, CA 90245
(310) 606-5894

UTILITY COMPANY PHONE NUMBERS

Gas:

Each resident must contact Southern CA Gas Company – Monday through Friday

Call (909) 307- 7070

Electricity:

Each resident must contact Southern CA Edison Company – Monday through Friday

Call (800) 655-4555

Cable:

Spectrum

Call (888) 886-1069

PARK VISTA RENTAL AGREEMENT

THIS RENTAL AGREEMENT (hereinafter referred to as the ("Agreement")) is made and entered into this day _____ by and between the El Segundo Senior Citizen Housing Corporation (hereinafter referred to as "Landlord") and _____ (hereinafter referred to as "Tenant: or "Resident"). This Agreement creates joint and several liabilities in the case of multiple tenants.

WITNESSETH:

That in consideration of mutual agreements herein contained, Landlord and Tenant hereby covenant and agree with each other as follows:

1. Rented Premises. Landlord rents to Tenant, and Tenant rents from Landlord, for residential use only, the premises known as Apartment _____, **615 East Holly, El Segundo, California** (the "Premises" or "Unit"). The Premises is in a senior housing facility known as Park Vista.
2. Term. This Agreement shall commence on _____ ("Commencement Date"). This Agreement shall continue as a month-to-month tenancy. If at any time Tenant desires to terminate the tenancy, Tenant may do so providing to Landlord written notice of intention to terminate. Such notice to terminate must be provided to Landlord at least 30 days prior to the desired date of termination of tenancy. If at any time Landlord desired to terminate the tenancy, Landlord may do so by providing to Tenant such written notice of intention to terminate at least 30 days prior to the desired date of termination of the tenancy. Notices to terminate may be given on any calendar day, irrespective of the Commencement Date.

3. Rent.

3.1 Tenant shall pay to Landlord, _____ DOLLARS

3.2 (___per month as Rent for the Term of the Agreement. The due date for Rent payment shall be the 1st day of each calendar month and shall be considered advance payment for that month. If not remitted on or before the 1st, Rent shall be considered overdue and delinquent on the 2nd day of each calendar month. If the Commencement Date is not the 1st of the calendar month, rent payment remitted on the Commencement Date shall be prorated based on a 30-day period.

3.3 **The manner of Payment.** The Rent and all other sums payable by Tenant to Landlord under this Agreement shall be payable in lawful money of the United States of America and shall be Paid to Landlord via check, cashier's check, or money order made payable to El Segundo Senior Citizen Housing Corporation. Payment may be personally delivered to the resident manager in his/her office between the hours of 8:30 a.m. and 5:00 p.m. Monday through Friday or mailed to 615 E. Holly Avenue, Attn: Office, El Segundo, CA 90245.

- 3.4 **Late Fees.** If Tenant fails to pay Rent and any other applicable charges in full by 5:00 p.m. on the 5th day of the month, Tenant agrees to pay, and Landlord may collect a late fee in the amount of **\$25.00**. The late fee shall be considered additional rent.
- 3.5 **Insufficient Funds.** Tenant agrees to pay a charge of \$50 for each check provided by Tenant to Landlord that is returned for lack of enough funds. If Tenant provides Landlord with two checks that are returned for insufficient funds, Landlord has the right to require future rent payments to be made by money order or cashier's check until further notice.

4. Security Deposits.

4.1 Upon execution of this Agreement, Tenant shall deposit with Landlord, in trust

\$ _____ (the "Deposit"), as security for the performance of Tenant's obligations under this Agreement. The Landlord may (but shall have no obligation to) use the Deposit or any portion thereof to cure any breach or default of Tenant under this Agreement or to compensate Landlord for any damage it incurs because of Tenant's failure to perform any of Tenant's obligations hereunder. The landlord is not limited to the Deposit to recoup damage costs, and Tenant remains liable for any balance. Tenant shall not apply or deduct any portion of the Deposit from any amounts owing to Landlord pursuant to this Agreement.

4.2 The Landlord will hold the deposit for the period the Tenant occupies the Unit. No interest will accrue to Tenant during the period held by Landlord. After the Tenant has moved from the unit, Landlord will determine whether the Tenant is eligible for a refund of any or all the Deposit. The amount of the refund will be determined by Landlord in accordance with the following conditions and procedures:

4.2.1. Tenant hereby agrees that at the time the Tenant moves out of the Unit that the Tenant will remove all of Tenant's personal property from the premises and will surrender the Unit to the Landlord or Landlord's agent in good condition, as it was at the commencement of the Agreement, reasonable wear and tear excepted.

4.2.2. The Landlord will refund to the Tenant the amount of the Deposit less any amount due Landlord as the result of (1) unpaid rent, (2) damages that are not due to normal wear and tear and are not listed on the original Unit Inspection Report, (3) any charges for late payment of rent and/or returned check, (4) charges for unreturned keys and/or key cards, or (5) any other cost, fee, or charge toward which the Deposit may be lawfully applied.

4.2.3. The Landlord agrees to refund the amount computed in accordance with this paragraph within 21 days after the Tenant has permanently moved out of the Unit, returned possession of the Unit to the Landlord, and given his/her new address to the Landlord. The Landlord will also give Tenant a written list of charges that were subtracted from the security deposit. If the Tenant disagrees with the Landlord concerning the amounts deducted and asks to meet with the Landlord, the Landlord agrees to meet with Resident and informally discuss the disputed charges.

4.2.4. If the Unit is rented by more than one person, both persons hereby agree that they will work out the details of dividing any refund among themselves. The Landlord may pay the refund to any Tenant that is a signatory to this Agreement.

5. **Conditions of Dwelling Unit:** By signing this Agreement the Tenant acknowledges that the Unit is safe, clean, and in good condition. Tenant agrees that all appliances and equipment in the unit are in good working order, except as described in the Unit Inspection Report which is Addendum No. 4 to this Agreement. Tenant also agrees that the Landlord has made no promises to decorate, alter, repair, or improve the Unit, except as listed on the Unit Inspection Report.
6. **Charges for Utilities and Services:** The following chart describes how the costs of utilities and services related to occupancy of the Unit will be paid. Tenant agrees that this chart accurately describes the utilities and services to be paid for by the Landlord (i.e., included in the rent) and those paid for by the Tenant.

<u>Tenant to Pay</u>	<u>Included in Rent</u>
Electricity (within the unit)	Hot & Cold Water
Gas for Cooking & Heating	Sewage Charges
Telephone	Trash Collection
	Cable Television

7. **Defaults.** If Tenant fails to perform or fulfill any obligation under this Agreement, Tenant shall be in default of this Agreement. Subject to any statute, ordinance or law contrary, Tenant shall have three days from the date of the notice of default by Landlord to cure the default. In the event Tenant does not cure a default, Landlord may at Landlord's option (a) cure such default and the cost of such action may be added to Tenant's financial obligations under this Agreement; or (b) declare Tenant in default of the Agreement. In the event of default, Landlord may also, as permit by law, re-enter the Premises and re-take possession of the Premises. The failure of Tenants or their guests or invitees to comply with any term of this Agreements is grounds for termination of the tenancy, with appropriate notice to Tenants and procedures as required by law.
8. **Keys and Locks.** The Tenant agrees not to install additional or replacement locks on any of the doors or windows of the Unit without the prior written approval of the Landlord. If the Landlord approves the Tenant's request to install such locks, the Tenant agrees to provide the Landlord with a key for each lock. When this Agreement ends, the Tenant agrees to return all keys to the dwelling unit and all entry door key cards to the Landlord. The Landlord may charge the Tenant \$20.00 for each key and/or key card not returned. Exterior doors are operated via key card. One key card will be issued to each authorized Tenant. No extra key cards will be allowed at any time. If a key card is lost or stolen, Tenant must immediately notify the resident manager. The replacement fee for a new key card is \$20.00. Key cards reported lost or stolen will be electronically deactivated and will no longer function.
9. **Maintenance and Repair.** Tenant will, at Tenant's sole expense, keep and maintain the Premises in good, clean, and sanitary condition and repair during the term of this Agreement and any renewal thereof. Tenant shall be responsible for making all repairs to the Premises, fixtures, appliances, and equipment therein that may have been damaged by Tenant's misuse, waste, or neglect, or that of

the Tenant's family, agent, or visitor. Tenant agrees that no painting will be done on or about the Premises without the prior written consent of the Landlord. Tenant shall promptly notify the Landlord of any damage, defect, or destruction of the premises, or in the event of the failure of any of the appliances or equipment. Tenant further agrees to (1) keep the unit clean, (2) use all appliances, fixtures, and equipment in a safe manner and only for the purposes for which they are intended, (3) not litter the grounds or common areas of the project, (4) not destroy, deface, damage or remove any part of the unit, common areas, or project grounds, (5) give the Landlord prompt notice of any defects in the plumbing, fixtures, appliances, heating and cooling equipment or any other part of the Unit or related facilities, and (6) remove garbage and other waste from the Unit in a clean and safe manner. Landlord will use its best efforts to repair or replace any such damaged or defective area, appliance, or equipment.

10. **Damages.** Whenever damage is caused by carelessness, misuse, or neglect on the part of the Tenant, his/her family, guests, or licensees, the Tenant agrees to pay (1) the cost of all repairs within 30 days after receipt of the Landlord's demand for repair charges, and (2) rent for the period the Unit is damaged whether the Unit is habitable.
11. **Restrictions on Alterations.** Tenant agrees not to make any improvements or alterations to the Premises without the prior written consent of the Landlord. Without limitation of the foregoing, Tenant agrees not to do any of the following without first obtaining the Landlord's written approval: (1) change or remove any part of the appliances, fixtures, or equipment in the unit, (2) paint or install wallpaper or contact paper in the unit, (3) attach awnings or window guards in the Unit, (4) attach or place fixtures, signs, or fences in the Unit, on the building, or in the common areas, (5) attach any shelves, screens, doors, or other permanent improvements in the Unit, (6) install washing machines, dryers, fans, heaters, or air conditioners in the Unit, (7) place any aerials, antennas or other electrical connections in the Unit. If any alterations, improvements, or changes are made to or built on or around the Premises, except for fixtures and personal property that can be removed without damage to the Premises, they shall become the property of Landlord and shall remain at the expiration of the Agreement, unless otherwise agreed in writing.
12. **General Restrictions.** Tenant shall use the Premises only as a private dwelling and it shall be the principal residence of the Tenant. Tenant agrees to notify the Landlord if any guests will be staying for a period of longer than three (3) days. Tenant agrees not to (a) sublet or assign the unit or any part of the Unit; (b) use the Unit for unlawful purposes; (c) engage in or permit unlawful activities in the Unit, in the common areas, or on the project grounds; (d) have pets or animals of any kind in the Unit without prior permission of the Landlord pursuant to Paragraph 21 herein; (e) make or permit noises or acts that will disturb the rights or comfort of neighbors.
13. **House Rules.** Tenant agrees to comply with the House Rules, Addendum No. 1 to this Agreement and incorporated into this Agreement by reference. Tenant agrees to obey additional rules established after the effective date of this Agreement if the Tenant receives written a notice of the proposed rule at least 30 days before the rule is enforced. Tenant's failure to comply with any provision of the House Rules or any provision of this Agreement shall constitute a material breach of this Agreement for which Landlord may terminate Tenant's right to possession of the Premises and/or forfeit this Agreement in any manner provided by law.
14. **Access by Landlord.** Tenant agrees to make the Premises available to Landlord or Landlord's agent for inspection, making repairs or improvements, or to supply agreed services or show the Premises

to prospective buyers or tenants, or in the case of emergency. Except in the case of emergency, Landlord shall give Tenant reasonable notice of intent to enter. For these purposes, 48-hour notice shall be deemed reasonable. Tenant shall not, without Landlord's prior written consent, add, alter or re-key any locks to the Premises. At all times Landlord shall be provided with a key or keys capable of unlocking all such locks and gaining entry. Tenant further agrees to notify Landlord in writing if Tenant installs any burglar alarm system, including instructions on how to disarm it in the case of emergency entry. If Tenant moves out of the Unit before this Agreement ends, the Landlord may enter the Unit to decorate, remodel, alter or otherwise prepare the Unit for occupancy.

15. **Change in Rental Agreement.** The Landlord may change the terms and conditions of this Agreement. Any changes will become effective only at the end of the initial term or a successive term. The Landlord must notify the Tenant of any change and offer the Tenant a new Agreement or amendment to the existing Agreement. The Tenant must receive the notice at least 30 days before the proposed change becomes effective. The Tenant may accept the changed terms and conditions by signing the new Agreement or the amendment to the existing Agreement and returning it to the Landlord. The Tenant may reject the changed terms and conditions by giving the Landlord written notice that he/she intends to terminate the tenancy. The Tenant must give such notice at least 15 days before the proposed change will go into effect. If the Tenant fails to accept the amended Agreement but does not expressly reject the amended Agreement, the Landlord may deem the Agreement amended or may terminate the Agreement as provided in Paragraph 16.
16. **Termination of Tenancy.** To terminate this Agreement, Tenant must give Landlord 30 days' written notice. If the Tenant does not give the full 30 days notice, the Tenant shall be liable for rent up to the end of the 30 days for which notice was required or to the date the Unit is re-rented, whichever comes first. Any termination of this Agreement by the Landlord must be carried out in accordance with State and local law, and terms of this Agreement.

17. Transfer of Units.

17.1. Effective December 1, 2021, a new policy regarding inter-unit transfers (unit-to-unit) by existing tenants within the Park Vista Senior Housing Facility ("Park Vista") experiencing change of life circumstances ("Change of Life") is hereby enacted as follows:

Recognizing that existing Park Vista tenants will sometimes experience unexpected or dramatic changes in their living situations and that priority should be given to keeping existent tenants within the Park Vista facility if this occurs, the following policy shall be enacted for these Change of Life circumstances:

For purposes of this policy "Change of Life" shall mean:

- a.) Any tenant who experiences a change in marital/partner/co-tenant status (subject to a letter or affidavit from tenant attesting to the change);
- b.) Any tenant who loses 25% or more of their monthly income (subject to a letter or affidavit from tenant attesting to the change);

All tenants experiencing a Change of Life, as defined above, shall have the option of placing themselves on a waiting list so that when a vacancy occurs, they will be given the one-time

opportunity to transfer from a single to one-bedroom unit, or one-bedroom to single unit. Tenants on this Change of Life waiting list shall be given priority over those on the outside new tenant Park Vista waiting list.

Tenants opting to transfer units will pay the current rental rate for the unit being offered to new incoming tenants as of the date the unit becomes available.

If the tenant decides not to transfer to the different unit type, that they will be removed from the inter-unit Change of Life waiting list. They may then elect to place their name on the regular outside new tenant Park Vista waiting list but will be placed at the bottom of the list and will be subject to new incoming tenant rental rates.

Adopted by the Board of the El Segundo Senior Citizens Housing Corporation, effective October 27, 2021.

17.2. Check if applicable.

I understand that Unit No. #_____ is equipped as an ADA-accessible unit and that such units are intended for the benefit of tenants with disabilities that necessitate the degree of accessibility afforded by the ADA modifications. As of the date of execution of this Agreement, I do not suffer from a disability that requires me to be afforded ADA-accessible accommodation. However, I understand that I am being assigned to this unit because it is currently the only vacant Unit available for the size I require. I further understand that if an existing or future Tenant of Park Vista should need an ADA-accessible unit, I may be required to vacate my unit and move into an alternate unit of comparable size within the Park Vista development, which Unit may be in a different area of the building and/or on a different floor. The rental rate for the alternate unit shall be equal to or less than the rental rate provided by this Agreement. I agree to transfer to an alternate unit within 30 days of being so directed by Landlord to make my current unit available for a tenant in need of ADA-accessibility features. Any tenant required to transfer to an alternate unit pursuant to this subparagraph may be reimbursed upto\$300 of the actual cost incurred in moving tenant's furniture and other personal belongings from the original unit to the alternate unit. To be eligible for the reimbursement, the tenant must (1) engage the services of a licensed, bonded moving service, (2) pay the moving service in full for services rendered, and (3) provide management with a copy of the paid invoice. The reimbursement allowed by this subparagraph will be provided in the form of a credit toward the tenant's first month's rent in the replacement unit.

Initials:

Tenant 1

Tenant 2

18. **Parking Space**. This Agreement does not afford Tenant any right to park a vehicle in the parking area of the Premises. Parking spaces are assigned and leased pursuant to a separate Parking Space Agreement.

19. **Estoppel Certificate.** Tenant shall, from time to time, upon written request of the Landlord and within 5 days therefrom, execute, acknowledge, and deliver to Landlord a written statement certifying that this Agreement is not modified, and listing the instruments of modification; The dates to which the rent and other charges have been paid, and whether or not, to the best of Tenant's knowledge, the Landlord is in default hereunder, and if so, specify the nature of the default. It is intended that any such statement delivered pursuant to this paragraph may be relied upon by a prospective purchaser of the Landlord's interest, or mortgage upon Landlord's interest in the property and/or the Premises and Building.
20. **Dangerous Materials.** Tenant shall not keep or have on or around the Premises any item of a dangerous, flammable, or explosive nature that might unreasonably increase the risk of fire or explosion on or around the Premises or that might be considered hazardous by any responsible insurance company.
21. **Pets.** Subject to the approval of the Landlord, Tenant may keep a small household pet pursuant to an Addendum to this Agreement (a Pet Agreement) entered with the Landlord and in compliance with the written Pet Policies and Pet Rules contained in the Resident Handbook.
22. **Waterbeds/Water-filled Furniture.** Tenant may not bring any waterbed or other water-filled furniture on the Premises without obtaining prior written approval of the Landlord. To grant such approval, the Landlord will require evidence from the Tenant in the form of a Certificate of Waterbed Liability insurance or other similar insurance policy covering damages resulting from leakage or failure of the waterbed or other water-filled furniture with a coverage amount of no less than \$100,000 with the Landlord named as an additional insured. Any such policy shall also, by its terms, provide that such policy shall not lapse without first providing Landlord with 30 days' written notice. Landlord reserves all discretion to deny Tenant's request to bring a waterbed or other water-filled furniture on the Premises.
23. **Waiver of Default.** Landlord's failure to require strict compliance with the conditions of this Agreement or the provisions of any addenda hereto or to exercise any right provided herein or by any addenda hereto, shall not be deemed a waiver by the Landlord of such provision, condition or right. Landlord's acceptance of rent with knowledge of any default hereunder by Tenant shall not be deemed a waiver of such default, nor limit the Landlord's rights with respect to that or any subsequent default.
24. **Abandonment.** In the event of abandonment of the Unit by Tenant, the Landlord shall have the option, at the Landlord's discretion, to regain possession and terminate this Agreement or to continue to hold the Tenant liable for the rent and/or damages until the Unit is relet pursuant to California Civil Code Sections 1951.2.
25. **Fumigation.** If it is necessary to vacate the Unit for the removal of termites or other pests, Tenant agrees to temporarily vacate the Unit, as requested, for that period necessary to complete the fumigation upon reasonable written notice. In such event, the Landlord agrees to provide suitable, clean accommodations at a local motel or hotel for the Tenant named herein for the period necessary to complete the fumigation. Whether or not the Unit must be vacated, Tenant agrees to comply with all instructions and requirements of the fumigation company about the preparation of the Unit for fumigation and Tenant agrees to do so at no expense to the Landlord. Such preparation shall include but not be limited to the removal of food and other items as necessary to avoid

contamination or another health hazard.

26. **Guarantor.** In the event Landlord shall require a Guarantor (co-signer) for the obligations of Tenant, a suitable Guarantor shall execute a Continuing Guarantee form to be furnished by the Landlord. Said Guarantee shall be an integral part of this Agreement. Tenant agrees to keep Guarantor notified and informed of any default by Tenant.
27. **Attorney Fees.** In the event of any legal action by the parties arising out of this Agreement, the losing party shall pay the prevailing party reasonable attorneys' fees and costs in addition to all other relief.
28. **Entire Agreement/Severability.** This Agreement and its Addenda make up the entire agreement between the Tenant(s) and the Landlord. If any Court declares a provision of this Agreement to be invalid or illegal, all other terms of this Agreement will remain in effect and both the Landlord, and the Tenant will be bound by them.
29. **Notice:** Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet website maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides.
30. **Independent Living Facility.** Tenant understands and agrees that Park Vista is an apartment facility for seniors who can live independently; it is not a nursing home, assisted living, or healthcare facility. Each resident must be physically and mentally able to manage his or her own affairs and life, keeping his or her Unit in a clean and healthful condition, and maintaining themselves in a clean and socially acceptable condition. Tenant understands and agrees that, if at any time during the term of the Agreement he or she reaches a point of mental or physical disability rendering him or her incapable of living independently, the Resident will seek the care and supervision necessary to ensure Tenant is properly cared for at all times and to ensure that the health and safety of other residents are in no way compromised as a result of Tenant's physical or mental disability. Tenant agrees and understands that any resident or nonresident caregiving arrangements must be consistent with this Agreement and with the terms of the Resident Handbook and the House Rules. Tenant further understands and agrees to hold the El Segundo Senior Citizens Housing Corporation, the City of El Segundo, and their respective officers, officials, agents, contractors, employees, and volunteers harmless from all liabilities, claims for damages, charges, expenses, and costs arising from or related to any physical or mental disability of Tenant, however occurring.

Resident 1 Initials: _____

Resident 2 Initials: _____

31. **No Smoking.** Tenant understands and agrees that Park Vista is a smoke-free facility, and that smoking is prohibited in individual units as well as in all common areas.
32. **Insurance.** Landlord and Tenant shall each be responsible for maintaining appropriate insurance for their respective interests in the Premises and property located on the Premises. **Tenant**

understands that Landlord will not provide any insurance coverage for Tenant's property. Landlord will not be responsible for any loss of Tenant's property, whether by theft, fire, riots, strikes, acts of God, or otherwise. Landlord encourages Tenant to obtain renter's insurance or other similar coverage to protect against the risk of loss.

33. **Income/Net Worth Qualification.** Park Vista is an affordable senior living facility intended only for those households with combined net worth and annual incomes under a specified threshold. For a one-person household, five percent of the resident's total net worth plus the resident's annual income cannot exceed \$45,000. For a two-person household, five percent of the primary and co-residents' combined net worth plus the primary and co-residents combined annual income cannot exceed \$50,000. Each undersigned Tenant warrants that his/her total household income/net worth does not exceed the defined threshold and understands that exceeding the defined income/net worth threshold constitutes a material breach of this agreement by all the undersigned tenants which may be grounds for eviction. Each undersigned tenant agrees to inform Park Vista management if at any time the household income/net worth exceeds the amounts prescribed herein. Each Tenant further agrees to provide management with all documentation necessary in management's discretion to verify the household income/net worth qualifications. Said documentation shall be provided within seven days of any request by management. Failure to comply with any term of this paragraph constitutes a material breach of this Agreement.
34. **Primary Residence.** Tenant understands that Park Vista is intended to provide a primary residence only. A primary residence for purposes of this paragraph is the residence where Tenant resides a minimum of 75% of each calendar year. **Absences due to hospitalization or other necessary medical treatment shall not be considered as absences for purposes of this requirement.**
35. **Addenda to this Agreement.** Tenant certifies that he/she has received a copy of this Agreement and the following Addenda and understands that these Addenda are incorporated into any part of this Agreement:
- a. Addendum No.1 - House Rules
 - b. Addendum No. 2 – Pet Agreement (if applicable)
 - c. Addendum No. 3 – Move-In & Move-Out Procedures
 - d. Addendum No. 4 – Unit Inspection Report

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed the day and year first above written.

TENANT 1

Signature

Date: _____

Printed Name

TENANT 2

Signature

Date: _____

Printed Name

LANDLORD

By: _____

Date: _____

It's: _____

Park Vista Rental Agreement Addendum No. 3

MOVE-IN AND MOVE-OUT PROCEDURES

Tenant hereby agrees to all the following terms and conditions regarding procedures to be followed during moving Tenant's personal property into and out of Park Vista:

Move-In Procedures:

1. Upon execution of the Rental Agreement and by prior appointment with the Site Manager, Tenant may move into Park Vista Monday through Friday between the hours of 9: 00a.m. and 5: 00p.m. only. Moving is to be conducted by utilizing the back elevator only.
2. On the date of move-in and prior to bringing any of the Tenant's personal property into Park Vista, Tenant and/or the Tenant's movers, family members, or other persons assisting the new Tenant in the move-in (hereinafter "Tenant's Agents") will go to the Manager's Office and meet with the Site Manager or an Assistant to the Site Manager. At that time, the Tenant and/or Tenant's Agents will be shown the route to be followed during the move-in. A Park Vista staff member will then accompany the new Tenant and/or Tenant's Agents along the move in route pointing out certain areas which must be protected from any damage during the move-in. These areas include, but are not limited to, the following: elevators, hallway walls, chair rails, handrails, walkways, doors, carpets, tile, and hard flooring.
3. Tenant and/or Tenant's Agents shall always follow the prescribed route and only the prescribed route in moving in all personal belongings.
4. Tenant and/or Tenant's Agents may, upon specific prior approval of the Site Manager, bring automobiles, pickup trucks and/or vans into one or both garages, and unload the Tenant's personal property from such vehicles. However, no trucks larger than a pick-up truck or van shall be allowed into any garage at any time.
5. Under no circumstances shall any personal property of any kind be moved in through any window, over an apartment balcony or through an apartment patio.
6. No elevator shall be used at any time without the installation of an elevator pad by a Park Vista Staff person. Arrangements for installation of elevator pad shall be made by the new Tenant with the Site Manager at the time of the original meeting set forth in Paragraph 2.
7. Immediately upon completion of the move-in, the new Tenant and/or Tenant's Agents shall contact the Site Manager to advise that the move-in has been completed and to request an inspection of the move-in route. At this time, the Site Manager will walk the entire route of move-in with the new Tenant and/or Tenant's Agents and will note any damages which may have been done by the new Tenant and/or Tenant's Agents during the move-in. At that time, the Site Manager will prepare, sign and date an Inspection Report noting in detail the nature of all damage if any. This report will be presented to the new Tenant for signature acknowledging that the damage did occur during the

move-in and was in fact, the responsibility of the new Tenant. The Site Manager will determine the cost of damages done during the move-in and will present a statement of charges to the new Tenant for the cost of all such damages as soon as practicable.

8. Tenant must pay Landlord the cost of all such damages within seven working days of the date that the statement of charges is presented. If Tenant fails to make such payment in full within seven working days, the Site Manager may withdraw this amount from the Security Deposit of the Tenant and the Tenant will be required to restore the full amount of the security deposit pursuant to the terms of the Rental Agreement. If the security deposit is not enough to cover the total amount of the cost of repairs, Tenant shall pay the entire amount in full within seven days of being presented with the statement of charges or shall be in material breach of the Rental Agreement and subject to eviction. Failure of the new Resident to restore the full amount of the security deposit and/or pay the amount of any shortfall shall be considered a breach of the Rental Agreement and grounds for eviction pursuant to the terms of the Rental Agreement and applicable laws.

Move-Out Procedures:

Tenant shall follow the Move-In procedures as applicable when moving out of Park Vista.

Tenant to all the above terms and conditions.

TENANT 1

Signature

Date: _____

Printed Name

TENANT 2

Signature

Date: _____

Printed Name

UNIT NO. _#

**PARK VISTA
EL SEGUNDO SENIOR HOUSING CORPORATION**

STATE OF AUTHORIZATION AND RESPONSIBILITY

RESIDENT'S NAME _____ TELEPHONE _____

CURRENT ADDRESS _____

DATE _____

I, _____ (signature of resident), agree that the below named individual or agency has authorization, if I should ever become unable to care for myself, to arrange for housekeeping assistance when needed. I further agree that the below-named sponsor has authorization for moving me out of my apartment if such action should become necessary. I further agree that, in the event of my death, management shall authorization to release all my belongings in my apartment to the below-named individual or agency.

I, _____ (Signature of responsible party), agree to be responsible for the care of the above named resident if he/she should ever become unable to care for self and to arrange for housekeeping assistance if and when needed, and further agree to be responsible for moving him/her out of his/her apartment if such action should become necessary. I further agree that, in the event of his/her death, to be responsible for removing all belongings from his/her apartment.

NAME _____ DATE _____

HOME ADDRESS _____

TELEPHONE _____

BUSINESS ADDRESS _____ TELEPHONE _____

CONFIDENTIAL

EMERGENCY MEDICAL FORM

FOR PARAMEDICS AND EMERGENCY HOSPITAL ADMISSION

The purpose of this form is to provide medical information in case of emergency. It will be kept in your file unless Paramedics need it. If the Paramedics respond to a call, they will be given a copy to aid in your care.

NAME of RESIDENT or EMPLOYEE _____

SOCIAL SECURITY NUMBER _____ DATE OF BIRTH _____

CALIFORNIA DRIVERS LICENSE NO _____

HOME ADDRESS

HOME TELEPHONE NUMBER () _____

MEDICAL INSURANCE CARRIER _____

POLICY NUMBER _____

PERSONAL PHYSICIAN _____

PHYSICIAN'S TELEPHONE NO. _____

MEDICATIONS: Please list all medications you are taking and the medical problem you are taking them for. The Paramedics will need this information.

MEDICATION TAKEN	for	MEDICAL PROBLEM
_____		_____
_____		_____
_____		_____
_____		_____
_____		_____

DO YOU HAVE:

Diabetes YES _____ NO _____
Heart Condition YES _____ NO _____
High Blood Pressure YES _____ NO _____
Dizzy Spells YES _____ NO _____

Allergies YES _____ NO _____
(List below)

OTHER MEDICAL PROBLEMS THE PARAMEDICS SHOULD BE AWARE OF:

PERSONS TO NOTIFY IN THE EVENT OF AN EMERGENCY:

NAME: _____
PHONE: () _____

RELATIONSHIP: _____
ADDRESS: _____

NAME: _____
PHONE: () _____

RELATIONSHIP: _____
ADDRESS: _____

NAME: _____
PHONE: () _____

RELATIONSHIP: _____
ADDRESS: _____

BED BUG INFESTATION ADDENDUM

1. Renter acknowledges that there is no evidence of BED BUG infestation of the Premises as of Renter’s move-in date and it shall be Renter’s obligation to notify Owner immediately of any subsequent discovery of any evidence of any such infestation and to comply with any extermination instructions. Renter warrants that all furnishings and personal property moved into the Premises by Renter are free of BED BUG infestation. Any BED BUG infestation discovered after 45 days of Renter’s move-in date shall be presumed to be attributable to Renter’s use of the Premises and Owner may deduct the reasonable cost of any BED BUG extermination work from Renter’s Security Deposit.

2. Renter has the following obligations to prevent and control possible BED BUG infestation of the Premises:
 - a. To inspect all of Renter’s furnishings and personal property, including beds, bedding, and upholstered furniture, intended to be used, and used, in the Premises, and on taking occupancy of the Premises, to take whatever extermination measures are necessary to guarantee that they are free of “hitchhiking” BED BUGS.

 - b. To inspect clothing, luggage, shoes, and personal possessions for signs of BED BUG infestation and to take whatever extermination measures are necessary to guarantee that they are free of BED BUGS, on re-occupying the Premises, if Renter stays in a hotel or other off-site accommodation or after guests visit the Premises.

 - c. To inspect clothing, backpacks, and shoes for signs of BED BUG infestation and to take whatever extermination measures are necessary to guarantee that they are free of BED BUGS after Renter uses public transportation or any public accommodation, including theaters.

 - d. To indemnify and hold Owner harmless from all loss, cost, and expense, including reasonable attorneys’ fees, caused by a negligence of Renter or Renter’s guest in adhering to these obligations. Any recovery of attorney's fees by either Owner or Renter for damages related to BED BUG infestation shall be limited to \$500.00.

 - e. To carry such insurance on Renter’s personal property as may be necessary to cover any loss of such personal property as the result of BED BUG infestation.

DATE: _____

Renter

Renter

Park Vista Rental Agreement Addendum No. 1

HOUSE RULES

(Please note: These House Rules are part of your Rental Agreement. Violation of these rules or engaging in any activity which endangers the health, safety or general welfare of the Residents of Park Vista may be grounds for termination of your Rental Agreement.)

1. Locks and Keys
 - a. One key will be furnished to each Tenant for his or her Unit and for the mailbox. Each Tenant will receive one key for access to the building.
 - b. You MAY NOT alter any lock or install additional devices on any door on the premises without the prior written approval of the Landlord.
 - c. No spare key cards for access to the building shall be issued under any circumstances.
 - d. If you lose your key/key card or find yourself locked out, call the office. A charge of \$20 will be made for replacement of lost keys. There are no refunds for key replacement, even if the misplaced key is recovered by the Tenant. If a lockout occurs outside of normal business hours, Monday through Friday, Tenant will be required to enlist the services of Industrial Lock and Key, or other locksmith later designated by Landlord, to assist in gaining entry to the unit. After hours lockouts can cost more than \$150.00.
 - e. If a key is lost or stolen, you must notify the resident manager immediately. There will be a charge of \$20 to replace lost or stolen key cards. There are no refunds for key card replacement costs, even if the misplaced key card is later recovered by the Tenant.
2. Noise. Radios, televisions, VCR's, musical instruments, compact disc players, tape decks, or phonographs should be operated at a low sound level for your neighbor's comfort. If you have difficulty hearing, consider purchasing headphones for your set. You will hear better, and your neighbors will not be disturbed.
3. Guests.
 - a. Visitors are welcome to stay overnight with you. If their stay will be longer than three days, please notify the resident manager.
 - b. Children. Please keep your eye on "little" guests. The halls, elevators, stairwells, etc. are not play areas. It is your responsibility to control the actions of your visiting children. Residents are not permitted to baby-sit on a regular basis (i.e., provide day care or full-time care).
4. Proper Attire. Please be certain you are fully dressed when entering the public areas of the building.

5. Balconies.

- a. You are responsible for cleaning your own balcony and keeping it free of all leaves, papers, and other debris.
- b. You may not use your balcony as a storage area for boxes, trunks, sheds, storage containers or structures, or household items such as towels, mops, brooms, etc.
- c. Personal barbeques are not permitted.
- d. Balconies are not to be used to dry or air clothing items.
- e. Balconies may be carpeted except over drainage areas. Any Resident who carpets his/her balcony shall be responsible for the cost of repairing any damage caused by the carpeting.
- f. Furniture other than patio furniture is not permitted.
- g. Residents may place plants on their balconies. The total weight of all plants on any balcony cannot exceed twenty pounds.
- h. Residents may not hang decorations such as lights or items that may chip paint along the rails.
- i. The accumulated weight of items on the balcony cannot exceed twenty pounds per square foot.

6. Move-In/Move-Out

- a. Moving of furniture and household goods into and out of Units must be prescheduled with the office.
- b. Damage done to Unit or any part of the common areas, i.e. doors, walls, elevators, etc. while moving in or out of units, is the responsibility of the Resident. Resident will be charged for the cost of repair (cost to be evaluated by manager).

7. Damage. The Resident will be responsible for damage to building and grounds, etc. caused by Resident or his guests.

8. Inspection.

- a. Inspection of units will be conducted annually by management to look for possible fire hazards and to make sure plumbing, appliances, etc. are working in top condition.
- b. You will be given at least 48 hours notice of these inspections.
- c. Residents are requested to be home and to participate in this process.

9. Maintenance.

- a. A clean unit, free of hazards, is a safe apartment.
- b. Always use non-abrasive cleaners on your bathtub, lavatories, counters, or appliances.
- c. Replacement of light bulbs is your responsibility, except where a ladder is required. Call the resident manager if you need help installing them.
- d. Overhead fluorescent bulbs in the kitchen will be replaced by management personnel. Please notify the resident manager if you have a fluorescent bulb that needs replacement.

10. Solicitors.

- a. Solicitation of any kind is strictly prohibited unless approved by the management.
- b. If solicitors appear on the premises, the manager should be advised as soon as possible.
- c. No signs or advertising materials may be posted anywhere, unless approved by the management.

11. Security

- a. NEVER prop open any of the entrance or exit doors to the building.
- b. IMMEDIATELY report any suspicious person, strange vehicle, or unusual activity to the resident manager. Should you personally observe anyone placing items on the entrance doors (or gates) to give free access to persons from outside, please call the manager immediately.
- c. The Landlord's insurance does not cover your belongings. We recommend you carry "renters' insurance" for your personal possessions.
- d. The Landlord is not required to put residents in a hotel during an emergency.
- e. Delivered items, left in corridors or public areas, will not be the responsibility of the management,
- f. All residents must provide the resident manager with their current phone number(s).

12. Unit Alterations and Modifications. No changes may be made to your unit without prior written approval from the Landlord (e.g. painting, wallpaper, contact paper, glue-down carpeting, shelving, screen doors, blackout shades, drapes, etc.).

13. Changes Inside the Unit. A resident may change certain items in the unit, such as the carpet or refrigerator, at his or her expense by following these steps:

- i. Make a written request for the change to site manager.
- ii. Have the site manager approve the replacement item (i.e.), approve the make and model of the frost-free refrigerator or the weight and color of the carpet,

prior to purchase of replacement items. (Replacement items must be of a quality equal or greater than the original item).

- iii. Resident must dispose of the original item being replaced. The resident may sell the item being replaced.

All replacement items become the property of Park Vista when the resident moves out.
Park Vista will not be responsible for any expenses related to installation of replacement items.

14. Carpets. All carpeting is furnished with the unit. Please take measures to ensure that the carpeting is properly cared for and is kept clean. Do not shampoo the carpet yourself. If you wish to have your carpet cleaned, contact the office and arrangements will be made at your expense. Only approved cleaning methods and companies will be allowed.
15. Pictures and Mirrors. Residents are responsible for installation of pictures, mirrors, and other decorations within their units. Residents shall be responsible for the costs to repair any damage caused by such installation.
16. Assigned Parking.
 - a. Storage of personal belongings is not allowed in parking areas.
 - b. If someone else's car is parked in your assigned space and you report this to the resident manager, the illegally parked car will be towed away at the owner's expense.
 - c. You must always lock your vehicle. Park Vista is not responsible for any vehicle or its contents.
 - d. No repair work or washing of vehicles is permitted in the parking areas.
 - e. Residents are responsible for keeping their assigned parking spaces free of debris and leakage of fluids.
 - f. Vehicles that are inoperable, have outdated registration tags or are not being driven regularly must be removed from the parking area.
 - g. Vehicles with fluid leakage must either be (a) removed from the premises or (b) have a drip pan placed under the vehicle pending repairs, (14 days maximum). The drip pan must hold absorbent material such as kitty litter and be emptied and cleaned in a manner consistent with all applicable laws and regulations, by the vehicle owner, as often as necessary.
17. No Smoking. Park Vista is a smoke-free facility and smoking is prohibited in individual units and in all common areas.
18. Miscellaneous.
 - a. Notify the manager of burned out exterior lights, faulty locks, doors, gates, etc.

- b. If you are planning to be away for an extended period, tell the manager and a trusted neighbor. STOP deliveries of newspapers, etc. Upon request, the Post Office will hold your mail.
- c. Additional Rules: Residents will be governed by such additional published House Rules as the Board of Directors may, from time to time, deem necessary for the best interests of all concerned.

PARK VISTA HOUSE RULES AFFIDAVIT

I have read and understand the above Park Vista House Rules and agree to comply fully with all provisions. I understand that failure to comply is a breach of my rental agreement and shall constitute grounds for termination of my tenancy.

TENANT 1

Date: _____

Signature

Printed Name

TENANT 2

Date: _____

Signature

Printed Name

Unit Number: # _____

Witness: The above-named resident has signed this affidavit in my presence.

NAME: _____

TITLE: _____

DATE: _____

Park Vista Rental Agreement Addendum No. 4

Unit Inspection Report

The Premises should be inspected immediately before the Lease is signed or the premises are occupied

Address of Premises:		Unit No.
Move in date	Move out date	
Inspected by (for Landlord)	Inspected by (for Tenant)	

	MOVE-IN		Comments	MOVE-OUT		Comments
	OK	NO		OK	NO	
Bedroom 1	<input type="radio"/>	<input type="radio"/>	_____	<input type="radio"/>	<input type="radio"/>	_____
Bedroom 2	<input type="radio"/>	<input type="radio"/>	_____	<input type="radio"/>	<input type="radio"/>	_____
Bedroom 3	<input type="radio"/>	<input type="radio"/>	_____	<input type="radio"/>	<input type="radio"/>	_____
Bathrooms	<input type="radio"/>	<input type="radio"/>	_____	<input type="radio"/>	<input type="radio"/>	_____
Entry Area	<input type="radio"/>	<input type="radio"/>	_____	<input type="radio"/>	<input type="radio"/>	_____
Living Areas	<input type="radio"/>	<input type="radio"/>	_____	<input type="radio"/>	<input type="radio"/>	_____
Balcony	<input type="radio"/>	<input type="radio"/>	_____	<input type="radio"/>	<input type="radio"/>	_____
Carpeting	<input type="radio"/>	<input type="radio"/>	_____	<input type="radio"/>	<input type="radio"/>	_____
Ceilings	<input type="radio"/>	<input type="radio"/>	_____	<input type="radio"/>	<input type="radio"/>	_____
Closets	<input type="radio"/>	<input type="radio"/>	_____	<input type="radio"/>	<input type="radio"/>	_____
Dishwasher	<input type="radio"/>	<input type="radio"/>	_____	<input type="radio"/>	<input type="radio"/>	_____
Disposal	<input type="radio"/>	<input type="radio"/>	_____	<input type="radio"/>	<input type="radio"/>	_____
Drapes / Blinds	<input type="radio"/>	<input type="radio"/>	_____	<input type="radio"/>	<input type="radio"/>	_____
Doors	<input type="radio"/>	<input type="radio"/>	_____	<input type="radio"/>	<input type="radio"/>	_____
Fireplace	<input type="radio"/>	<input type="radio"/>	_____	<input type="radio"/>	<input type="radio"/>	_____
Lights	<input type="radio"/>	<input type="radio"/>	_____	<input type="radio"/>	<input type="radio"/>	_____
Locks	<input type="radio"/>	<input type="radio"/>	_____	<input type="radio"/>	<input type="radio"/>	_____
Patio	<input type="radio"/>	<input type="radio"/>	_____	<input type="radio"/>	<input type="radio"/>	_____
Refrigerator	<input type="radio"/>	<input type="radio"/>	_____	<input type="radio"/>	<input type="radio"/>	_____
Screens	<input type="radio"/>	<input type="radio"/>	_____	<input type="radio"/>	<input type="radio"/>	_____
Storage	<input type="radio"/>	<input type="radio"/>	_____	<input type="radio"/>	<input type="radio"/>	_____
Stove	<input type="radio"/>	<input type="radio"/>	_____	<input type="radio"/>	<input type="radio"/>	_____
Walls	<input type="radio"/>	<input type="radio"/>	_____	<input type="radio"/>	<input type="radio"/>	_____
Windows	<input type="radio"/>	<input type="radio"/>	_____	<input type="radio"/>	<input type="radio"/>	_____
Window coverings	<input type="radio"/>	<input type="radio"/>	_____	<input type="radio"/>	<input type="radio"/>	_____
Yard	<input type="radio"/>	<input type="radio"/>	_____	<input type="radio"/>	<input type="radio"/>	_____
_____	<input type="radio"/>	<input type="radio"/>	_____	<input type="radio"/>	<input type="radio"/>	_____
_____	<input type="radio"/>	<input type="radio"/>	_____	<input type="radio"/>	<input type="radio"/>	_____
_____	<input type="radio"/>	<input type="radio"/>	_____	<input type="radio"/>	<input type="radio"/>	_____
_____	<input type="radio"/>	<input type="radio"/>	_____	<input type="radio"/>	<input type="radio"/>	_____
_____	<input type="radio"/>	<input type="radio"/>	_____	<input type="radio"/>	<input type="radio"/>	_____
_____	<input type="radio"/>	<input type="radio"/>	_____	<input type="radio"/>	<input type="radio"/>	_____
_____	<input type="radio"/>	<input type="radio"/>	_____	<input type="radio"/>	<input type="radio"/>	_____

NOTES:

Landlord and Tenant have inspected the Premises on _____ (Date). The move-in conditions are those noted on this inspection as shown above. The parties further agree that a copy of this Joint inspection was provided to Tenant.

Tenant: _____

Acknowledged by Landlord: _____

Park Vista Rental Agreement Addendum No.2

PET AGREEMENT

THIS PET AGREEMENT is made and entered into this ____ day of _____, 20____, by and between the El Segundo Senior Citizen Housing Corporation (hereinafter referred to as "Landlord") and _____ (hereinafter referred to as "Tenant" or "Resident").

WITNESSETH:

WHEREAS, Residents of Park Vista are permitted to keep certain household pets in their dwelling units (subject to Park Vista's Pet Rules, which are incorporated herein by reference and attached hereto as Exhibit A), and

WHEREAS, Tenant hereby agrees to comply with these Pet Rules, and

WHEREAS, violation of these rules by the Tenant may be grounds for removal of the pet or termination of the pet owner's tenancy (or both) in accordance with the terms of the Rental Agreement and State or local law,

NOW THEREFORE, in consideration of the mutual agreements herein contained, Landlord and Tenant hereby covenant and agree with each other as follows:

1. In addition to other inspections permitted under the Rental Agreement, the Landlord may, after reasonable notice to the Tenant during reasonable hours, enter and inspect the premises. Inspections under this section shall only be made if the Landlord has received a signed, written complaint alleging (or the Landlord has reasonable grounds to believe) that the conduct or condition of a pet in the dwelling constitutes, under applicable State or local law, a nuisance or a threat to the health or safety of the occupants of the building or other persons in the City of El Segundo.
2. If there is no State or local authority authorized under applicable State or local law to remove a pet that becomes vicious, displays symptoms of severe illness, or demonstrates other behavior that constitutes an immediate threat to the health or safety of the tenants as a whole, the Landlord may enter the premises (if necessary), remove the pet, and take such action with respect to the pet as may be permissible under State and local law, which may include placing it in a facility that will provide care and shelter for a period of time not to exceed thirty (30) days. The Landlord may enter the premises and remove the pet or take such other permissible action only if the Landlord requests that the Tenant remove the pet from the premises immediately, and the Tenant refuses to do so, or if the Landlord is unable to contact the pet owner to make such a request for removal.
3. Tenant agrees to pay a deposit of \$200.00 for each cat and dog prior to occupancy by the Tenant's pet. The deposit will be used as specified in the Pet Rules, attached hereto as Exhibit A and incorporated herein by reference.

4. Refund Policy

- 4.1 A Pet Deposit may be refunded only upon end of tenancy; regardless of whether the pet(s) has/have permanently vacated the unit prior to the end of the tenancy. A request for refund of a pet deposit must be in writing and delivered to the manager. Upon receipt of the refund request, the manager will contact the tenant to arrange a mutually agreeable date and time to perform an inspection of the unit to assess whether any damage beyond normal wear and tear has been caused by the pet(s).
 - 4.2 If the manager's inspection reveals damage to the unit beyond normal wear and tear and likely the result of the pet(s), the tenant will, if he or she so requests, be given the opportunity to repair the damage in a manner acceptable to the manager. A second inspection will occur after repairs have been undertaken. If the manager's inspection reveals no damage to the unit as a result of the pet(s), the manager will report the finding to the main office and recommend that the pet deposit be returned in full, less the cost of fumigation as provided in the Pet Rules. The remainder of the deposit will then be refunded within 21 days.
 - 4.3 If the manager's inspection reveals damage to the unit beyond normal wear and tear and likely the result of the pet, and the tenant chooses not to remediate the damage, the tenant will forfeit the amount of the deposit required to make necessary repairs or perform the required cleaning, Any excess deposit not expended to clean or repair damage to the unit or to fumigate the unit will be returned to the tenant within 21 days of completion of the repairs.
5. Pet License/Vaccination Certificate. Tenant agrees to provide a vaccination certificate from a licensed California veterinarian demonstrating that the pet (dog or cat) is current on all vaccinations necessary to protect other tenants and other tenants' pets from communicable disease. Tenant agrees to keep all vaccinations current during the pet's stay in the Unit and to provide Landlord with updated vaccination certificates as necessary. If a pet license is required by law, Tenant agrees to obtain and keep current any such license and to provide Landlord with a current copy of same.

I UNDERSTAND THAT MY LIABILITY FOR DAMAGES CAUSED BY PETS AND PET-RELATED ITEMS IS NOT LIMITED TO THE AMOUNT OF THE LANDLORD FOR THE TOTAL ACTUAL COSTS INCURRED IN REMEDICATING DAMAGE CAUSED BY THE PET(S).

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed the day and year first above written.

TENANT 1

Date:

Signature

Printed Name

TENANT 2

Date:

Signature

Printed Name

LANDLORD

Date:

Signature

Printed Name

ATTACHMENTS:

- Pet Rules
- Pet Registration Form

EXHIBIT A

PET RULES

- A. Prior to accepting a pet for residency at Park Vista, the pet owner and the Landlord must enter into a PET AGREEMENT. In addition, the pet owner must submit a PET REGISTRATION form and a VACCINATION CERTIFICATE, all of which are available from the Site Manager. The Pet Registration form must be updated annually and the pet's vaccinations must be kept current.
- B. The following types of common household pets will be permitted under the following criteria:
- a. Dogs:
 - i. Maximum number - one
 - ii. Maximum adult weight - 25 lbs. (does not apply to service dogs)
 - iii. Must be housebroken
 - iv. Must be spayed or neutered
 - v. Must have all required vaccinations
 - vi. Must be licensed
 - b. Cats:
 - i. Maximum number - one
 - ii. Must be spayed or neutered
 - iii. Must have all required vaccinations
 - iv. Must be trained to use a litter box
 - c. Birds:
 - i. Maximum number - two
 - ii. Must be maintained inside of cage at all times
 - d. Fish:
 - i. One aquarium - Maximum size of 20 gallons
 - ii. Must be maintained on approved stand
- C. Deposits:
- a. A pet deposit of \$200 shall be required for each cat and dog, except for service animals. This amount can be paid gradually through an initial payment of \$50.00 when the pet is brought onto the premises, and subsequent monthly payments of \$25.00 per month until the full amount is reached.
 - b. The Resident's liability for damages caused by his/her pet is not limited to the amount of the pet deposit and the Resident will be required to reimburse the Landlord for the actual cost of any and all damages caused by the pet where the cost exceeds the amount of the pet deposit.

- c. All units occupied by a dog or cat will be fumigated upon being vacated at the pet owner's cost. Infestation of a unit by fleas carried by the pet shall be the responsibility of the pet owner. Infestation of adjacent units or common areas attributable to a specific pet shall be the responsibility of the pet owner who shall be liable for the cost of correcting the infestation.
- D. Dogs and cats shall be maintained within the Resident pet owner's unit. When outside, the pet shall be kept on a leash and under the control of the Resident AT ALL TIMES. Under no circumstances shall any cat or dog be permitted to roam free in any common area.
- E. Each dog must wear a dog license tag. In addition, each dog and cat must wear an identification tag with the owner's name, telephone number and/or address, including apartment number.
- F. All animal waste and litter from cat litter boxes shall be picked up immediately by the pet owner and disposed of in sealed plastic trash bags and placed in the main trash collection bin. Cat litter shall be changed at least every two days. Cat litter shall NOT be disposed of by flushing down toilets. Charges for unclogging toilets or clean-up of common area required because of attributable pet waste shall be billed to and paid by the Resident pet owner. No pet owner shall permit his/her pet to leave any waste in any part of the exterior or interior of the common area.
- G. Resident pet owner is responsible for immediately cleaning up any dirt tracked through the common area lobby, halls, or elevator by his/her pet.
- H. Pet owners shall keep their pets under control at all times. Pet owners shall assume sole responsibility for liability arising from any injury sustained by any person attributable to their pet. The Pet Owner further understands and agrees to hold the El Segundo Senior Citizens Housing Corporation, the City of El Segundo, Park Vista's Management Company, and their respective officers, officials, agents, contractors, employees and volunteers harmless from all liabilities, claims for damages, charges, expenses and costs arising from or related to any action of any pet or animal brought onto the premises by the Resident Pet Owner, however occurring. ANY PET THAT CASUES BODILY INJURY TO ANY RESIDENT, GUEST, OR STAFF MEMBER MAY BE IMMEDIATELY AND PERMANENTLY REMOVED FROM THE PREMISES WITHOUT PRIOR NOTIFICATION TO THE RESIDENT PET OWNER.
- I. Resident Pet Owner agrees to control the noise of his/her pet such that it does not constitute a nuisance to other Residents. Failure to so control pet noise may result in the removal of the pet from the premises.
- J. All Resident Pet Owners shall provide adequate care, nutrition, exercise, and medical attention for their pets. Pets which appear to be poorly cared for or which are left unattended for a period longer than allowed under the pet rules will be

reported to SPCA or other appropriate authority and may be removed from the premises at the Pet Owner's expense.

- K. In the event that a Resident Pet Owner is unable to care for his/her pet due to sudden illness, death or other incapacity, Management shall contact those persons identified on the PET REGISTRATION form to care for the pet. In the event that such persons cannot be contacted, management shall have the right to provide reasonable care for the pet either on or off the premises, and all cost of such care shall be the responsibility of the Resident Pet Owner. In the event that the caretaker designated in any written instructions fails to assume custody of the pet in a timely manner, management shall have the right to deliver the pet to the proper animal control authorities.
- L. Resident Pet Owners acknowledge that other Residents may have chemical sensitivities or allergies related to pets or are easily frightened by such animals. Accordingly, Resident Pet Owners shall exercise common sense and common courtesy with respect to such other Residents' right to peaceful and quiet enjoyment of the premises.
- M. In addition to reasons stated elsewhere herein and in addition to any remedies afforded by law, Management may take steps to require the removal of a pet from the premises, after proper notification, on a temporary or permanent basis for the following causes:
 - a. Creation of a nuisance
 - b. Excessive pet noise or odor
 - c. Unruly or dangerous behavior
 - d. Excessive damage to the Resident's apartment unit and/or Park Vista common areas
 - e. Repeated problems with vermin or flea infestation
 - f. Failure of the Resident to provide for adequate care of his/her pet
 - g. Leaving a pet unattended for more than 12 hours
 - h. Failure of the tenant to provide adequate and appropriate vaccination of the pet
 - i. Resident death and/or serious illness
 - j. Failure to observe any other rule contained herein and not here listed.
- N. Pets of visitors/guests are not allowed, with the exception of service animals.
- O. Birds must be kept caged at all times. Bird waste must be disposed of in sealed plastic trash bags and placed in main trash bin. Excessive noise is not permitted.
- P. Fish aquariums shall not exceed 20 gallons and shall be placed on a management-approved stand in a safe location within the unit. Costs to repair water damage to walls, carpet, flooring or the ceiling of the unit below caused by breakage or spillage of or from the aquarium shall be the responsibility of the Resident. Resident must provide proof of insurance for water-filled furniture prior to bringing an aquarium on the premises.

Q. In the event that any pet owner violates these Pet Rules, management shall provide notice of such violation as follows:

a. CREATION OF A NUISANCE

- i. The owner of any pet which creates a nuisance upon the grounds or by excessive noise, odor, or unruly behavior shall be notified of such nuisance in writing by management and shall be given no more than three days to correct such a nuisance.
- ii. Consistent with local and State law, management shall take appropriate steps to remove a pet from the premises in the event that the pet owner fails to correct such a nuisance within the three day compliance period.

b. DANGEROUS BEHAVIOR

- i. Any pet which physically threatens and/or harms a Resident, guest, staff member or other authorized person present upon the Park Vista grounds shall be considered dangerous.
- ii. Management shall provide written notification to the pet owner of dangerous behavior and the pet owner shall have no more than three days to correct the animal's behavior or remove the pet from the premises.
- iii. Consistent with local and State law, management shall take appropriate steps to remove a pet from the premises in the event that the pet owner fails to correct the dangerous behavior of his/her pet within the compliance period.
- iv. Notwithstanding the foregoing, any pet which causes physical harm to any resident, guest, staff member or other authorized person present upon the Park Vista grounds may be immediately removed from the premises by management or by animal control services.

PET REGISTRATION FORM

RESIDENT'S NAME _____ APT. NO. _____

TYPE OF PET _____ PET'S NAME _____

COLOR: _____ SIZE: _____ AGE: _____ OTHER: _____

VETERINARIAN: _____ PHONE#: () _____

In the event that I am unable to attend to the needs of this pet, the following persons have agreed to care for it:

(1) NAME: _____ RELATIONSHIP: _____

ADDRESS: _____ TELEPHONE #: _____

(2) NAME: _____ RELATIONSHIP: _____

ADDRESS: _____ TELEPHONE #: _____

I hereby agree to care for the above-mentioned pet in the event that its owner is unable to care for it. This would include removing it from the premises if necessary or appropriate.

Person 1 (signature) _____

Person 2 (signature) _____

Resident Signature

Date

(Note: Pet cannot be accepted for residency until this form has been signed by two parties who agree to care for the pet in the event the pet owner is unable to do so, the Tenant has agreed to abide by the Pet Rules, and a Current Vaccination Certificate prepared by a licensed California veterinarian has been received).

Office Use Only

Date pet accepted for residency: _____

Date of Vaccination Certificate: _____

Veterinarian name and address: _____

POLICIES

**PARK VISTA POLICY REGARDING RENTAL RATES
APPLICABLE TO INTER-UNIT (UNIT-TO-UNIT) TRANSFERS**

Effective June 23, 2021, the policy regarding rental rates applicable to inter-unit transfers (unit-to-unit) by tenants within the Park Vista senior housing facility is hereby amended in its entirety to read as follows:

To ensure the financial future of Park Vista, the applicable rental rate for all inter-unit transfers shall be the same rental rate that would otherwise be charged to a new, incoming tenant moving into the subject unit.

Adopted by the Board of the El Segundo Senior Citizens Housing Corporation, effective June 23, 2021.

PARK VISTA POLICY REGARDING RENTAL RATES APPLICABLE TO INTER-UNIT (UNIT-TO-UNIT) TRANSFERS

Effective August 25, 2021, the policy regarding rental rates applicable to inter-unit transfers (unit-to-unit) by tenants within the Park Vista senior housing facility is hereby amended in its entirety to read as follows:

Effective June 23, 2021, the inter-unit transfer list is closed and no additional transfer requests will be accepted. All tenants on the interunit transfer waiting list as of June 23, 2021 (currently a total of 19) will be contacted by the Park Vista property manager so that each tenant can identify what unit type (one-bedroom or studio) they wish to transfer to. All tenants will be offered only one opportunity to transfer to the unit type they have identified.

If the tenant decides not to transfer to the unit type that they have identified at the time they are offered their one-time opportunity to transfer, then they will be removed from the interunit waiting list. They may elect to place their name on the regular Park Vista waiting list, but they will be subject to paying rent at the current rate being offered to new, incoming tenants at the time a unit becomes available. If the tenant decides to transfer, then the rental rate will be at 50-percent of current market rate in effect at the time the unit becomes available.

Tenants may be offered to transfer to a unit type that they did not identify. In this case, if the tenant declines to transfer then they will not be removed from the interunit waiting list, and will remain on the list until such time that they are offered their one-time opportunity to transfer to the unit type they have identified. If the tenant decides to transfer to a unit type that they did not identify, then the rental rate will be at 50-percent of current market rate in effect at the time the unit becomes available.

Adopted by the Board of the El Segundo Senior Citizens Housing Corporation, effective August 25, 2021.

PARK VISTA POLICY REGARDING INTER-UNIT (UNIT-TO-UNIT) TRANSFERS FOR “CHANGE OF LIFE” TENANTS

Effective December 1, 2021, a new policy regarding inter-unit transfers (unit-to-unit) by existing tenants within the Park Vista Senior Housing Facility (“Park Vista”) experiencing change of life circumstances (“Change of Life”) is hereby enacted as follows:

On June 23, 2021, the Board of Directors of the El Segundo Senior Citizens Housing Corporation voted to close the waiting list for Park Vista’s previous inter-unit transfer policy of allowing tenants, upon a vacancy, to transfer units within Park Vista at no cost to them or change to their existing rental rate. This decision was made in an effort to combat the exorbitant duplicative renovation costs caused by the prior policy in an effort to continue to provide affordable housing rates to Park Vista residents.

Recognizing that existing Park Vista tenants will sometimes experience unexpected or dramatic changes in their living situations and that priority should be given to keeping existent tenants within the Park Vista facility if this occurs, the following policy shall be enacted for these Change of Life circumstances:

For purposes of this policy “Change of Life” shall mean:

- 1) Any tenant who experiences a change in marital/partner/co-tenant status (subject to a letter or affidavit from tenant attesting to the change);
- 2) Any tenant who loses 25% or more of their monthly income (subject to a letter or affidavit from tenant attesting to the change);

All tenants experiencing a Change of Life, as defined above, shall have the option of placing themselves on a waiting list so that when a vacancy occurs, they will be given the one-time opportunity to transfer from a single to one-bedroom unit, or one-bedroom to single unit. Tenants on this Change of Life waiting list shall be given priority over those on the outside new tenant Park Vista waiting list.

Tenants opting to transfer units will pay the current rental rate for the unit being offered to new incoming tenants as of the date the unit becomes available.

If the tenant decides not to transfer to the different unit type, then they will be removed from the inter-unit Change of Life waiting list. They may then elect to place their name on the regular outside new tenant Park Vista waiting list, but will be placed at the bottom of the list and will be subject to new incoming tenant rental rates.

Adopted by the Board of the El Segundo Senior Citizens Housing Corporation, effective October 27, 2021.

Park Vista Waiting List Parking Policies

Waiting list for current residents wishing to obtain a parking space at Park Vista

Current residents of Park Vista wishing to obtain a parking space shall place their request in writing to the Resident Manager. The management company shall place the resident's name on the waiting list. The waiting list shall be posted at Park Vista in the (proposed place). While not a policy, due to demand of internal building parking spaces, it is assumed that residents looking to establish a parking space for the first time shall ordinarily obtain a space in the outside parking lot when a space becomes available. When a parking space becomes available to current residents who do not currently have a parking space, the management company shall contact residents in the order of the list to inquire if they wish to obtain the available parking spot. The resident in the first position on the list shall be contacted by the management company by phone and by notice posted on their door. The resident shall have three (3) business days to accept the parking space under the current terms of leasing a parking space. After three days, if no reply, or if the resident next on the list declines the parking space, the next resident shall be contacted in the same manner and the same time frames shall be granted for reply. The management company shall proceed with residents on the waiting list until such time as the parking space is leased.

It is advised that if residents are away from Park Vista for an extended period, they should notify the resident manager so that they are not overlooked on the waiting list in case a parking space becomes available.

Waiting list for current residents who have an outside parking space who wish to transfer to an internal parking space.

Current residents of Park Vista who have an assigned outside parking spot wishing to obtain an internal parking space shall place their request in writing to the Resident Manager. The Management Company shall place the resident's name on the waiting list. The waiting list shall be posted at Park Vista in the (proposed place). When an internal parking space becomes available, the management company shall contact residents in the order of the list to inquire if they wish to obtain the available internal parking spot. The resident in the first position on the list shall be contacted by the Management Company by phone and by notice posted on their door. The resident shall have three (3) business days to accept the parking space under the then current lease terms and rates. After three days, if no reply, or if the resident declines the parking space, the next resident shall be contacted in the same manner and the same time frames shall be granted. The management company shall proceed with residents on the waiting list until such time as the parking space is leased. Once the internal parking spot is leased, the

management company shall proceed with filling the newly opened outside parking space under the policies of the waiting list for parking spaces for resident who currently do not have a parking space.

It is advised that if residents are away from Park Vista for an extended period, they should notify the resident manager in order to not be overlooked on the waiting list in case an internal parking lot space becomes available.

MANAGEMENT COMPANY AGREEMENT

PROPERTY MANAGEMENT AGREEMENT
BETWEEN
THE EL SEGUNDO SENIOR CITIZEN HOUSING CORPORATION
AND
NEIL R. CADMAN DBA CADMAN GROUP

This Agreement is entered into this -1st- day of October, 2004, by and between the EL SEGUNDO SENIOR CITIZEN HOUSING CORPORATION, a California nonprofit public benefit corporation ("OWNER") and NEIL R. CADMAN, an individual dba the Cadman Group ("MANAGER").

Section 1: APPOINTMENT

1.1 ACCEPTANCE

OWNER contracts with MANAGER to lease and manage the property described in paragraph 1.2 upon the terms and conditions set forth in this Agreement. MANAGER accepts the appointment and agrees to furnish the services of its organization for the leasing, management, repair, maintenance and landscaping of the Premises.

1.2 DESCRIPTION OF PREMISES

The property to be managed by MANAGER under this Agreement (the "Premises") is known as Park Vista, located at 615 E. Holly Ave., El Segundo, CA 90245, consisting of the land, buildings and other improvements described as an elderly housing project for independent living in the State of California.

1.3 ADDITIONAL SCOPE OF SERVICES.

Subject to the hierarchy of interpretation set forth in Section 29, the Proposed Services set forth on pages 3-8 of the attached MANAGER's Proposal for Services dated July 13, 2004 are specifically incorporated by reference into this Agreement and constitute part of the scope of services contemplated by this Agreement.

1.4 TERM

The term of this Agreement is for three (3) years from the effective date to and including September 30, 2007, subject to the provisions set forth in Section 19 regarding termination.

1.5 PERFORMANCE STANDARDS.

While performing this Agreement, MANAGER will use the appropriate generally accepted professional standards of practice existing at the time of performance utilized by persons engaged in providing similar services. OWNER will notify MANAGER of any deficiencies and MANAGER will have fifteen (15) days after such notification to cure any shortcomings to OWNER's satisfaction. Costs associated with curing the deficiencies will be borne by MANAGER.

1.6 MANAGEMENT OFFICE

OWNER must provide adequate space on the Premises for a management office. OWNER must pay all expenses related to maintaining, but not staffing, such office, including, without limitation, furnishings, equipment, postage and office supplies, electricity, utilities and telephone for business usage only.

1.7 APARTMENT FOR ON-SITE STAFF

OWNER must provide a suitable apartment on the Premises for the use of an on-site manager, rent-free, except that resident staff must pay for heat, utilities and telephone in the same manner as other tenants. The on-site manager's specific apartment may be selected by OWNER.

1.8 ASSIGNABILITY.

This Agreement is for MANAGER's professional services. MANAGER's attempts to assign the benefits or burdens of this Agreement without OWNER's written approval are prohibited and will be null and void.

Section 2: BANK ACCOUNTS

The operating account established under this Agreement may be with a bank selected by MANAGER and must at all times be in the name of, and owned by, OWNER, but under MANAGER'S control. MANAGER'S designees are the only parties authorized to draw upon such account. However, MANAGER'S monthly management fee and all other checks in amounts in excess of \$1,999.99 must be countersigned by OWNER's President and/or Chief Financial Officer. No amounts in any accounts established under this Agreement may, in any event, be commingled with any other funds of MANAGER or its other clients.

2.1 OPERATING (AND/OR) RESERVE ACCOUNT(S)

MANAGER will assume responsibility for previously established operating account(s) known as the El Segundo Senior Housing Corporation Operating account, at a local bank to be used for the deposit of receipts collected which deposits are insured by the federal government. Any other depository which may be used in the future will be selected by OWNER. MANAGER will not be held liable in the event of the bankruptcy or failure of any institution selected by OWNER. Funds in the Operating (and/or) Reserve Account(s) remain the property of OWNER subject to disbursement of operating expenses by MANAGER as described in this Agreement. MANAGER must remit to OWNER, or directly deposit to a Reserve Account established by OWNER, the monthly Reserve amount from the rental receipts.

2.1.1 INITIAL DEPOSIT AND CONTINGENCY RESERVE

Immediately upon commencing this Agreement, MANAGER will be authorized to access the Operating Account at a local bank. MANAGER may conduct its own audit of the Operating Account. A contingency reserve account will be maintained by OWNER. Those funds may be used by the officers and/or directors of OWNER for the management and benefit of the Premises.

2.2 SECURITY DEPOSIT ACCOUNT

MANAGER must, if required by law, maintain a separate interest bearing account for tenant security deposits and advance rentals. Such account must be maintained in accordance with applicable state or federal laws. MANAGER must obtain all existing security deposits from OWNER's former management contractor.

2.3 FIDELITY BOND

MANAGER must cause all personnel who handle or are responsible for the safekeeping of OWNER's monies to be insured by a fidelity bond in the amount of at least \$100,000.00 with a company selected by MANAGER. Such bond will be secured at OWNER's expense and OWNER and its Board of Directors will be named as an additional insured thereon.

Section 3: COLLECTION OF RENTS AND OTHER RECEIPTS

3.1 MANAGER'S COLLECTION AND BANKING AUTHORITY

MANAGER must collect and receipt for all rents, charges and other amounts receivable on OWNER's account in connection with the management and operation of the Premises. Such receipts (except tenants' security deposits and advance rentals, which must be handled as specified in paragraphs 2.2 and 2.3; and special charges, which must be handled as specified in paragraph 3.2) must be deposited in the Operating (and/or) Reserve Account(s) maintained for the benefit of the Premises.

3.2 SPECIAL CHARGES

If permitted by applicable law, MANAGER may collect from tenants any or all of the following: an administrative charge for late payment of rent, a charge for returned or non-negotiable checks, credit reports, physicians and medical reports and all other expenses associated with people desiring to qualify to live on the Premises.

Section 4: SECURITY DEPOSITS

MANAGER must collect, deposit, and disburse tenants' security deposits in accordance with the terms of each tenant's lease. MANAGER must pay tenants interest upon such security deposits only if required by law to do so. MANAGER must comply with all applicable state or local laws concerning the responsibility for security deposits and interest.

Section 4 DISBURSEMENTS FROM OPERATING ACCOUNTS

4.1 OPERATING EXPENSES

Subject to the terms set forth in section 2 and as otherwise provided, MANAGER is authorized to pay the daily costs of operating the Premises.

4.2 NET PROCEEDS

To the extent that funds are reasonably available, MANAGER must transmit the cash balance of the Operating Account to OWNER to be deposited in an account designated by OWNER. Such periodic cash balances must be remitted to OWNER's President and/or Chief Financial Officer at their then current addresses.

Section 5: MANAGER NOT REQUIRED TO ADVANCE FUNDS

In the event that the balance in the operating Account(s) is at any time insufficient to pay disbursements, OWNER must, immediately upon notice, remit to MANAGER, sufficient funds to cover the deficiency. In no event is MANAGER required to use its own funds to pay such disbursements nor is MANAGER required to advance any monies to the OWNER's Security Deposit or the Operating Account(s).

Section 6: FINANCIAL AND OTHER REPORTS

6.1 MONTHLY FINANCIAL REPORT

Seven (7) calendar days before each monthly board meeting MANAGER must furnish the members of OWNER's board of directors with a monthly financial statement of delinquent accounts, cash receipts and disbursements from the operation of the Premises during the previous month. In addition, seven (7) calendar days before each monthly board meeting, MANAGER must, on a mutually acceptable schedule, prepare and submit to OWNER such other reports as may be required by OWNER.

6.2 OWNER'S RIGHT TO AUDIT

OWNER has the right to conduct periodic audits of all applicable accounts managed by MANAGER. The cost of such audit will be borne by OWNER unless a discrepancy is found between the actual amount of monies owed to OWNER and the amount reported by MANAGER in its financial reports filed with OWNER. If such discrepancy amounts to more than five percent (5%) in underreported rents, or other monies, MANAGER will pay all costs of such an audit. MANAGER will remit to OWNER the amount of such underreported monies.

6.3 ANNUAL BUDGET

OWNER's Annual Operating Budget will be prepared by MANAGER with OWNER's Chief Financial Officer to be submitted to the OWNER Board of Directors before October 15, of each year for approval. OWNER must promptly inform MANAGER of any changes in the draft Budget proposal. MANAGER must keep OWNER informed of any real or anticipated deviations from the receipts or disbursements as set forth in the previous years approved budget.

6.4 PREPARATION COSTS

The preparation cost of all reports, bookkeeping, clerical and other management overhead, including without limitation, costs of office supplies (excluding on-site office supplies) equipment, data processing services, postage (excluding postage for checks to creditors), transportation for managerial personnel and telephone services, will be paid by MANAGER from its management fees and is not an OWNER expense.

Section 7: ADVERTISING

With OWNER's prior approval, MANAGER may be authorized to advertise the Premises or portions for rent, using periodicals, signs, plans, brochures, or displays, or such other means as MANAGER may deem proper and advisable, provided such advertising and such signs comply with applicable laws. The cost of such advertising may be paid out of OWNER's Operating Account. All advertising must clearly state that MANAGER is the manager and not the Owner of the Premises. Newspaper ads cannot share space with other properties managed by MANAGER.

Section 8: LEASING AND RENTING

8.1 MANAGER'S AUTHORITY TO LEASE PREMISES

MANAGER must use all reasonable efforts to keep the Premises rented by procuring tenants for the Premises according to the rules and regulations established by OWNER. MANAGER is otherwise authorized to prepare and execute all leases on behalf of OWNER, including renewals

and extensions of leases (and expansions of space in the Premises, if applicable) and to cancel and modify existing leases. For this purpose only, MANAGER may execute all leases as OWNER's agent. OWNER must approve the form of the lease used by MANAGER.

8.2 NO OTHER RENTAL AGENT

During the term of this Agreement, OWNER agrees not to authorize any other person, firm or corporation to negotiate or act as leasing agent with respect to the letting of the Premises.

8.3 ENFORCEMENT OF LEASES

MANAGER is authorized to institute, in OWNER's name, all legal actions or proceedings for the enforcement of any lease term, for the collection of rent or other income from the Premises, or for the evicting or dispossessing of tenants or other persons from the Premises. MANAGER is authorized to sign and serve such notices as MANAGER deems necessary for lease enforcement, including the collection of rent or other income. MANAGER is authorized, with OWNER's prior approval, to settle, compromise, and release such legal actions or suits and to reinstate tenancies. Any monies for such settlements paid out by MANAGER cannot not exceed \$1,000.00 without OWNER's prior approval. Attorneys' fees, filing fees, court costs, and other necessary expenses incurred in connection with such actions and not recovered from tenants may be paid out of the Operating and/or Reserve Account(s). MANAGER may, subject to OWNER board of directors' prior approval, select the attorney of its choice to handle such litigation.

Section 9: EMPLOYEES

9.1 MANAGER'S AUTHORITY TO HIRE

MANAGER may hire, supervise, discharge, and pay all servants, employees, contractors, or other personnel from its management fee, to perform the normal day to day management, maintenance, landscaping and operation of the Premises.

9.2 MANAGER TO PAY ALL EMPLOYEE EXPENSES

Unless indicated in the yearly budget, with the exception of onsite employees (Manager and Secretary), all wages and fringe benefits payable to such servants, employees, contractors and/or other personnel hired per paragraph 9.1 above, and all local, state, and federal taxes and assessments (including without limitation Social Security taxes, unemployment insurance, withholding and workers' compensation insurance) incident to the employment of such personnel, shall be paid by MANAGER out of its management fee.

9.3 MANAGER'S AUTHORITY TO FILE RETURNS

MANAGER may do and perform all acts required of an employer with respect to the Premises and execute and file all W-2, 1099, employee quarterly, all tax and other returns required under applicable federal, state and local laws, regulations, and/or ordinances governing employment, in addition to all other statements and reports pertaining to labor employed in connection with the Premises and according to any similar federal or state law now or hereafter in force. In connection with such filings, OWNER may upon request, promptly execute and deliver to MANAGER all necessary powers of attorney, notices of appointment, and the like. MANAGER is responsible for all amounts required to be paid under the foregoing laws and MANAGER must pay the same from the management fees that it receives under the terms of this Agreement.

9.4 HOLD HARMLESS, LABOR LAWS

MANAGER is responsible for complying with all applicable state and federal labor laws. MANAGER will indemnify, defend, and save OWNER and its Board of Directors and the City of El Segundo harmless from all claims, investigations, and suits, from MANAGER'S actions or failures to act, with respect to any alleged or actual violation of state or federal labor laws. MANAGER'S obligation with respect to such violation(s) includes payment of all settlements, judgments, damages, liquidated damages, penalties, forfeitures, back pay awards, court costs, litigation expenses, and attorneys' fees.

9.5 ACCEPTANCE OF GIFTS AND/OR GRATUITIES

MANAGER's employees are prohibited from accepting any gratuity, gift, or compensation directly from any resident of the Premises for any services rendered.

Section 10: MAINTENANCE, INSPECTIONS & REPORTS

10.1 MAINTENANCE REQUIREMENTS

MANAGER will cause the Premises to be maintained and repaired in accordance with local codes and in a condition that is at all times acceptable to OWNER, including, without limitation, cleaning, painting, decorating, plumbing, carpentry, grounds care and such other matters as from time to time may be required. MANAGER will use its employed maintenance personnel to perform all janitorial tasks and make all reasonably necessary repairs and replacements for the proper, efficient operation of, and to otherwise preserve, the Premises in its present condition. Subject to the prior approval of OWNER, MANAGER will make all alterations necessary to comply with lease and insurance requirements, statutory and governmental regulations. MANAGER will furnish experts, at OWNER's request and expense, to conduct periodic examinations, provide written reports and recommendations to insure OWNER's satisfactory compliance with those requirements set forth above.

10.2 ON-SITE MAINTENANCE SPECIFICS

MANAGER must give special attention to preventive maintenance, and to the greatest extent feasible, the services of MANAGER maintenance personnel must be used to perform maintenance, repairs, landscaping, inspections and reports. Subject to OWNER's prior approval, MANAGER may contract with qualified independent contractors for the maintenance and repair of equipment, systems and the like, which are beyond the capability of MANAGER'S maintenance employees. MANAGER will systematically and promptly investigate all service requests from tenants, take such action thereon as may be justified and keep records and report same at the monthly OWNER Board of Directors meeting. Emergency requests must be received and serviced on a 24-hour basis. Complaints of a serious nature will be reported to the OWNER board of Directors after investigation.

10.3 APPROVAL FOR EXCEPTIONAL MAINTENANCE EXPENSE

The expense to be incurred for any one item of maintenance, alteration, refurbishing, or repair cannot exceed the sum of \$300.00, unless such expense is first specifically authorized by OWNER, or is incurred under such circumstances as MANAGER reasonably deems to be an emergency. MANAGER is authorized to negotiate contracts for nonrecurring items of expense, not to exceed \$300.00. MANAGER must solicit written cost estimates (bids) from at least three contractors or

suppliers for any work item, maintenance, repair or appliance which can reasonably be expected to cost \$301.00 or more, regardless of rebates, and submitted to OWNER for prior approval. However, for budgeted appliance purchases MANAGER need not solicit written cost estimates for each appliance to be purchased. Rather, for such purchases MANAGER need only solicit written cost estimates twice annually.

All employees, contractors or other personnel that perform work or services at the Premises are deemed to be MANAGER's employees, except those independent contractors whose contracts are first approved by OWNER's Board of Directors. In an emergency where repairs are immediately necessary for the preservation and safety of the Premises, or to avoid danger to life or property, or to comply with federal, state, or local law, such emergency repairs may be made by MANAGER at OWNER's expense without prior approval.

Section 11: RELATIONSHIP OF MANAGER TO OWNER

The relationship of the parties pursuant to this Agreement is that of Principal and Independent Contractor. Except those authorized actions taken by MANAGER on behalf of OWNER pursuant to the terms of this Agreement, MANAGER is not OWNER's Agent. Nothing in this Agreement may be construed as creating a partnership, joint venture, or any other relationship between the parties to this Agreement. MANAGER bears the responsibility, loss and damage arising out of or connected with the hiring and/or supervision of its employees and operation of the Premises. The employees and contractors of MANAGER during the period of this Agreement are not and will not be considered to be the direct employee of OWNER, its board of directors or the City of El Segundo. Neither party has the power to bind or obligate the other, except as expressly set forth in this Agreement, except that both parties are authorized to act with such additional authority and power as may be necessary to carry out the spirit and intent of this Agreement.

Section 12: INDEMNIFICATION.

12.1 MANAGER agrees to the following:

12.1.1 *Indemnification for Professional Services.* MANAGER will save harmless and indemnify and at OWNER's or CITY's request reimburse defense costs for OWNER or CITY from and against any and all suits, actions, or claims, of any character whatever, brought for, or on account of, any injuries or damages sustained by any person or property resulting or arising from any negligent or wrongful act, error or omission by MANAGER or any of MANAGER's officers, agents, employees, or representatives, in the performance of this Agreement.

12.1.2 *Indemnification for other Damages.* MANAGER indemnifies and holds OWNER and CITY harmless from and against any claim, action, damages, costs (including, without limitation, attorney's fees), injuries, or liability, arising out of this Agreement, or its performance. Should OWNER or CITY be named in any suit, or should any claim be brought against it by suit or otherwise, whether the same be groundless or not, arising out of this Agreement, or its performance, MANAGER will defend OWNER or CITY (at OWNER's or CITY's request and with counsel satisfactory to OWNER or

CITY, as applicable) and will indemnify OWNER or CITY, as applicable, for any judgment rendered against it or any sums paid out in settlement or otherwise.

12.2 For purposes of this section "OWNER" includes OWNER's officers, officials, employees, agents, representatives, and volunteers.

12.3 For purposes of this section "CITY" is the city of El Segundo, its officers, officials, employees, agents, representatives, and volunteers.

12.4 It is expressly understood and agreed that the foregoing provisions will survive termination of this Agreement.

Section 13: LIABILITY INSURANCE

13.1 OWNER'S LIABILITY INSURANCE

OWNER will obtain and keep in force and effect, adequate insurance against physical damage (e.g., fire with extended coverage endorsement, boiler and machinery, etc.) and against liability for loss, damage, or injury to property or persons which might arise out of the occupancy, management, operation, or maintenance of the Premises. Any deductible required under such insurance policies are at OWNER's expense. MANAGER will be covered as an additional insured on all liability insurance maintained with respect to the Premises. OWNER agrees to furnish MANAGER with two (2) copies of insurance endorsements, certificates or duplicate copies of such policies evidencing such coverage within sixty (60) days of the effective date of this Agreement. Said policies will provide that notice of default or cancellation must be sent to both parties and require a minimum of thirty (30) days' written notice before any cancellation of/or changes to said policies except for cancellation due to nonpayment.

13.2 INSURANCE

13.2.1 MANAGER, as Managing Agent of OWNER, must maintain on behalf of OWNER and at the expense of OWNER, the following insurance policies:

13.2.1.1 Fire with extended coverage with coverage on buildings in an amount not less than \$4,859,500 and coverage on contents of not less than \$24,100 with a deductible amount not to exceed \$1,000.

13.2.1.2 Earthquake coverage in an amount not less than \$4,859,500 with a deductible amount of not more than ten percent (10%) of the total coverage.

13.2.1.3 General Liability coverage in an amount not less than \$1,000,000 single limit and \$2,000,000 annual aggregate.

13.2.1.4 Umbrella Liability coverage in an amount of not less than \$1,000,000 single limit and \$2,000,000 annual aggregate.

13.2.1.5 Directors & Officers Liability (Professional Liability) in an amount of not less than \$1,000,000 aggregate inclusive of defense expenses.

13.2.1.6 Fidelity bond covering all employees of MANAGER who handle funds, including all such employees assigned to Park Vista.

13.2.2 In addition to the above coverages, MANAGER must maintain at its own expense the following insurance coverages:

13.2.2.1 Commercial General Liability coverage in an amount not less than \$1,000,000. The amount of insurance will be a combined single limit per occurrence for bodily injury, personal injury, and property damage for the policy coverage. Liability policies must be endorsed as required by this Section and to state that such insurance will be deemed "primary" such that any other insurance that may be carried by OWNER will be excess thereto. Insurance must be on an "occurrence," not a "claims made," basis and will not be cancelable or subject to reduction except upon thirty (30) days prior written notice to OWNER.

13.2.2.2 Employers Automobile Non Ownership Liability coverage in an amount of not less than \$ 1,000,000 covering all employees assigned to OWNER who use their personal automobiles for OWNER business. Automobile coverage will be written on ISO Business Auto Coverage Form CA 00 01 06 92, including symbol 1 (Any Auto).

The insured parties in connection with all of the above policies must include the following: The City of El Segundo, its elected and appointed officials; employees; agents; officers; and the El Segundo Senior Citizen Housing Corporation, its Board, its employees, agents, officers, directors, and appointed officials.

13.2.2.3 Workers Compensation coverage in accordance with California law.

13.2.2.4 Should MANAGER, for any reason, fail to obtain and maintain the insurance required by this Agreement, OWNER may obtain such coverage at MANAGER's expense and deduct the cost of such insurance from payments due to MANAGER under this Agreement or terminate the Agreement.

13.2.3 All of the above policies must be kept in force during the term of this Agreement and contain a cancellation clause reading in substance as follows: "It is agreed that this policy cannot be canceled nor the amounts of coverage provided herein reduced until thirty (30) days after the OWNER Board of Directors receives written notice as to such cancellation or reduction." In the event that MANAGER is advised by one or more of the insurers that it will no longer provide such coverages, MANAGER must immediately advise OWNER's President that it can no longer

provide such coverages and request instructions from the Board as to what action to take with regard to replacement of such coverages.

13.2.4 All of the above policies must be written by an insurance company licensed to do business in California with a "Best's Rating" of not less than A XIII.

13.2.5 Two (2) copies of all of the policies set forth above must be sent to the President of the El Segundo Senior Citizen Housing Board, c/o The City of El Segundo, 350 Main St., El Segundo, CA 90245.

13.2.6 MANAGER will maintain with the City certificates of insurance evidencing current coverage for MANAGER'S General Liability coverage, MANAGER'S Workers Compensation coverage, MANAGER'S Employers Automobile Non Ownership Liability coverage and MANAGER'S Fidelity Bond.

Section 14: MANAGER ASSUMES NO LIABILITY FOR ACTS OF OWNER

MANAGER assumes no liability, whatsoever for any acts or omissions of OWNER, its board of directors, any previous owners of the Premises or any previous management or other agent of either. MANAGER assumes no liability for any failure of or default by any tenant in the payment of any rent or other charges due OWNER or for the performance of any obligations owed by any tenant to OWNER pursuant to any lease or otherwise. Nor does MANAGER assume any liability for any violations of environmental or other regulations, which occurred before MANAGER'S entering into this agreement. Any such regulatory violations or hazards discovered by MANAGER must be brought to OWNER's attention in writing, and OWNER must promptly cure them.

Section 15: MANAGER'S COMPENSATION AND EXPENSES

As compensation for the services provided by MANAGER under this Agreement (and exclusive of reimbursement of expenses to which MANAGER may be entitled hereunder), OWNER will pay MANAGER as follows:

15.1 FEE FOR MANAGEMENT SERVICES

For its proper performance of all the services as set forth herein, MANAGER will be paid the fee of eleven thousand two hundred twenty-four dollars (\$11,224) per month. Management fees may be increased or otherwise modified in subsequent years by written addenda to this Agreement.

15.2 FOR APARTMENT LEASING

None. Included in 15.1.

Section 16: REPRESENTATIONS

OWNER represents and warrants: That OWNER has full power and authority to enter this Agreement; that there are no written or oral agreements affecting the Premises other than tenant leases, copies of which were furnished to MANAGER; that there are no recorded easements, restrictions, reservations, or rights of way which adversely affect the use of the Premises for the purposes intended under this Agreement; that to the best of OWNER's knowledge, the property is zoned for the intended use; that all leasing and other permits for the operation of the Premises were secured and are current; that the building and its construction and operation do not violate any

applicable statutes, laws, ordinances, rules, regulations, orders, or the like (including, without limitation, those pertaining to hazardous or toxic substances); that the building does not contain any asbestos, urea, formaldehyde, radon, or other toxic or hazardous substance; and that no unsafe condition exists.

Section 17: STRUCTURAL CHANGES

OWNER expressly withholds from MANAGER any power or authority to make any structural changes in any building, or to make any other major alterations or additions in or to any such building, or to any equipment in any such building, or to incur any expense chargeable to OWNER other than expenses related to exercising the express powers vested in MANAGER through this Agreement, without the prior written consent of OWNER's Board of Directors. However, such emergency repairs as may be required because of danger to life or property, or which are immediately necessary for the preservation and safety of the Premises or the safety of the tenants and occupants t, or required to avoid the suspension of any necessary service to the Premises, or to comply with any applicable federal state, or local laws, regulations, or ordinances, shall be authorized pursuant to the appropriate paragraphs of this Agreement, and MANAGER must notify OWNER accordingly.

Section 18: BUILDING COMPLIANCE

Except as otherwise provided, MANAGER assumes no liability, and is given no responsibility for compliance of the Premises, or any equipment therein, with the requirements of any building code, statute, ordinance, law, or regulation of any governmental body or of any public authority or official t having jurisdiction t, except to notify OWNER promptly or to forward to OWNER promptly any complaints, warnings, notices, or summonses received by MANAGER relating to such matters. OWNER represents that to the best of its knowledge the Premises and all such equipment comply with all such requirements.

Section 19: TERMINATION.

19.1 Except as otherwise provided, OWNER may terminate this Agreement at any time with or without cause.

19.2 MANAGER may terminate this Agreement at any time upon thirty (30) days notice.

19.3 Upon receiving a termination notice from OWNER, MANAGER will immediately cease performance under this Agreement unless otherwise provided in the termination notice. Except as otherwise provided in the termination notice, any additional work performed by MANAGER after receiving a termination notice will be performed at MANAGER's own cost; OWNER is not obligated to compensate MANAGER for such work.

19.4 Should termination occur, all finished or unfinished documents, reports and other materials prepared by MANAGER will, at OWNER's option, become OWNER's property, and MANAGER will receive just and equitable compensation for any work satisfactorily completed up to the effective date of notice of termination.

19.5 Should the Agreement be terminated pursuant to this Section, OWNER may procure on its own terms services similar to those terminated.

19.6 By executing this document, MANAGER waives any and all claims for damages that might otherwise arise from OWNER's termination under this Section.

Section 20: HEADINGS AND ATTACHMENTS

All headings and subheadings employed within this Agreement are inserted only for convenience and ease of reference and are not to be considered in the construction or interpretation of any provision of this Agreement.

Section 21: FORCE MAJEURE.

Should performance of this Agreement be prevented due to fire, flood, 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 Agreement will immediately terminate without obligation of either party to the other.

Section 22: ENTIRE AGREEMENT.

This Agreement, and its Attachments, sets forth the entire understanding of the parties. There are no other understandings, terms or other agreements expressed or implied, oral or written. There are two (2) Attachments to this Agreement: the Request for Proposals #04-05 and MANAGER's Proposal, both of which are incorporated by reference. This Agreement will bind and inure to the benefit of the parties to this Agreement and any subsequent successors and assigns.

Section 23: RIGHTS CUMULATIVE; NO WAIVER

No right or remedy herein conferred on or reserved by either of the parties to this Agreement is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given under this Agreement or now or hereafter legally existing upon the occurrence of an event of default under this Agreement. The failure of either party to insist at any time on the strict observance or performance of any of the provisions of the Agreement, or to exercise any right or remedy as provided in the Agreement, does not impair any such right or remedy or be construed as a waiver or relinquishment of such right or remedy with respect to subsequent defaults. Every right and remedy given by this Agreement to the parties to it may be exercised from time to time and as often as may be deemed expedient by those parties.

Section 24: 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:

If to MANAGER:
Cadman Group
214 Main Street, #361
El Segundo, CA 90245

If to OWNER:
El Segundo Recreation and Parks Dept.
339 Sheldon Street
El Segundo, CA 90245

Attention: Neil R. Cadman

Attention: Park Vista Board of Directors

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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 paragraph.

Section 25: 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.

Section 26: INDEPENDENT CONTRACTOR.

OWNER and MANAGER agree that MANAGER will act as an independent contractor and will have control of all work and the manner in which it is performed. MANAGER will be free to contract for similar service to be performed for other employers while under contract with OWNER. MANAGER is not an agent or employee of OWNER and is not entitled to participate in any pension plan, insurance, bonus or similar benefits OWNER provides for its employees. Any provision in this Agreement that may appear to give OWNER the right to direct MANAGER as to the details of doing the work or to exercise a measure of control over the work means that MANAGER will follow the direction of the OWNER as to end results of the work only.

Section 27: TAXPAYER IDENTIFICATION NUMBER.

MANAGER will provide OWNER with a Taxpayer Identification Number.

Section 28: NON-APPROPRIATION OF FUNDS. Payments due and payable to MANAGER for current services are within the current budget and within an available, unexhausted and unencumbered appropriation of the OWNER. In the event the OWNER has not appropriated sufficient funds for payment of MANAGER's services beyond the current fiscal year, this Agreement will cover only those costs incurred up to the conclusion of the current fiscal year.

Section 29: CONSISTENCY. In interpreting this Agreement and resolving any ambiguities, the main body of this Agreement takes precedence over the attached Exhibits; this Agreement supersedes any conflicting provisions. Any inconsistency between the Exhibits will be resolved in the order in which the Exhibits appear below:

29.1 Exhibit A: Request for Proposals #04-05;

29.2 Exhibit B: MANAGER's Proposal for Services dated July 13, 2004.

Section 30: THIRD PARTY BENEFICIARIES. This Agreement and every provision herein is generally for the exclusive benefit of MANAGER and OWNER and not for the benefit of any other party. However, the Parties agree that the city of El Segundo is an intended third-party beneficiary to this Agreement and may enforce MANAGER's obligations under this Agreement. Other than the city of El Segundo, there will be no incidental or other beneficiaries of any of MANAGER's or OWNER's obligations under this Agreement.

Section 31: AGREEMENT BINDING UPON SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon the parties hereto and their respective personal representatives, heirs, administrators, executors, successors, trustees and assigns.

Section 32: 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 amendment.

Section 33: ACCEPTANCE OF FACSIMILE SIGNATURES.

The Parties agree that this Agreement, agreements ancillary to this Agreement, and related documents to be entered into in connection with this Agreement will be considered signed when the signature of a party is delivered by facsimile transmission. Such facsimile signature will be treated in all respects as having the same effect as an original signature.

Section 34: 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.

Section 35: COMPLIANCE WITH LAW.

MANAGER agrees to comply with all federal, state, and local laws applicable to this Agreement.

Section 36: 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.

[Signatures on next page]

IN WITNESS WHEREOF, the parties hereto have affixed their respective signatures this ___ day of October, 2004.

EL SEGUNDO SENIOR CITIZENS
HOUSING DEVELOPMENT CORPORATION

Peter C Freeman
President

Paula Polak
Chief Financial Officer

NEIL R. CADMAN dba
THE CADMAN GROUP

Neil R. Cadman
Neil R. Cadman

Taxpayer ID: 95-4544463

Approved as to Form:
Mark D. Hensley, City Attorney
City of El Segundo

By: Karl H. Berger
Assistant City Attorney

SCANNED

RFP #04 - 05**Proposal for Management Services****El Segundo Park Vista Senior Housing Complex****Cadman Group****Table of Contents**

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July 13, 2004

El Segundo Senior Citizens Housing Corporation
City Clerk's Office, City Hall
350 Main Street, Room 5
El Segundo, CA 90245-3813

RE: RFP #04 - 05

Dear El Segundo Senior Citizens Housing Corporation:

Enclosed is the Cadman Group's proposal to manage the Park Vista Senior Housing Facility.

On behalf of the staff of the Cadman Group, I am pleased to provide you with this proposal and work with the Corporation during the selection process to highlight the management philosophies and company policies that make the Cadman Group a quality, local professional property management company.

The Cadman Group is primarily a multi-family commercial management company, and we have experience operating a non-HUD senior housing facility in Long Beach, California. The owners of the company are homeowners and business owners in El Segundo; I believe these qualifications make the Cadman Group a viable candidate to be chosen to manage the facility.

The following proposal has been designed to be brief and succinct. Most property management companies that propose to manage a facility of Park Vista's size are qualified on paper to adequately handle the duties as such, however the true test of a company's abilities are found during the interview process and client references.

My hope is that you will find this proposal an adequate representation of our qualifications and will grant us the pleasure of continuing in the selection process.

Please feel free to contact me direct at 310-606-5894 ext. 15 if you have any questions or comments regarding the proposal.

Thank you for your time.

Sincerely



Neil R. Cadman
Owner, Cadman Group

Section 1: Executive Summary

This proposal is designed to give the El Segundo Senior Citizens Housing Corporation an overview of the management philosophies and procedures the Cadman Group employs in the course of day-to-day management of client's property holdings.

Section 2 of the Proposal is a listing of all duties both at the site level and off-site or administrative level the Cadman Group can perform on behalf of the El Segundo Senior Citizens Housing Corporation (hereinafter referred to as "Corporation"). The property management business is an adaptive industry; the duties performed by a management company are never complete and are always changing. The Cadman Group has been developed to be a full service property management company designed to adapt to individual client's needs.

Section 3 is designed to give the Corporation an understanding of Neil R. Cadman, his background, qualifications, philosophy toward commercial real estate management, client and tenant services and how Neil Cadman's philosophy is the driving force behind the Cadman Group's day-to-day management goals and procedures.

Section 4 describes risk, or risk avoidance, insurance coverage, and contractual obligations associated with operating a commercial property management organization and managing for a public entity.

Section 5 is an acknowledgement that the Cadman Group understands the obligations associated with this proposal and potential management duties.

Sections 6 and 7 describe the financial strength of Neil R. Cadman and Cadman Group and certifies the Representations and Certifications form.

Section 8 describes the fees associated with the management operation of the facility.

Section 2: Description of Proposed Services

The Cadman Group proposes the following services in accordance with the published RFP #04 -05 needs, the Cadman Group's policies and procedures and for providing quality management to ownership, residents, and staff of a non-HUD senior housing facility.

Site Management Services:

1. Provide on-site management for the facility, twenty-four hours per day, seven days per week in the form of a resident manager that lives at the facility and is the employee of the Cadman Group. Said employee shall receive a monthly salary plus benefits as described in Section 8 of this proposal. The Cadman Group shall train manager on an on-going basis and the on-site manager shall have immediate, open communication with appropriate administrative staff members. On-site manager shall be supervised on a daily basis by the property supervisor, bookkeeper, and other administrative staff.
2. Provide two alternating individuals (assistant managers) who shall be "on-call" to provide site management services. Said individuals shall be on-site when on duty and shall be current or future residents of the facility. Said compensation for each individual shall be in the form of a rent reduction and shall be contracted with the Cadman Group as independent contractors. Said assistant managers shall be part-time employees and shall not receive benefits nor pay from the Cadman Group. Said assistant managers shall be trained on an on-going basis by the Cadman Group and assistant managers shall have immediate, open communication with appropriate administrative staff members.
3. Provide a full-time maintenance worker at the facility Monday through Friday 8:00 AM to 5:00 PM. Said worker shall be an employee of the Cadman Group and will have a minimum one year experience with trades including, but not limited to, plumbing repair, drywall, painting, electrical, and general construction. Said employee shall be able to communicate effectively with residents and staff. Said employee shall receive a monthly salary plus benefits as described in Section 8 of this proposal. Said maintenance worker shall be trained on an on-going basis by the Cadman Group and shall have immediate, open communication with appropriate administrative staff members. The on-site manager shall supervise the maintenance worker.
4. Provide a full-time janitorial worker at the facility Monday through Friday 8:00 AM to 5:00 PM. Said worker shall be an employee of the Cadman

- Group. Said employee shall be able to communicate effectively with residents and staff. Said employee shall receive a monthly salary plus benefits as described in Section 8 of this proposal. Said janitorial worker shall be trained on an on-going basis by the Cadman Group and shall have immediate, open communication with appropriate administrative staff members. The on-site manager shall supervise the janitorial worker.
5. Oversee and conduct resident leasing program including advertising as the Corporation approves, processing of applications, tenant screening, tenant placement, and maintain a prospective resident waiting list. The Cadman Group shall perform all leasing practices in compliance with the Corporation's mandate regarding potential resident eligibility (age, income, etc.) since the facility is not a HUD facility. Rents for vacant units shall be determined by the Corporation. Cadman Group shall inform the Corporation of market rents for such units if requested by the Corporation.
 6. Maintain a resident file for all residents at the facility. Said file shall hold records including, but not limited to rental/lease agreement and addendums such as House Rules, etc., application(s) to rent, resident/management correspondence, maintenance requests, resident information, emergency contact numbers, etc. Said files shall be held private and only be available to the on-site manager, Cadman Group administrative staff, and the Corporation.
 7. Collect all rents as they come due, assess and collect late fees for late rental payments as approved by the Corporation, collect security deposits, assess and collect payments for tenant caused damage, etc. Security Deposit funds collected shall be held in accordance with Corporation wishes and any relevant local, state, or federal laws governing handling of such.
 8. Enforce all terms of rental/lease agreements and House Rules and supervise process of legal action against tenants for non-performance as necessary. If the Corporation wishes, the Cadman Group shall inform and obtain consent from the Corporation for any legal action taken against a resident for such non-performance. Payment for such legal fees shall be an operational expense of the facility.
 9. Establish site maintenance policies including, but not limited to, resident requests, scheduling of work, judgment as to cause and responsibility of needed repairs, follow-up to ensure work completion and resident satisfaction, and daily facility inspections including the parking lot. Perform basic maintenance as necessary. Immediate evaluation of vacant units and timely preparation for re-rental to minimize lost rental income.
 10. Interview, retain, and supervise outside contracted vendors including, but not limited to plumbers, electricians, roofing contractors,

landscapers/gardeners, painters, etc. on an as-needed basis. At no point shall a vendor be allowed to perform work at the facility without Cadman Group administrative approval and each vendor shall provide written proof of workers compensation and liability insurance prior to any work commencing.

Off-site or Administrative Duties:

1. Provide monthly operational reports for the facility to each Corporation Board member at least five days prior to each meeting. Said reports to be tailored by the Cadman Group based on the Corporation needs and any auditors retained by the Corporation to provide oversight of the operation of the facility. A full set of sample reports is available upon request. Reports shall include copies of all relevant bank statements with reconciliation reports. A list of available reports includes:
 - Monthly Profit and Loss Statement
 - Year to Date Profit and Loss Statement
 - Monthly Resident Charges (Rent, Security Deposit, Late Rent Fees, etc.) and Payments Report
 - Accounts Receivable or Rent Due Report
 - Balance Sheet
 - General Ledger
 - Monthly and Year to Date Profit and Loss versus Budget
 - Security Deposit Balance Sheet
 - Detailed Expense by Category Report
 - Rent Roll
 - Bank Account Reports
2. Cadman Group shall adhere to all terms contained within the management agreement.
3. All staff to be familiar with and utilize the "site budget" and Park Vista Senior Housing Handbook. Cadman Group shall implement facility standard operating procedures.
4. All maintenance and construction repairs over \$2,000.00 shall be inspected and passed by the City. This amount shall change per instructions from the City or Corporation. Any "Capital Repair" items valued over \$10,000.00 shall be put out to the City for bid. Cadman Group shall notify the Corporation of the need of such repairs and shall assist the Corporation and City, if requested, in obtaining competitive bids at no additional cost to the Corporation.

5. Attendance by Neil Cadman and other relevant staff members at all meetings scheduled by the Corporation. Such meetings shall include, but not limited to, Board Meetings of the Corporation, meetings with the City in relation to the operation of the facility, facility inspections, resident meetings, etc. If required, Cadman Group shall prepare agenda items for such meetings.
6. Provide management support and advice to the Corporation. Cadman Group will provide knowledge on California landlord-tenant law issues to the best of its ability, however such advice is in no way to be viewed as legal advice. Corporation shall obtain legal advice from the City.
7. Allow and assist in an annual audit of the books and records for the previous fiscal year. Cadman Group shall retain the firm conducting the audit and will submit to the Corporation for its approval of said firm no later than 60 days prior to any services performed.
8. Within three months of commencement of managerial duties and at the conclusion of each fiscal year, Cadman Group shall conduct an operational audit of the previous year's financial data. Compensation for such audit shall be included within the scope of the management fee.
9. To provide all financial services on behalf of the property and the Corporation. Said services to include, but not limited to:
 - Collect all money paid to the Corporation and deposit in a Federally Chartered Financial Institution per the Corporation's discretion. Note: Cadman Group maintains over thirty-five accounts with First Coastal Bank and would welcome the opportunity to use First Coastal Bank for said services.
 - Pay all invoices, bills, payroll, etc. that are incurred by the operation of the property.
 - Transmit funds as directed by the Corporation to the City for investment purposes.
10. Provide ongoing review of contracted services, staff, and materials for performance and budgetary considerations.
11. Provide up to date rental comparison analyses of local market rents for units of the same relative size and amenities provided by Park Vista and non-HUD senior facilities within the region.
12. During October of each year of management term, Cadman Group shall provide to the Corporation a budget worksheet for the upcoming fiscal year, which identifies expense items that will be conducted by employees of Cadman Group versus those performed by outside contract. In addition, Cadman Group shall prepare an annual report summarizing the

operational and financial activities of the facility in the previous budget year.

13. Cadman Group shall conduct its services in accordance within the scope of the approved policies and procedures as specified by the Corporation. Cadman Group will assist and consult with the Corporation for development of such policies and procedures.
14. Cadman Group shall manage the facility in compliance with all federal, state, and local laws.
15. Develop a written resident and staff emergency procedures manual. Upon approval by the Corporation, said manual shall be distributed to each staff member and resident. Each resident and staff member shall be asked to acknowledge in writing their receipt of said manual and a resident meeting shall be conducted each year to review emergency procedures, policies, exit strategies, etc. The City of El Segundo Fire and Police Department shall be asked to participate in such an event.
16. Conduct a resident survey every two years to ensure that resident's needs are being met within the framework of a fiscally sound property management policy. The results of said survey shall be presented to the Corporation for review. In addition, Cadman Group shall hear and attempt to resolve resident's grievances and report such grievances to the Corporation and the City.
17. Report resident violations of rental/lease agreements and House Rules to the Corporation and advise on the proper course of action. Cadman Group shall then implement the course of action as determined by the Corporation.
18. Cadman Group shall prepare and maintain a five-year capital improvement plan. Said plan shall take into account the age and life expectancy of all building facilities including, but not limited to, roof condition and cost of repair/replacement, major plumbing expenditures, garage gate and motor repair/replacement, landscaping design, exterior and interior painting, etc. Preparation of said plan will assist the Corporation and the City in budgeting profit and loss ratios and replacement reserve analyses.
19. Regarding insurance, Cadman Group shall:
 - Obtain competitive quotes and maintains the facility has adequate property, liability, fire, earthquake (if available), and umbrella policies.
 - Process and negotiate claims.
 - Provide workers compensation coverage for on-site and administrative staff, naming the Corporation and the facility itself as additionally

insured. As detailed earlier, no outside vendors shall be allowed to perform any contracted work without proof of workers compensation insurance.

-Provide fidelity bonds for personnel that handle money in the amount of \$100,000.00.

-Report to the Corporation any accidents or injuries that have occurred, or reported to have occurred at the facility.

20. Resident Newsletter: The Cadman Group publishes quarterly newsletters for condominium HOA accounts and for a non-HUD senior housing facility. Each newsletter is specifically written for each property and serves as a friendly way to keep residents involved in the operation of the facility, announce new policies, announce meetings, and give a more human element to the management of multi-family commercial property. Regularly we take resident's suggestions for a "resident of the quarter" and highlight that individual's interests, family, etc. This service is provided at no additional cost.

Section 3: Project Organization and Qualifications of Proposer

COMPANY OVERVIEW:

The Cadman Group was founded in 1995 by Neil Cadman to manage multi-family, condominium homeowner's associations, and commercial properties. Neil Cadman is a licensed California Real Estate Broker and has fifteen years experience selling, developing, and managing commercial real estate in the Southern California region. The Cadman Group is not a corporation, but a sole proprietorship operating under the name "Neil R. Cadman doing business as Cadman Group."

Neil Cadman grew up in Westchester, attending Westchester High School and is a 1988 graduate of the University of California, Los Angeles with Bachelor of Arts degrees in History and Political Science. Neil, and his brother Paul, a corporate attorney, are the sons of British immigrants.

Upon graduation from UCLA, Neil was going to follow his brother into law and attend law school, but decided to take a chance and see what commercial real estate had to offer. He worked as a broker's assistant with the Hanes Company in Beverly Hills from 1989 to 1991. It was during that time that the commercial real estate market essentially crashed and Neil left full time brokerage and joined The Tiger Company, a Westside development and brokerage company and transformed the company into a leading West Los Angeles property management firm.

In 1995, Neil decided to leave the Tiger Company and form the Cadman Group in El Segundo. It was the same year that he married Rebecca Montoya and they moved to El Segundo. Neil and Rebecca bought their first house at 627 Whiting Street and are currently building a new home on the same site. Neil and Rebecca have a daughter, Delaney, and are expecting a new addition to the family in late September/early October 2004.

Rebecca Cadman holds a BA in History from UCLA and a Teachers Credential from Loyola Marymount University. Rebecca taught kindergarten and 2nd grade at Kelso Avenue Elementary School in Inglewood until retiring in 1996 to focus on working with the Cadman Group.

Neil and Rebecca consider themselves now "long time" residents of El Segundo and have purchased three income properties in town - 221-223 Main Street (co-owned with Hannes Krashitzer - "Chef Hannes") where Rinaldi's and Lehman's Flowers occupy, 345-349 Richmond Street - the Richmond Lofts commercial

building, and just recently closed escrow on the Schuldt Printing Building at 225 Richmond Street from the El Segundo School Foundation. They plan to completely renovate the building and lease it out as a "loft" style office suite.

From 1995 to 1999 Neil also performed outside contractual duties as the asset manager for Universal Bank, the 7th largest Federal Savings Bank in California. Neil was honored in January of 2004 with being nominated and voted as a Board of Director of Universal Bank.

Neil is also actively involved with the Los Angeles Chapter of the Institute of Real Estate Management (IREM) and is a CPM candidate. In addition, he is the President of the non-profit Housing Corporation for the Delta Chi Chapter of the Alpha Tau Omega Fraternity at UCLA.

Currently the Cadman Group manages approximately 750 apartment units and over 20 light industrial/warehouse spaces throughout Los Angeles, San Bernardino, and Orange Counties (approximately half of the portfolio is located in El Segundo). The company has a staff of 15 ranging from site management, maintenance, administrative, and property supervision capacities.

BOOKKEEPING:

The Cadman Group uses QuickBooks Pro 2004 as its management software. Over the past ten years, we have tested programs written for the property management industry and found that most programs are geared for accountants, not real estate professionals or clients. The reports and accounting QuickBooks produces are not only easy to understand, but very simple for accountants to audit and prepare tax returns.

We will work with the Corporation to determine which reports are applicable.

STAFF:

Joan Allen is our in-house bookkeeper and has the distinction of being a QuickBooks advisor - a trained professional who is recognized by Intuit (the maker of QuickBooks) as a trainer for other QuickBooks users. Joan has been a full charge bookkeeper for over 35 years and has served as Controller for Wolfgang Puck and Urth Café. Joan lives in Manhattan Beach and is the mother of four grown sons.

Warren Scharff is the Cadman Group's property supervisor in charge of site and vendor supervision for the South Bay. Warren has been with the Cadman Group

for six years and has extensive experience in the maintenance field having worked for a large management firm as a maintenance supervisor. His experience gives him the tools for proper vendor supervision regarding job performance and prices of services. Warren and his daughter live in Torrance and she attends Torrance High School. Warren would be the property supervisor assigned to Park Vista.

Diane Lortie has recently joined the Cadman Group as the director of HOA management. Diane owned and operated Reliable Property Management, Inc. in El Segundo for over 15 years and recently decided to close Reliable Property Management and merge her clients into the Cadman Group.

Tonya Hanna is the Cadman Group's property supervisor and division manager for our Long Beach property portfolio. Tonya is a 1998 graduate of the University of Texas and recently joined the Cadman Group after four years with CB Richard Ellis, working on leasing office and retail space with Bob Healy in the CB Richard Ellis Torrance Office. Bob and Tonya recently completed the leasing of the Cook's Market development in downtown El Segundo.

Leticia De La Torre is our office administrator who performs daily duties in support of Neil Cadman, Warren Scharff, and Joan Allen. Leticia uses her experience working for Washington Mutual Bank in El Segundo and works with the staff of First Coastal Bank to ensure proper service from our close banking relationship. Leticia is married and the mother of two sons and one daughter.

Cesar Diaz is the Cadman Group's executive assistant. Cesar graduated from the University of California, Los Angeles in 2003 has a Bachelor of Arts Degree in Political Science. Cesar assists Neil Cadman in company development, marketing, and management control issues.

BANKING:

The Cadman Group will perform the banking services on behalf of the Corporation at the Corporation's discretion. We bank exclusively with First Coastal Bank, NA (located in downtown El Segundo) and maintain over 35 bank accounts which gives us some clout at our local branch with issues regarding services charges, etc. We maintain direct communication with Ed Myska, Mari Peters, and Miguel Mendez at the Bank. We will, however, use any bank the Corporation wishes.

Many property management companies use trust funds to operate client accounts. However we believe that since money collected and bills paid are Corporation property, we prefer to use bank accounts in the Property's name

with signature power to sign checks if the Corporation finds this acceptable, or prepare bill payment checks and deliver/mail them to a designated Board member for signature. We also give the Corporation guidance on how to maximize the interest power of the reserve accounts and operating accounts. We will be open and flexible to what the Corporation needs in terms of banking relationships.

PHONE SYSTEM:

The Cadman Group uses an Avant phone system to answer most incoming phone calls. While many people do not like "talking" to a system, as a property management company that handles 24-hour emergency situations, we have found it best to have a system that works 24 hours per day, 365 days per year. Unlike a receptionist, the phone system does not go home at 5:00 PM, take sick days, have weekends off, etc. Each staff member has direct extensions that are provided and key staff members associated with site management and supervision maintain company cell phones for immediate response if a staff member is not at their desk.

COMPANY PHILOSOPHY

Approximately one-third of the Cadman Group's management portfolios are properties that Neil and Rebecca Cadman own (under the name of various Limited Liability Corporations). Neil Cadman believes that a management company cannot truly understand the costs associated with mismanagement unless they own income property. To feel the loss of revenue caused by vacancies, poor maintenance practices, unsupervised vendor work, poor resident retentions policies, etc. is what can make a property management company effective and fulfill the client's objectives for the property.

The Cadman Group's philosophy of management is simple and in order of importance:

1. Get vacant units rented now. Having a vacant unit is like writing a check every single day - money that can never be retrieved.
2. Get tenants to rent pay rent in full, on time.
3. Retain tenants. You will have fewer vacancies, thus less lost income.
4. Everything else a property management company does for the operation of the property is for the purpose of fulfilling item #3.

This is what Neil Cadman calls the "philosophy of doing minimum management." While the notion of "minimum management" may sound like a company that strives to do very little, actually the contrary is the case; you

perform the minimum to get the job done – you do it right the first time and keep the budget in mind at all times. The following are examples of “minimum management” practices:

- You define the market rent for a vacant unit and you prepare the unit so you can get the target rent in the shortest amount of time. Marble countertops in one bedroom apartments that rent for \$650 per month for market rents is a waste of capital and budget space; on the other hand, you may have to put marble countertops in rentals on the Wilshire Corridor in a high-rise building where the rent is \$4,500.00 per month. You put in the best quality materials and workmanship keeping a budget and your target resident base in mind.
- You perform maintenance for tenants not just because it is the right thing to do, but also because you will not have tenants if you don't do it quickly and the right way the first time. If you do not provide quality housing, you will not have quality tenants.

On going staff training is aimed at recognizing that each task a property management company performs is directly related to the performance and quality of the facility and the satisfaction of the residents, thus the performance and quality of the management company. Poorly landscaped grounds give residents the impression of a lack of caring about the facility; hence you may find residents in turn showing a lack of caring for the facility in terms of cleanliness, adherence to House Rules, payment of rent, etc.

As a licensed Agent and Broker, no complaints have ever been filed against Neil R. Cadman and the Cadman Group with the Department of Real Estate and Neil R. Cadman and the Cadman Group have never been involved in any litigation regarding the operation of the Cadman Group.

RELEVANT EXPERIENCE

Elm Terrace Senior Apartments, Long Beach, California

In October 1998, Neil and Rebecca Cadman purchased (50% partnership with another family) the Elm Terrace Senior Apartments in Long Beach, California at 1100 Elm Avenue. The facility was built in 1990 under a conditional use permit for 15% of the residents to be designated “low income” status. The facility has 80 units, all one bedroom, one bathroom and is **not** a HUD subsidized facility. Of the 80 tenants, 23 have Section 8 housing vouchers, thus qualifying the property for its “low income” requirement with the City of Long Beach.

The property was purchased for two reasons:

1. The previous owner was operating the facility in violation the conditional use permit (a drug half-way house) thus exposing the property to potential condemnation from the City of Long Beach. This allowed the property to have significant upside potential.
2. Neil and Rebecca Cadman's belief that the multi-family industry is taking care of wealthy retirees (Sun City Palm Springs, Leisure World, etc.), but is leaving a void for middle and low income retirees who need the facilities, services, and comfort senior complexes can provide.

Within eight months, the property was cleared of all non 62 or older residents, significant upgrades were made to the wheelchair lift, elevator, mail boxes, community room, etc. and the property has been a model of excellence for the entire community.

Elm Terrace residents enjoy full time site management by a staff that cares about their well being; with "community" gatherings including Monday night football parties in the community room with potluck dinners, Thanksgiving and Christmas Dinner catered by a local restaurant, weekly bingo and bunco, trips to Laughlin and Las Vegas, etc. In addition, the property is located across the street from St. Mary's Hospital and we regularly conduct meetings and seminars geared to senior's health and financial management issues. All speakers are private individuals who provide insurance documentation prior to each event and hold the ownership/management harmless. We also invite Adult Protective Services to hold meetings with our residents to make sure they know their rights in relationship to such issues as bank and credit fraud, elder abuse, tenant rights, discounts available to seniors, etc.

The facility has now "adopted" a local elementary school where students visit the residents after school and read to them, do arts and crafts, etc.

Owning and managing the Elm Terrace Apartments has been not only profitable from a monetary point of view, but has been the most satisfying aspect of our ownership/management portfolio.

Upon request by the Corporation, Cadman Group would be willing to provide a list of all client managed properties with telephone numbers for reference purposes.

PROPOSED SERVICE PLAN FOR PARK VISTA

Due to the Cadman Group's close proximity to the facility – we are located at 203 Standard Street on the corner of Standard and Franklin – the communication and supervision lines of management will be open, ready, and continuous.

It is our belief that any business operation depends its success or failure at the point at which staff members have the most interaction with customers, or in the case of property management, the residents. A management company can have many years of experience, the best software, bookkeepers, published management philosophy, etc., however if the resident manager is not effective, no other management personnel, policy, or philosophy will make the management of the site effective. Any management company that has the experience and tools to manage a facility like Park Vista is successful in general; however the true test for the Corporation is the measure of success at this one particular property – Park Vista.

Effective property management depends on customer service, or “resident relations” more than most businesses. We, as landlords and management companies, provide a product that is basic to human needs – housing. With Park Vista, we need to strive to be even better at resident relations because our “customers” are valued members of our El Segundo community that demand and deserve friendly, prompt service to daily and special needs. Our residents must be treated with the highest levels of respect and dignity, not just because it is good business, but more simply, because they have earned it.

The Cadman Group's goal, or mission, is to recruit, train, and supervise the highest level on-site manager that acts as the “front line” for many of the most important tasks performed by a property management company – leasing, enforcement of rules, and tenant retention. In addition, the on-site manager is the supervisor for the assistant managers and the maintenance/janitorial staff and keeps a close eye on the performance and professionalism of outside vendors such as landscapers, plumbers, etc.

If chosen to manage the facility, the Cadman Group will interview and review the performance of the current manager by reviewing resident surveys, at length “scene scenarios” conducted by Warren Scharff and Neil Cadman to determine what level of service the current manager has performed at, and can perform at in the future. A regional search would be conducted for a potential new on-site manager targeting two areas of potential candidates: managers who have been trained and certified by the Apartment Association of Greater Los Angeles' On-Site Management Training Program, and Accredited Resident Managers (ARM's). ARM's are career on-site managers who have earned, through

experience and coursework the distinction of being awarded as an Accredited Resident Manager from the Institute of Real Estate Management.

The on-site manager would supervise all other site staff and a management system would be installed so that residents know that all needs, questions, or services go through the resident manager. As an example, if a resident is leaving the facility and tells the maintenance worker that they have a clogged bathroom sink, the maintenance worker is to kindly request that the resident see the resident manager; this way all needs go through one employee who is responsible for receiving the request, assigning it, and verifying the work was completed and the resident is satisfied.

Much responsibility is placed on the shoulders of the on-site manager, yet the organization of the management company must allow the on-site manager to perform their duties and have off-site management personnel ready to assist and perform administrative duties. For example, an on-site manager must have basic knowledge of maintenance aspects of multi-family facilities and have a keen understanding of landlord-resident relations, but the on-site manager must not be burdened with bookkeeping, financial reporting to the Corporation, etc.

Joan Allen will perform all bookkeeping aspects associated with the Park Vista facility. Rents are collected by the on-site manager and delivered to the Cadman Group's offices in El Segundo for daily processing and depositing. All invoices or bills associated with the operation of the facility shall be mailed to the Cadman Group's offices and tracked and paid by Joan Allen. Joan's mandate is to get bills paid on time, analyze utility bills and notify Warren Scharff, Neil Cadman, and the on-site manager if any common area utility bill grows in excess of 10% on any given month and to only pay a non-recurring outside vendor invoice when the work order has been approved for payment in writing by Warren Scharff who will be consulted by the on-site manager prior to any work being ordered. The on-site manager will report to Warren Scharff that such work has been satisfactorily completed.

Coordination, reporting, and meeting with the Corporation and overall supervision of the total operation of the facility will be the job of Neil Cadman. Clients of the Cadman Group do not have their facility "assigned" to a property supervisor; rather their point of contact for all inquiries and needs is the owner of the management company.

Our philosophy of management is to have well trained staff who understand their individual job descriptions, but also understand that effective, quality management of a facility is a team job. The Cadman Group designs overlapping

duties in critical areas in order to maintain checks and balances that lessen the chance for things to “fall through the cracks.”

With the Park Vista Senior Housing Facility managed by the Cadman Group:

1. The facility will be managed in an efficient, cost conscience manner with budgetary considerations in mind.
2. Residents will be treated with dignity and respect and will view their home as a community of neighbors with on-site and off-site management serving their individual and collective needs.
3. The El Segundo Senior Citizens Housing Corporation will have a management partner that will operate the property as a non-HUD senior facility; report to the Corporation as required, and work with the Corporation to assist in short and long term decisions to ensure the financial stability of the facility and of the Corporation. The Cadman Group will assist the Corporation to ensure that the property operates in a positive fiscal manner and that reserves are established and maintained for future improvements of the facility to protect its longevity.
4. The City of El Segundo will take pride in its Park Vista Senior Citizen Housing Facility and make it a showcase for other cities to emulate.

Section 4: Risks and Contractual Obligations

Neil R. Cadman is a licensed California Real Estate Broker and operates the Cadman Group under the guidelines and rules as set forth by California Real Estate Law and the California Department of Real Estate. Neil Cadman is a member of the Apartment Association of Greater Los Angeles and a Certified Property Manager Candidate (CPM) within the Institute of Real Estate Management (IREM). The Cadman Group is a member of the Better Business Bureau.

The Cadman Group maintains workers compensation insurance through Everest National. The Corporation and the facility would be named as additionally insured.

The Cadman Group maintains a fidelity bond in the amount of \$100,000.00. The Corporation and the facility would be named as additionally insured.

Section 5: Exceptions

The Cadman Group warrants that it has reviewed the requirements of the project as described in the RFP and understands all duties and obligations contained within.

Regarding having reviewed the requirements of the Draft Agreement, no Draft Agreement was provided, thus we have no comment at this time. However, the management agreement currently in effect has been reviewed and is acceptable in its entirety.

Section 6: Cadman Group Financial Data

Neil R. Cadman, doing business as Cadman Group has been in business, licensed in the City of El Segundo since 1995. As stated previously, the company is a sole proprietorship, not a corporation. Although the RFP called for financial data for companies in existence less than one year, we felt it best to give the Corporation as much information about the company as possible. Because of the nature of sole proprietorships, Neil and Rebecca Cadman would be willing to provide the Corporation personal financial statements and a letter of financial strength from Ed Myska, Senior Vice President of First Coastal Bank.

Cadman Group Profit and Loss June 2004

	<u>Jun 04</u>
Ordinary Income/Expense	
Income	
Property Management Fees	48,717.00
Total Income	48,717.00
Expense	
Advertising	215.00
Continuing Education	155.00
Dues and Subscriptions	455.90
Medical & Dental	3,526.79
Payroll Expenses	
Auto	106.00
ETT	0.00
Gross Wages	32,149.84
Medical	0.00
Payroll Expenses - Other	0.00
Total Payroll Expenses	32,255.84
Postage and Delivery	749.69
Printing and Reproduction	1,599.63
Professional Fees	220.05
Rent	2,553.00
Supplies	
Office	105.72
Total Supplies	105.72
Telephone	427.50
Travel & Ent	
Meals	0.00
Total Travel & Ent	0.00
Utilities	

Cable	98.91
Gas and Electric	<u>107.71</u>
Total Utilities	<u>206.62</u>
Total Expense	<u>42,470.74</u>
Net Ordinary Income	<u>6,246.26</u>
Net Income	<u><u>6,246.26</u></u>

Cadman Group
Profit and Loss 2003

	<u>Jan - Dec 03</u>
Ordinary Income/Expense	
Income	
Consulting Fees	35,717.72
Property Management Fees	<u>480,775.44</u>
Total Income	516,493.16
Expense	
Advertising	9,989.30
Bank Service Charges	566.00
Charitable Contributions	161.69
Continuing Education	602.26
Dues and Subscriptions	1,691.99
Equipment Rental	200.73
Insurance	
Liability Insurance	874.00
Workers Comp	<u>36,225.50</u>
Total Insurance	37,099.50
Licenses and Permits	4,901.07
Medical & Dental	47,858.59
Payroll Expenses	
Auto	1,378.00
ETT	84.90
Gross Wages	306,565.00
Medical	1,223.00
Payroll Expenses - Other	
Total Payroll Expenses	<u>309,250.90</u>
Payroll Taxes	
FICA	18,910.18
FUTA	728.00
Medicare	4,422.54
SUICA	<u>2,457.00</u>
Total Payroll Taxes	26,517.72

Postage and Delivery	1,899.68
Printing and Reproduction	263.88
Professional Fees	
Accounting	346.46
Legal Fees	0.00
Professional Fees - Other	<u> </u>
Total Professional Fees	346.46
Rent	8,100.00
Repairs	
Computer Repairs	<u>708.58</u>
Total Repairs	708.58
Supplies	
Office	<u>1,278.72</u>
Total Supplies	1,278.72
Telephone	12,160.53
Travel & Ent	
Meals	3,297.85
Travel	2,185.75
Travel & Ent - Other	<u>342.19</u>
Total Travel & Ent	5,825.79
Utilities	
Cable	1,129.81
Gas and Electric	2,405.95
Water	<u>29.08</u>
Total Utilities	<u>3,564.84</u>
Total Expense	<u>472,988.23</u>
Net Ordinary Income	43,504.93
Other Income/Expense	
Other Income	
Maintenance	
Other Income	<u> </u>
Total Other Income	<u>0.00</u>
Net Other Income	<u>0.00</u>
Net Income	<u><u>43,504.93</u></u>

Section 7: Representations and Certifications

Please see Exhibit 1 at the end of the proposal.

Section 8: Proposed Contract Costs

The proposed fee associated with the operation of the facility as described herein has two components:

1. For Professional Property Management Services: Cadman Group shall be paid \$2,750 per month.
2. Additional costs are to be reimbursable costs associated with on-site staff compensation. Such costs include:
 - a) Resident Manager Salary: The resident manager of a 93 unit non-HUD senior housing facility needs to have specialized training to handle the unique needs a senior housing facility provides, such as senior appropriate activities, resident health related issues, etc. According to the Institute of Real Estate Management, total compensation for multi-family properties of around 100 units is approximately \$25,000 per year plus free rent. In addition, all full time employees of Cadman Group receive 100% premium payment for medical HMO, dental HMO, vision HMO, and life insurance.

Therefore, the total monthly monetary net expense for the resident manager shall be: \$2,740.00

1. Use of a two-bedroom unit in the facility.
 2. Gross salary of \$2,000.00 per month
 3. Approximate payroll taxes of \$185.00 per month
 4. Benefits, including Health Net HMO, Health Net Vision HMO, Guardian Dental HMO, and Guardian Life Insurance: Approximately \$280.00 per month.
 5. Workers compensation premiums of approximately \$275.00 per month
- b) Assistant Manager Compensation: The Assistant Managers shall be on an independent contractor contract with the Cadman Group and shall receive compensation for their duties in the form of a rent reduction.
 - c) Maintenance Worker Salary: A qualified maintenance worker for a 93 unit building should have the necessary skill to handle most day to day maintenance issues that arise, thus lessening the need to contract outside vendors. Such a person receives approximately \$15.00 per hour plus company benefits.

Therefore, the total monthly monetary net expense for the maintenance worker shall be: \$3,295.00

1. Gross salary of \$2,400.00 per month
2. Approximate payroll taxes of \$185.00 per month
3. Benefits, including Health Net HMO, Health Net Vision HMO, Guardian Dental HMO, and Guardian Life Insurance: Approximately \$280.00 per month.
4. Workers compensation premiums of approximately \$430.00 per month.

d) Janitorial Worker Salary: A janitorial worker for a 93 unit building should have the necessary skills to handle basic janitorial services including mopping, window cleaning, parking lot cleaning, trash removal, etc. In addition, the janitorial worker can assist the maintenance worker on tasks in which a second set of hands is necessary to perform a task. Such a person receives approximately \$11.00 per hour plus company benefits.

Therefore, the total monthly monetary net expense for the maintenance/janitorial worker shall be: \$2,439.00

1. Gross salary of \$1,760.00 per month
2. Approximate payroll taxes of \$135.00 per month
3. Benefits, including Health Net HMO, Health Net Vision HMO, Guardian Dental HMO, and Guardian Life Insurance: Approximately \$280.00 per month.
4. Workers compensation premiums of approximately \$264.00 per month.

Total monthly fee plus reimbursable costs to Cadman Group:

Management Fee:	\$2,750.00
Staff payroll expense:	\$8,474.00**
<i>Total:</i>	<i>\$11,224.00</i>

**Please note that while the management fee is a "fixed" expense, the reimbursable expenses associated with on-site staff changes periodically with changes in payroll tax tables, benefits costs, salary review, etc. In addition, the Cadman Group would like to review current staffing salaries to determine a more actual cost figure.

The Cadman Group shall provide detailed reports at the Board's discretion showing actual costs associated with site staff expense. Reports shall include DE6 and 941 forms, workers compensation premium bills, and benefit payment statements. In this way, the Corporation is assured that actual reimbursements to the Cadman Group for site staff are continually audited by both the Cadman Group and the Corporation.

The Cadman Group does not propose a scheduled property management fee increase.

Exhibit 1

"I, Neil R. Cadman, represent and certify, on behalf of Cadman Group that I am familiar with the information presented in the proposal, and that is true and correct to the best of my knowledge and belief and that I am authorized to execute this Representation and Certification.

Signed ."

Since the Cadman Group is not a corporation, there exists no resolutions or documents showing that Neil R. Cadman is authorized to execute such an agreement. As stated earlier in the proposal, the Cadman Group's legal name is Neil R. Cadman, doing business as Cadman Group. Therefore my signature shall act in full force.

FIRST AMENDMENT TO PROPERTY MANAGEMENT AGREEMENT BETWEEN THE EL SEGUNDO SENIOR CITIZEN HOUSING CORPORATION AND CADMAN GROUP, A CALIFORNIA CORPORATION

This FIRST AMENDMENT ("Amendment") to the PROPERTY MANAGEMENT AGREEMENT BETWEEN THE EL SEGUNDO SENIOR CITIZEN HOUSING CORPORATION AND NEIL R. CADMAN DBA CADMAN GROUP (since incorporated as Cadman Group, Inc., a California Corporation) dated October 1, 2004 ("Agreement") is made and entered into this July ~~June~~ 25th day of ~~June~~ 2007, by and between the El Segundo Senior Citizen Housing Corporation, a California nonprofit public benefit corporation ("Owner") and Cadman Group, Inc., a California Corporation ("Manager").

1. Section 1.4 of the Agreement is hereby amended to read as follows:

1.4 TERM

The term of this Agreement shall extend to and including September 30, 2010, subject to the provisions set forth in Section 19 regarding termination.

2. This Amendment may be executed in any number or counterparts, each of which will be an original, but all of which together constitute one instrument executed on the same date.

3. Except as otherwise provided herein, all terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS HEREOF, the parties hereto have affixed their respective signatures this _____ day of ~~June~~ July, 2007.

EL SEGUNDO SENIOR CITIZENS HOUSING CORPORATION

Peter C. Freeman
President

CADMAN GROUP, INC.
NEIL R. CADMAN, PRESIDENT

Neil R. Cadman
Neil R. Cadman

[Signature]
Chief Financial Officer

Taxpayer ID

Approved as to Form:

Mark D. Hensley, City Attorney
City of El Segundo

By: [Signature]
Karl H. Berger,
Assistant City Attorney

[Handwritten mark]

SECOND AMENDMENT TO PROPERTY MANAGEMENT AGREEMENT BETWEEN THE EL SEGUNDO SENIOR CITIZEN HOUSING CORPORATION AND CADMAN GROUP, A CALIFORNIA CORPORATION

This SECOND AMENDMENT ("Amendment") to the PROPERTY MANAGEMENT AGREEMENT BETWEEN THE EL SEGUNDO SENIOR CITIZEN HOUSING CORPORATION AND NEIL R. CADMAN DBA CADMAN GROUP (since incorporated as Cadman Group, Inc., a California Corporation) dated October 1, 2004 ("Agreement") is made and entered into this 26th day of October, 2011, by and between the El Segundo Senior Citizen Housing Corporation, a California nonprofit public benefit corporation ("Owner") and Cadman Group, Inc., a California Corporation ("Manager").

1. Section 1.4 of the Agreement is hereby amended to read as follows:

1.4 TERM

The term of this Agreement shall extend to and including OCTOBER 31, 2014, subject to the provisions set forth in Section 19 regarding termination.

2. Section 15.1 of the Agreement is hereby amended to read as follows:

15.1 FEE FOR MANAGEMENT SERVICES

For its proper performance of all the services as set forth herein, MANAGER will be paid the fee of Twelve Thousand Three Hundred Thirty-Three Dollars and Thirty-Three Cents (\$12,333.33) per month. Management fees may be increased or otherwise modified in subsequent years by written addenda to this Agreement.

2. This Amendment may be executed in any number or counterparts, each of which will be an original, but all of which together constitute one instrument executed on the same date.


3. Except as otherwise provided herein, all terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS HEREOF, the parties hereto have affixed their respective signatures this 26th day of October, 2011.

EL SEGUNDO SENIOR CITIZENS HOUSING CORPORATION

CADMAN GROUP, INC.
NEIL R. CADMAN, PRESIDENT

President



Neil R. Cadman



Chief Financial Officer

Taxpayer ID

**THIRD AMENDMENT TO PROPERTY MANAGEMENT AGREEMENT BETWEEN THE
EL SEGUNDO SENIOR CITIZEN HOUSING CORPORATION AND CADMAN GROUP, A
CALIFORNIA CORPORATION**

This THIRD AMENDMENT ("Amendment") to the PROPERTY MANAGEMENT AGREEMENT BETWEEN THE EL SEGUNDO SENIOR CITIZEN HOUSING CORPORATION AND NEIL R. CADMAN DBA CADMAN GROUP (since incorporated as Cadman Group, Inc., a California Corporation) dated October 1, 2004 ("Agreement") is made and entered into this 24th day of September, 2014, by and between the El Segundo Senior Citizen Housing Corporation, a California nonprofit public benefit corporation ("Owner") and Cadman Group, Inc., a California Corporation ("Manager").

1. Section 1.4 of the Agreement is hereby amended to read as follows:

1.4 TERM

The term of this Agreement shall extend to and including October 31, 2017, subject to the provisions set forth in Section 19 regarding termination.

2. Section 15.1 of the Agreement is hereby amended to read as follows:

15.1 FEE FOR MANAGEMENT SERVICES

For its proper performance of all the services as set forth herein, MANAGER will be paid the fee of Thirteen Thousand Dollars (\$13,000.00) per month. Management fees may be increased or otherwise modified in subsequent years by written addenda to this Agreement.

3. This Amendment may be executed in any number or counterparts, each of which will be an original, but all of which together constitute one instrument executed on the same date.
4. Except as otherwise provided herein, all terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS HEREOF, the parties hereto have affixed their respective signatures this 24th day of September, 2014.

EL SEGUNDO SENIOR CITIZENS
HOUSING CORPORATION



President

CADMAN GROUP, INC.
NEIL R. CADMAN, PRESIDENT



Neil R. Cadman



Chief Financial Officer



Taxpayer ID

FOURTH AMENDMENT TO PROPERTY MANAGEMENT AGREEMENT BETWEEN THE EL SEGUNDO SENIOR CITIZEN HOUSING CORPORATION AND CADMAN GROUP, A CALIFORNIA CORPORATION

This FOURTH AMENDMENT ("Amendment") to the PROPERTY MANAGEMENT AGREEMENT BETWEEN THE EL SEGUNDO SENIOR CITIZEN HOUSING CORPORATION AND NEIL R. CADMAN DBA CADMAN GROUP (since incorporated as Cadman Group, Inc., a California Corporation) dated October 1, 2004 ("Agreement") is made and entered into this 20th day of September, 2017, by and between the El Segundo Senior Citizen Housing Corporation, a California nonprofit public benefit corporation ("Owner") and Cadman Group, Inc., a California Corporation ("Manager").

1. Section 1.4 of the Agreement is hereby amended to read as follows:

1.4 TERM

The term of this Agreement shall extend to and including October 31, 2020, subject to the provisions set forth in Section 19 regarding termination.

2. Section 15.1 of the Agreement is hereby amended to read as follows:

15.1 FEE FOR MANAGEMENT SERVICES

For its proper performance of all the services as set forth herein, MANAGER will be paid the fee of \$14,500.00 per month. Management fees may be increased or otherwise modified in subsequent years by written addenda to this Agreement.

3. This Amendment may be executed in any number or counterparts, each of which will be an original, but all of which together constitute one instrument executed on the same date.

4. Except as otherwise provided herein, all terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS HEREOF, the parties hereto have affixed their respective signatures on the date first hereinabove written.

EL SEGUNDO SENIOR CITIZENS HOUSING CORPORATION

[Signature]
President

[Signature]
Chief Financial Officer

CADMAN GROUP, INC.
NEIL R. CADMAN, PRESIDENT

[Signature]
Neil R. Cadman

51-0584113
Taxpayer ID

ATTEST:

[Signature]
City Clerk
City of El Segundo

APPROVED AS TO FORM:
[Signature]
CITY ATTORNEY

FIFTH AMENDMENT TO PROPERTY MANAGEMENT AGREEMENT BETWEEN THE EL SEGUNDO SENIOR CITIZEN HOUSING CORPORATION AND CADMAN GROUP, INC., A CALIFORNIA CORPORATION

This FIFTH AMENDMENT (“Amendment”) to the PROPERTY MANAGEMENT AGREEMENT BETWEEN THE EL SEGUNDO SENIOR CITIZEN HOUSING CORPORATION AND NEIL R. CADMAN DBA CADMAN GROUP (since incorporated as Cadman Group, Inc., a California Corporation) dated October 1, 2004 (“Agreement”) is made and entered into this 23rd day of July, 2020, by and between the El Segundo Senior Citizen Housing Corporation, a California nonprofit public benefit corporation (“Owner”) and Cadman Group, Inc., a California Corporation (“Manager”).

1. Section 1.4 of the Agreement is hereby amended to read as follows:

1.4 TERM

The term of this Agreement shall extend to and including October 31, 2023, subject to the provisions set forth in Section 19 regarding termination.

2. Section 15.1 of the Agreement is hereby amended to read as follows:


15.1 FEE FOR MANAGEMENT SERVICES

Beginning November 1, 2020, MANAGER will be paid the fee of \$15,000.00 per month for its proper performance of all the services as set forth herein. Beginning November 1, 2021, the monthly management fee will increase to \$15,250. Beginning November 1, 2022, the monthly management fee will increase to \$15,500.

3. This Amendment may be executed in any number or counterparts, each of which will be an original, but all of which together constitute one instrument executed on the same date.
4. Except as otherwise provided herein, all terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS HEREOF, the parties hereto have affixed their respective signatures on the date first hereinabove written.

EL SEGUNDO SENIOR CITIZENS
HOUSING CORPORATION




President



Chief Financial Officer

CADMAN GROUP, INC.
NEIL R. CADMAN, PRESIDENT



Neil R. Cadman

51-0584113

Taxpayer ID

SIXTH AMENDMENT TO PROPERTY MANAGEMENT AGREEMENT BETWEEN THE EL SEGUNDO SENIOR CITIZEN HOUSING CORPORATION AND CADMAN GROUP, INC., A CALIFORNIA CORPORATION


This SIXTH AMENDMENT ("Amendment") to the PROPERTY MANAGEMENT AGREEMENT BETWEEN THE EL SEGUNDO SENIOR CITIZEN HOUSING CORPORATION AND NEIL R. CADMAN DBA CADMAN GROUP (since incorporated as Cadman Group, Inc., a California Corporation) dated October 1, 2004 ("Agreement") is made and entered into this 1st day of September, 2020, by and between the El Segundo Senior Citizen Housing Corporation, a California nonprofit public benefit corporation ("Owner") and Cadman Group, Inc., a California Corporation ("Manager").

1. Section 13.2.1.2 of the Agreement is hereby deleted.
2. This Amendment may be executed in any number or counterparts, each of which will be an original, but all of which together constitute one instrument executed on the same date.
3. Except as otherwise provided herein, all terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS HEREOF, the parties hereto have affixed their respective signatures on the date first hereinabove written.

EL SEGUNDO SENIOR CITIZENS HOUSING CORPORATION


CADMAN GROUP, INC.
NEIL R. CADMAN, PRESIDENT



Paul Ianyi (Oct 31, 2022 15:56 PDT)
President

Neil Cadman
Neil Cadman (Nov 1, 2022 15:19 PDT)
Neil R. Cadman

Paula Rotolo
Paula Rotolo (Oct 31, 2022 21:31 PDT)
Chief Financial Officer

51-0584113
Taxpayer ID

APPROVED AS TO FORM:

CITY ATTORNEY

Insurance Approval


Hankle,
DISIC Manager

**SEVENTH AMENDMENT TO PROPERTY MANAGEMENT
AGREEMENT BETWEEN THE EL SEGUNDO SENIOR CITIZEN
HOUSING CORPORATION AND CADMAN GROUP, INC.**

This SEVENTH AMENDMENT (“Amendment”) to the PROPERTY MANAGEMENT AGREEMENT BETWEEN THE EL SEGUNDO SENIOR CITIZEN HOUSING CORPORATION AND NEIL R. CADMAN DBA CADMAN GROUP (since incorporated as Cadman Group, Inc., a California Corporation) dated October 1, 2004 (“Agreement”) is made and entered into effective as of the 9th day of October, 2022 (the “Effective Date”), by and between the El Segundo Senior Citizen Housing Corporation, a California nonprofit public benefit corporation (“Owner”) and Cadman Group, Inc., a California Corporation (“Manager”).

WHEREAS, Section 13.2.1.1 of the Agreement obligates Manager to maintain, on behalf of Owner and at the expense of Owner, a policy of insurance described as “Fire with extended coverage with coverage on buildings in an amount not less than \$4,859,500 and coverage on contents of not less than \$24,100 with a deductible amount not to exceed \$1,000;”

WHEREAS, in accordance with Section 13.2.1.1 of the Agreement, Manager has heretofore maintained the required policy of insurance;

WHEREAS, for the period from October 9, 2020 through October 9, 2021, Manager obtained a policy of insurance through Topa Insurance Company consistent with the requirements of Section 13.2.1.1 at a cost of \$30,208.00;

WHEREAS, for the period from October 9, 2021 through October 9, 2022, Manager obtained a policy of insurance through Comstar General Insurance Solutions consistent with the requirements of Section 13.2.1.1 at a cost of \$25,149.59;

WHEREAS, on October 4, 2022, five days before the policy was set to expire, Manager was informed that the renewal rate for the policy would be \$62,188.78;

WHEREAS, upon being informed of the sharp increase in the insurance premium, Manager contacted an insurance broker to price out other carriers for a comparable policy;

WHEREAS, Manager was informed that no other carrier would agree to underwrite the policy either because the building is government owned or because of its loss history;

WHEREAS, Manager contacted Hank Lu, Risk Manager for the City of El Segundo (the owner of the Park Vista property) to inquire about alternative insurance options that may be open to the City at a lower cost;

WHEREAS, the City’s Risk Manager informed Manager that the building is covered on an excess basis though the City’s insurance pool (the Independent Cities Risk Management Authority (“ICRMA”));

WHEREAS, the City of El Segundo, through the ICRMA, maintains property coverage for the Park Vista facility that the City's Risk Manager has deemed adequate;

WHEREAS, the City of El Segundo's securing of property coverage for Park Vista through the ICRMA obviates the need for Manager to obtain the policy of insurance otherwise required by Section 13.2.1.1 of the Agreement; and

WHEREAS, the parties wish to amend the Agreement to delete Manager's obligation to maintain the property insurance policy currently required by Section 13.2.1.1.

NOW, THEREFORE, in exchange for valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

- 1. Section 13.2.1.1 of the Agreement is hereby amended to read as follows:

"13.2.1.1 Reserved."

- 2. This Amendment may be executed in any number or counterparts, each of which will be an original, but all of which together constitute one instrument executed on the same date.

- 3. Except as otherwise provided herein, all terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS HEREOF, the parties hereto have affixed their respective signatures as of the Effective Date.

EL SEGUNDO SENIOR CITIZENS HOUSING CORPORATION

Denise Jensenbecker

President

Carol A. Roth

Chief Financial Officer

**CADMAN GROUP, INC.
NEIL R. CADMAN, PRESIDENT**

Neil R. Cadman

Neil R. Cadman

51-0584113

Taxpayer ID

APPROVED AS TO FORM:

[Signature]

CITY ATTORNEY

Insurance Approval:

[Signature]

Hank Lu, Risk Manager



CADMANGROUP

PARK VISTA

Financial Reporting Analysis

October 2022

Gross Income: **\$74,663.98**

No out of the ordinary issues with regards to income for the month

Gross Expenses: **\$82,447.36**

Expenses for the month were normal except for the following:

- *Liability insurance bill of \$18,886.63 paid in October.*
- *Water bills of \$7,357.50 in October.*
- *Maintenance of \$25,091.92 of which approximately \$14,000 for vacancy prep of two units plus some current tenant appliance replacements.*

Net Income: **(7,783.38)**

Total Account Balances: **\$1,641,883.49**

Upcoming major expenses: Pipe replacement project run by Public Works.

NOTE: THIS DOCUMENT IS A SUMMARY AND ANALYSIS ONLY OF THE MONTHLY FINANCIAL STATEMENTS FOR PARK VISTA. THEY ARE NOT PART OF THE ACTUAL FINANCIAL STATEMENTS FOR PARK VISTA.

**Total number of vacancies for the month: 100% occupied on 10/1/2022
100% occupied on 10/31/2022**

Move-outs: 2

Move-ins: 0

Notices to Vacate: 1

Budget Comparison Notes:

Operations: Operations for the month was a net \$26,692.87 over budget for October, and \$11,003.07 over budget YTD, primarily because \$50,000 for insurance was budgeted for October, but paid during a previous month.

Income

- **Income for the month of October \$3,891.63 over budget \$40,393.48 over budget YTD.**

Expenses:

- **Overall \$19,903.89 under budget for all expenses for October and \$39,644.41 over budget YTD, primarily due to TWO \$50,000 earthquake insurance that was not anticipated.**
- **Maintenance \$7,591.92 over budget for October and \$35,588.47 under budget YTD.**
- **Electricity \$617.49 over budget in October and \$2,171.10 over budget YTD.**
- **Gas \$225.54 under budget for October, but to be expected due to the time of year where tenant take longer showers with hot water. Gas \$144,37 over budget YTD**
- **Cable Television over budget due to billing practices by Spectrum.**
- **Water \$274.72 over budget YTD.**

NOTE: THIS DOCUMENT IS A SUMMARY AND ANALYSIS ONLY OF THE MONTHLY FINANCIAL STATEMENTS FOR PARK VISTA. THEY ARE NOT PART OF THE ACTUAL FINANCIAL STATEMENTS FOR PARK VISTA.

Income Statement

Cadman Group

Properties: Park Vista - 615 E. Holly Avenue El Segundo, CA 90245

Owned By: El Segundo Senior Citizens Housing Corporation

As of: Oct 2022

Accounting Basis: Cash

Level of Detail: Detail View

Include Zero Balance GL Accounts: No

Account Name	Selected Month	% of Selected Month	Year to Month End	% of Year to Month End
Operating Income & Expense				
Income				
RENT				
Rent Income	71,014.00	99.23	690,168.00	96.84
Parking Income	1,550.00	2.17	15,650.50	2.20
Total RENT	72,564.00	101.39	705,818.50	99.03
Prepayment	-1,306.50	-1.83	2,149.00	0.30
NSF Bank Fees Collected	0.00	0.00	25.00	0.00
Application Fee Income	-40.00	-0.06	0.00	0.00
Laundry Income	349.13	0.49	4,712.98	0.66
Total Operating Income	71,566.63	100.00	712,705.48	100.00
Expense				
Fire Service	255.00	0.36	12,725.00	1.79
Maintenance	25,091.92	35.06	139,411.53	19.56
Elevator service	0.00	0.00	4,512.24	0.63
Gardening	1,223.19	1.71	11,749.07	1.65
Management Fees	16,000.00	22.36	155,500.00	21.82
Security Service	0.00	0.00	0.00	0.00
Pest Control	965.00	1.35	5,069.00	0.71
Insurance - Property	18,886.63	26.39	18,886.63	2.65
Earthquake Insurance	0.00	0.00	105,952.00	14.87
Licenses and Permits	0.00	0.00	475.00	0.07
Electricity	2,317.49	3.24	19,171.10	2.69
Gas	1,274.46	1.78	15,144.37	2.12
Water	7,357.50	10.28	37,774.72	5.30
Telephone/Internet	2,680.17	3.74	24,669.84	3.46
Cable/Television	5,350.31	7.48	57,963.44	8.13
Office Supplies	1,045.69	1.46	2,090.97	0.29
Bank Service Fees	0.00	0.00	12.00	0.00
Professional Fees	0.00	0.00	5,875.00	0.82
Total Operating Expense	82,447.36	115.20	616,981.91	86.57
NOI - Net Operating Income	-10,880.73	-15.20	95,723.57	13.43
Other Income & Expense				
Other Income				
Interest on Bank Accounts	3,097.35	4.33	12,254.00	1.72

Income Statement

Account Name	Selected Month	% of Selected Month	Year to Month End	% of Year to Month End
Total Other Income	3,097.35	4.33	12,254.00	1.72
Other Expense				
Capital Expenditures				
Plumbing	0.00	0.00	0.00	0.00
Capital Improvements	0.00	0.00	0.00	0.00
Total Capital Expenditures	0.00	0.00	0.00	0.00
Total Other Expense	0.00	0.00	0.00	0.00
Net Other Income	3,097.35	4.33	12,254.00	1.72
Total Income	74,663.98	104.33	724,959.48	101.72
Total Expense	82,447.36	115.20	616,981.91	86.57
Net Income	-7,783.38	-10.88	107,977.57	15.15

Balance Sheet

Properties: Park Vista - 615 E. Holly Avenue El Segundo, CA 90245

As of: 10/31/2022

Accounting Basis: Cash

Include Zero Balance GL Accounts: No

Account Name	Balance
ASSETS	
Cash	
Cash in Bank	477,358.33
Park Vista Reserve Account - LAIF	1,164,525.16
Total Cash	1,641,883.49
Building Improvements	1,046,041.00
Equipment	167,194.00
Furnishings	153,863.00
Personal Property	-0.05
Accumulated Depreciation	-933,968.00
TOTAL ASSETS	2,075,013.44
LIABILITIES & CAPITAL	
Liabilities	
Pet Deposit	4,525.00
Key Deposit	1,630.00
Security Deposit	61,882.00
Passthrough Cash Account	-661.00
Accounts Payable	4,957.00
Total Liabilities	72,333.00
Capital	
Owner Contribution	35,996.00
Owner Distribution	-35,996.00
Retained Earnings	94,221.95
Prior Years Retained Earnings	12,696.00
Calculated Retained Earnings	107,977.57
Calculated Prior Years Retained Earnings	1,787,784.92
Total Capital	2,002,680.44
TOTAL LIABILITIES & CAPITAL	2,075,013.44

Bill Detail**Properties:** Park Vista - 615 E. Holly Avenue El Segundo, CA 90245**Payees:** All**Payment Type:** All**GL Accounts:** All**Bill Status:** All**Date Type:** Bill Date**Date Range:** 10/01/2022 to 10/31/2022**Automated AP:** All**Show Reversed Transactions:** No**Project:** All

Reference	Bill Date	Due Date	GL Account	Property	Unit	Payee Name	Paid	Unpaid	Check #	Paid Date	Description
6000 - Fire Service											
1099864	10/22/2022	10/22/2022	6000 - Fire Service	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		Fire Safety First	255.00	0.00	3000000314	10/25/2022	Quarterly Fire Alarm monitoring
6210 - Maintenance											
9206991366	10/05/2022	10/05/2022	6210 - Maintenance	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		HD Supply	278.61	0.00	6491	10/05/2022	Vertical blinds for Unit #213
9207073393	10/05/2022	10/05/2022	6210 - Maintenance	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		HD Supply	38.74	0.00	6491	10/05/2022	Janitorial supplies
9207073395	10/05/2022	10/05/2022	6210 - Maintenance	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		HD Supply	50.48	0.00	6491	10/05/2022	Maintenance supplies
9206620525	10/05/2022	10/05/2022	6210 - Maintenance	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		HD Supply	175.06	0.00	6491	10/05/2022	New ceiling fan for unit #211
9206620524	10/05/2022	10/05/2022	6210 - Maintenance	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		HD Supply	205.18	0.00	6491	10/05/2022	Supplies and New ceiling fan for unit #406
9206619122	10/05/2022	10/05/2022	6210 - Maintenance	Park Vista - 615 E. Holly		HD Supply	111.56	0.00	6491	10/05/2022	Janitorial supplies

Bill Detail

Reference	Bill Date	Due Date	GL Account	Property	Unit	Payee Name	Paid	Unpaid	Check #	Paid Date	Description
9206665666	10/05/2022	10/05/2022	6210 - Maintenance	Avenue El Segundo, CA 90245 Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		HD Supply	364.00	0.00	6491	10/05/2022	Vertical blinds for Unit #310 and #311
9206665664	10/05/2022	10/05/2022	6210 - Maintenance	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		HD Supply	86.61	0.00	6491	10/05/2022	Maintenance supplies
9206665661	10/05/2022	10/05/2022	6210 - Maintenance	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		HD Supply	80.04	0.00	6491	10/05/2022	Maintenance supplies
9206665662	10/05/2022	10/05/2022	6210 - Maintenance	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		HD Supply	19.97	0.00	6491	10/05/2022	Vacancy prep supplies for Unit #213
9206665663	10/05/2022	10/05/2022	6210 - Maintenance	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		HD Supply	80.04	0.00	6491	10/05/2022	Vacancy prep supplies for Unit #213
9206709244	10/05/2022	10/05/2022	6210 - Maintenance	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		HD Supply	40.13	0.00	6491	10/05/2022	Vacancy prep supplies for Unit #211
9206718367	10/05/2022	10/05/2022	6210 - Maintenance	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		HD Supply	935.13	0.00	6491	10/05/2022	New free standing gas range for Unit #211
9206718368	10/05/2022	10/05/2022	6210 - Maintenance	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		HD Supply	87.28	0.00	6491	10/05/2022	Vacancy Prep #213 supplies.
9206718364	10/05/2022	10/05/2022	6210 - Maintenance	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		HD Supply	167.83	0.00	6491	10/05/2022	Maintenance supplies

Bill Detail

Reference	Bill Date	Due Date	GL Account	Property	Unit	Payee Name	Paid	Unpaid	Check #	Paid Date	Description
9206877043	10/05/2022	10/05/2022	6210 - Maintenance	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		HD Supply	109.68	0.00	6491	10/05/2022	Maintenance supplies for Unit #310
9206818582	10/05/2022	10/05/2022	6210 - Maintenance	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		HD Supply	123.96	0.00	6491	10/05/2022	Maintenance supplies
9206818584	10/05/2022	10/05/2022	6210 - Maintenance	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		HD Supply	11.67	0.00	6491	10/05/2022	Maintenance supplies for Unit #310
9206818583	10/05/2022	10/05/2022	6210 - Maintenance	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		HD Supply	121.41	0.00	6491	10/05/2022	Maintenance supplies
9206936794	10/05/2022	10/05/2022	6210 - Maintenance	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		HD Supply	86.55	0.00	6491	10/05/2022	Maintenance supplies for Unit #311
9206789198	10/05/2022	10/05/2022	6210 - Maintenance	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		HD Supply	29.42	0.00	6491	10/05/2022	Maintenance supplies
M15684	10/08/2022	10/08/2022	6210 - Maintenance	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245	510	CARPET DEPOT, INC.	1,450.00	0.00	42DA-9B8C	10/25/2022	21 year old carpet replaced throughout unit, studio #510.
9207214638	10/10/2022	10/10/2022	6210 - Maintenance	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		HD Supply	738.03	0.00	6497	10/10/2022	New refrigerator for Unit #213
9207214639	10/10/2022	10/10/2022	6210 - Maintenance	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		HD Supply	50.48	0.00	6497	10/10/2022	Maintenance supplies
9207249133	10/10/2022	10/10/2022	6210 - Maintenance	Park Vista - 615 E. Holly		HD Supply	37.78	0.00	6497	10/10/2022	Vacancy prep for Unit #211

Bill Detail

Reference	Bill Date	Due Date	GL Account	Property	Unit	Payee Name	Paid	Unpaid	Check #	Paid Date	Description
				Avenue El Segundo, CA 90245							
9207249132	10/10/2022	10/10/2022	6210 - Maintenance	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		HD Supply	37.78	0.00	6497	10/10/2022	Janitorial supplies
9207134135	10/10/2022	10/10/2022	6210 - Maintenance	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		HD Supply	54.08	0.00	6497	10/10/2022	Maintenance supplies
9207249134	10/10/2022	10/10/2022	6210 - Maintenance	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		HD Supply	639.48	0.00	6497	10/10/2022	New gas range for Unit #508
46691	10/10/2022	10/10/2022	6210 - Maintenance	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		Southbay Industrial Hardware	54.07	0.00	6498	10/10/2022	Maintenance supplies
45139	10/10/2022	10/10/2022	6210 - Maintenance	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		Southbay Industrial Hardware	90.52	0.00	6498	10/10/2022	Maintenance supplies
45145	10/10/2022	10/10/2022	6210 - Maintenance	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		Southbay Industrial Hardware	59.10	0.00	6498	10/10/2022	Maintenance supplies
45155	10/10/2022	10/10/2022	6210 - Maintenance	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		Southbay Industrial Hardware	70.69	0.00	6498	10/10/2022	Maintenance supplies
45158	10/10/2022	10/10/2022	6210 - Maintenance	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		Southbay Industrial Hardware	88.58	0.00	6498	10/10/2022	Maintenance supplies
46659	10/10/2022	10/10/2022	6210 - Maintenance	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		Southbay Industrial Hardware	106.41	0.00	6498	10/10/2022	Maintenance supplies

Bill Detail

Reference	Bill Date	Due Date	GL Account	Property	Unit	Payee Name	Paid	Unpaid	Check #	Paid Date	Description
46670	10/10/2022	10/10/2022	6210 - Maintenance	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		Southbay Industrial Hardware	124.30	0.00	6498	10/10/2022	Maintenance supplies
46676	10/10/2022	10/10/2022	6210 - Maintenance	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		Southbay Industrial Hardware	10.92	0.00	6498	10/10/2022	Maintenance supplies
62812	10/12/2022	10/12/2022	6210 - Maintenance	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		Industrial Lock & Security Inc.	56.95	0.00	3000000313	10/25/2022	New keys needed for new vacancies.
YMC13576	10/14/2022	10/14/2022	6210 - Maintenance	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		The Stanley Louis Company	590.40	0.00	9695-C22E	11/04/2022	Monthly roof boiler maintenance findings; replace (2) flow switches, parts and labor.
432440	10/17/2022	10/17/2022	6210 - Maintenance	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		Montalvo, Uriel	250.00	0.00	4408-1D9E	10/26/2022	Annual service, test and clean out of parking area and driveway drains/sump pump in preparation of rainy season.
7108122	10/18/2022	10/18/2022	6210 - Maintenance	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245	405	OC-LA Appliance Solutions	245.00	0.00	440E-6C6C	10/26/2022	Repairs made to stove for all burners to work properly.
3692	10/18/2022	10/18/2022	6210 - Maintenance	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245	317	OC-LA Appliance Solutions	135.00	0.00	440E-6C6C	10/26/2022	Service stove oven that won't turn on properly.
432457	10/23/2022	10/23/2022	6210 - Maintenance	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245	310	Montalvo, Uriel	150.00	0.00	4408-1D9E	10/26/2022	Urgent afterhours call; snaked kitchen sink to clear back up and clean overflow area.

Bill Detail

Reference	Bill Date	Due Date	GL Account	Property	Unit	Payee Name	Paid	Unpaid	Check #	Paid Date	Description
432458	10/23/2022	10/23/2022	6210 - Maintenance	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245	108	Montalvo, Uriel	150.00	0.00	4408-1D9E	10/26/2022	Update kitchen lights with (2) LED lights in kitchen fixture repair.
432459	10/23/2022	10/23/2022	6210 - Maintenance	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		Montalvo, Uriel	350.00	0.00	4408-1D9E	10/26/2022	Troubleshoot and repair back patio common area exterior lighting to work properly at night.
432464	10/23/2022	10/23/2022	6210 - Maintenance	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		Montalvo, Uriel	450.00	0.00	4408-1D9E	10/26/2022	Annual service, test and clean out of parking area and driveway drains/sump pump in preparation of rainy season.
891223	10/25/2022	10/25/2022	6210 - Maintenance	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245	105	Garcia, Gerardo	180.00	0.00	3000000315	10/26/2022	Afterhours emergency; unclog kitchen sink, replace broken and leaking shower head.
891220	10/25/2022	10/25/2022	6210 - Maintenance	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		Garcia, Gerardo	920.00	0.00	3000000316	11/04/2022	Emergency weekend service to shampoo, clean, sanitize and dry common area entrance to elevator carpet areas where tenant had personal accident.
9207545068	10/26/2022	10/26/2022	6210 - Maintenance	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		HD Supply	145.47	0.00	6508	10/26/2022	New garbage disposal #318
9207729632	10/26/2022	10/26/2022	6210 - Maintenance	Park Vista - 615 E. Holly		HD Supply	136.39	0.00	6508	10/26/2022	Janitorial and maintenance

Bill Detail

Reference	Bill Date	Due Date	GL Account	Property	Unit	Payee Name	Paid	Unpaid	Check #	Paid Date	Description
				Avenue El Segundo, CA 90245							supplies
9207454746	10/26/2022	10/26/2022	6210 - Maintenance	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		HD Supply	25.96	0.00	6508	10/26/2022	Maintenance supplies
9207362085	10/26/2022	10/26/2022	6210 - Maintenance	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		HD Supply	158.80	0.00	6508	10/26/2022	Maintenance supplies
9207635333	10/26/2022	10/26/2022	6210 - Maintenance	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		HD Supply	62.78	0.00	6508	10/26/2022	Maintenance supplies #211
586866	10/28/2022	10/28/2022	6210 - Maintenance	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		Frank Hauling & Maintenance	200.00	0.00	6C60-258E	11/11/2022	Hauled away bulk furniture left behind in trash rooms by tenants.
							11,022.32	0.00			
6250 - Gardening											
5533	10/10/2022	10/10/2022	6250 - Gardening	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		Octavio Rojas Landscaping	1,184.59	0.00	C661-AD24	10/10/2022	Monthly Service - September
5533	10/10/2022	10/10/2022	6250 - Gardening	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		Octavio Rojas Landscaping	38.60	0.00	C661-AD24	10/10/2022	Extra supplies and approved work for Sept. 2022 - 2 shrub head with inserts and 6 risers
							1,223.19	0.00			
6270 - Management Fees											
	10/10/2022	10/10/2022	6270 - Management Fees	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		Cadman Group	16,000.00	0.00	1010	10/10/2022	Management Fees for 10/ 2022

Bill Detail

Reference	Bill Date	Due Date	GL Account	Property	Unit	Payee Name	Paid	Unpaid	Check #	Paid Date	Description
6315 - Pest Control											
149744	10/05/2022	10/05/2022	6315 - Pest Control	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		Al & Sons Termite and Pest Control Inc.	175.00	0.00	3000000312	10/05/2022	Vermin Service 9/18/22
438951	10/05/2022	10/05/2022	6315 - Pest Control	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		Terminix	70.00	0.00	6494	10/05/2022	Monthly Service - September
438951	10/26/2022	10/26/2022	6315 - Pest Control	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		Terminix	70.00	0.00	6509	10/26/2022	Monthly Service - October
							315.00	0.00			
6320 - Insurance - Property											
1277432	10/07/2022	10/07/2022	6320 - Insurance - Property	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		B & B Premier Insurance Solutions	18,886.63	0.00	6495	10/07/2022	2022-2023 Liability Insurance
6410 - Electricity											
700394170456	10/19/2022	10/19/2022	6410 - Electricity	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		Edison	2,297.83	0.00	6502	10/19/2022	Service 9/12/22 - 10/11/22
700587779325	10/19/2022	10/19/2022	6410 - Electricity	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245	109	Edison	19.66	0.00	6503	10/19/2022	Service 9/12/22 - 10/11/22
							2,317.49	0.00			
6420 - Gas											
056 105 3200 3	10/19/2022	10/19/2022	6420 - Gas	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		Gas Company	1,273.44	0.00	6504	10/19/2022	Service 9/2/22 - 10/4/22
075 005 3297 8	10/19/2022	10/19/2022	6420 - Gas	Park Vista - 615 E. Holly Avenue El Segundo, CA	109	Gas Company	1.02	0.00	6505	10/19/2022	Service 9/2/22 - 10/4/22

Bill Detail

Reference	Bill Date	Due Date	GL Account	Property	Unit	Payee Name	Paid	Unpaid	Check #	Paid Date	Description
				90245			1,274.46	0.00			
6430 - Water											
075-18481-000	10/13/2022	10/13/2022	6430 - Water	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		El Segundo Water	1,167.36	0.00	ACH	10/13/2022	Service 7/14/ 22 - 9/14/22
075-18321-000	10/13/2022	10/13/2022	6430 - Water	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		El Segundo Water	6,036.86	0.00	ACH	10/13/2022	Service 7/14/ 22 - 9/14/22
075-18531-000	10/13/2022	10/13/2022	6430 - Water	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		El Segundo Water	76.64	0.00	Service 7/14/ 22 - 9/14/22	10/13/2022	Service 7/14/ 22 - 9/14/22
075-18411-000	10/13/2022	10/13/2022	6430 - Water	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		El Segundo Water	76.64	0.00	ACH	10/13/2022	Service 7/14/ 22 - 9/14/22
							7,357.50	0.00			
6445 - Telephone/Internet											
145150448	10/10/2022	10/10/2022	6445 - Telephone/ Internet	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		AT&T	153.50	0.00	6496	10/10/2022	Service 9/27/ 22 - 10/26/22
8448 30 006 0255251	10/10/2022	10/10/2022	6445 - Telephone/ Internet	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		Spectrum	21.57	0.00	6499	10/10/2022	Service 9/30/ 22 - 10/29/22
310-640-7156	10/19/2022	10/19/2022	6445 - Telephone/ Internet	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		AT&T	1,353.60	0.00	6500	10/19/2022	Service 10/5/ 22 - 11/4/22
310-322-5036	10/19/2022	10/19/2022	6445 - Telephone/ Internet	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		AT&T	1,061.46	0.00	6501	10/19/2022	Service 10/4/ 22 - 11/3/22

Bill Detail

Reference	Bill Date	Due Date	GL Account	Property	Unit	Payee Name	Paid	Unpaid	Check #	Paid Date	Description
337000205336	10/26/2022	10/26/2022	6445 - Telephone/Internet	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		AT&T	90.04	0.00	6507	10/26/2022	Service 10/9/22 - 11/8/22
							2,680.17	0.00			
6455 - Cable/Television											
8448 30 006 0017008	10/19/2022	10/19/2022	6455 - Cable/Television	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		Spectrum	5,350.31	0.00	6506	10/19/2022	Service 10/4/22 - 11/3/22
7420 - Office Supplies											
34646	10/26/2022	10/26/2022	7420 - Office Supplies	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		Cadman Group	728.16	0.00	ACH	10/26/2022	Park Vista: New computer for office, purchased at Costco with CG credit card
34646	10/26/2022	10/26/2022	7420 - Office Supplies	Park Vista - 615 E. Holly Avenue El Segundo, CA 90245		Cadman Group	317.53	0.00	ACH	10/26/2022	Park Vista: New printer/scanner for office purchased with CG credit card
							1,045.69	0.00			
Total							67,727.76	0.00			

Budget - Comparative

Properties: Park Vista - 615 E. Holly Avenue El Segundo, CA 90245

Period Range: Oct 2022 to Oct 2022

Comparison Period Range: Oct 2021 to Oct 2021

Additional Account Types: Asset, Cash, Liability, Capital

Accounting Basis: Cash

Level of Detail: Detail View

Account Name	Period Actual	Period Budget	Period \$ Variance	Period % Variance	Comparison Actual	Comparison Budget	Comparison \$ Variance	Comparison % Variance
Income								
RENT								
Rent Income	71,014.00	68,000.00	3,014.00	4.43%	60,438.00	63,562.00	-3,124.00	-4.91%
Parking Income	1,550.00	1,550.00	0.00	0.00%	1,367.00	1,445.00	-78.00	-5.40%
Total RENT	72,564.00	69,550.00	3,014.00	4.33%	61,805.00	65,007.00	-3,202.00	-4.93%
Vacancy	0.00	-2,250.00	2,250.00	100.00%	0.00	-1,906.86	1,906.86	100.00%
Prepayment	-1,306.50	0.00	-1,306.50	0.00%	-646.50	0.00	-646.50	0.00%
Application Fee Income	-40.00	0.00	-40.00	0.00%	0.00	0.00	0.00	0.00%
Laundry Income	349.13	375.00	-25.87	-6.90%	302.84	375.00	-72.16	-19.24%
Total Budgeted Operating Income	71,566.63	67,675.00	3,891.63	5.75%	61,461.34	63,475.14	-2,013.80	-3.17%
Expense								
Fire Service	255.00	300.00	45.00	15.00%	0.00	500.00	500.00	100.00%
Maintenance	25,091.92	17,500.00	-7,591.92	-43.38%	35,867.90	13,000.00	-22,867.90	-175.91%
Elevator service	0.00	1,500.00	1,500.00	100.00%	0.00	1,250.00	1,250.00	100.00%
Gardening	1,223.19	1,250.00	26.81	2.14%	1,122.90	1,250.00	127.10	10.17%
Management Fees	16,000.00	16,000.00	0.00	0.00%	15,500.00	15,000.00	-500.00	-3.33%
Security Service	0.00	0.00	0.00	0.00%	-848.68	0.00	848.68	0.00%
Pest Control	965.00	400.00	-565.00	-141.25%	128.00	400.00	272.00	68.00%
Insurance - Property	18,886.63	50,000.00	31,113.37	62.23%	42,595.72	35,000.00	-7,595.72	-21.70%
Electricity	2,317.49	1,700.00	-617.49	-36.32%	1,567.27	1,700.00	132.73	7.81%
Gas	1,274.46	1,500.00	225.54	15.04%	1,135.85	1,200.00	64.15	5.35%
Water	7,357.50	3,750.00	-3,607.50	-96.20%	7,469.15	3,500.00	-3,969.15	-113.40%
Telephone/ Internet	2,680.17	1,500.00	-1,180.17	-78.68%	3,392.69	1,300.00	-2,092.69	-160.98%
Cable/Television	5,350.31	5,000.00	-350.31	-7.01%	4,973.45	4,700.00	-273.45	-5.82%

Budget - Comparative

Account Name	Period Actual	Period Budget	Period \$ Variance	Period % Variance	Comparison Actual	Comparison Budget	Comparison \$ Variance	Comparison % Variance
Office Supplies	1,045.69	150.00	-895.69	-597.13%	0.00	300.00	300.00	100.00%
Uniforms	0.00	40.00	40.00	100.00%	0.00	40.00	40.00	100.00%
Advertising & Promotion	0.00	250.00	250.00	100.00%	0.00	250.00	250.00	100.00%
Bank Service Fees	0.00	6.25	6.25	100.00%	0.00	6.25	6.25	100.00%
Postage	0.00	5.00	5.00	100.00%	0.00	5.00	5.00	100.00%
Professional Fees	0.00	1,500.00	1,500.00	100.00%	0.00	500.00	500.00	100.00%
Total Budgeted Operating Expense	82,447.36	102,351.25	19,903.89	19.45%	112,904.25	79,901.25	-33,003.00	-41.30%
Total Budgeted Operating Income	71,566.63	67,675.00	3,891.63	5.75%	61,461.34	63,475.14	-2,013.80	-3.17%
Total Budgeted Operating Expense	82,447.36	102,351.25	19,903.89	19.45%	112,904.25	79,901.25	-33,003.00	-41.30%
NOI - Net Operating Income	-10,880.73	-34,676.25	23,795.52	68.62%	-51,442.91	-16,426.11	-35,016.80	-213.18%
Other Income								
Interest on Bank Accounts	3,097.35	200.00	2,897.35	1,448.68%	198.56	600.00	-401.44	-66.91%
Total Budgeted Other Income	3,097.35	200.00	2,897.35	1,448.68%	198.56	600.00	-401.44	-66.91%
Net Other Income	3,097.35	200.00	2,897.35	1,448.68%	198.56	600.00	-401.44	-66.91%
Total Budgeted Income	74,663.98	67,875.00	6,788.98	10.00%	61,659.90	64,075.14	-2,415.24	-3.77%
Total Budgeted Expense	82,447.36	102,351.25	19,903.89	19.45%	112,904.25	79,901.25	-33,003.00	-41.30%
Net Income	-7,783.38	-34,476.25	26,692.87	77.42%	-51,244.35	-15,826.11	-35,418.24	-223.80%
Cash								
Cash in Bank	-8,800.73	0.00	8,800.73	0.00%	-51,951.91	0.00	51,951.91	0.00%
Park Vista Reserve Account	3,097.35	0.00	-3,097.35	0.00%	198.56	0.00	-198.56	0.00%

Budget - Comparative

Account Name	Period Actual	Period Budget	Period \$ Variance	Period % Variance	Comparison Actual	Comparison Budget	Comparison \$ Variance	Comparison % Variance
- LAIF								
Total Budgeted Cash	<u>-5,703.38</u>	<u>0.00</u>	<u>5,703.38</u>	<u>0.00%</u>	<u>-51,753.35</u>	<u>0.00</u>	<u>51,753.35</u>	<u>0.00%</u>
Liability								
Key Deposit	40.00	0.00	40.00	0.00%	80.00	0.00	80.00	0.00%
Security Deposit	2,040.00	0.00	2,040.00	0.00%	-552.00	0.00	-552.00	0.00%
Passthrough Cash Account	0.00	0.00	0.00	0.00%	-37.00	0.00	-37.00	0.00%
Total Budgeted Liability	<u>2,080.00</u>	<u>0.00</u>	<u>2,080.00</u>	<u>0.00%</u>	<u>-509.00</u>	<u>0.00</u>	<u>-509.00</u>	<u>0.00%</u>

Option I - 5-year term, new equipment, card system & coin,

- All Valley Washer will pay as commission, 50% of the monies earned by the equipment.
- We will install 4 sets of brand new Speed Queen Quantum laundry equipment. The vend prices to be set at \$1.25 to wash & \$1.00 to dry.
- We will install a card system that will enable the residents to pay with their own credit or debit cards directly at the machines. Coins will continue to be used.
- We will provide our fast, efficient service within 48 hours of notification.
- Pay a bonus of **Four Thousand Seven Hundred Seventy Five Dollars (\$4,775.00)** in consideration of the 5-year term.

Option II- 5-year term, new equipment, card system & coin,

- All as above with the installation of 1 set of ADA compliant equipment and pay as a bonus, **Four Thousand Three Hundred Seventy Five Dollars (\$4,375.00)**.

Option III- 7-year term, new equipment, card system & coin,

- All as above in Option I in consideration of the 7-year lease agreement and pay as a bonus, **Six Thousand Two Hundred Forty Five Dollars (\$6,245.00)**.

Here are three comprehensive plans that would ensure that owners continue to receive a generous share of the laundry revenue, would provide new equipment that will be capable of accepting the residents own credit or debit cards directly at the machines or if they want to continue using coins they have that option, and lastly, it would provide additional operating capital to use as needed.

Neil, there is an idea that I have that is not part of this proposal. That would be the addition of two more dryers in the room. We would remove two single dryers and in their place install 2 stack dryers. This would lessen waiting time for the seniors and make it more convenient for them when they perform laundry tasks. They may need additional venting & electrical power. That uis all. I think that this is a good idea for everyone concerned. Think about it and if you have any questions. Fire away.

Incidentally, regarding my bonuses. Wash paid \$4,900.00 for a 7-year plan. We are paying \$4,775.00 for 5-years. Please review and get back to me when you can. Be well.

Bylaws of the El Segundo Senior Citizen Housing Corporation

~~Adopted by City Council: July 7, 2015~~ Amended: [DATE]

Section 1. **Principal Office.**

The principal office for the transaction of the activities and affairs of the El Segundo Senior Citizen Housing Corporation (hereinafter "Corporation") is located at the City Hall (350 Main Street) of the City of El Segundo, California, 90245. The Board of Directors (hereinafter "Board") may change the principal office from one location to another. Any change of location of the principal office shall be noted by the Secretary on these bylaws opposite this Section, or this Section may be amended to state the new location.

Section 2. **Purposes and Limitations.**

A. **The purposes for which this Corporation is formed are:**

- (1) To establish policies for the operation of and to operate the City of El Segundo Senior Citizen Housing Project;
- (2) To provide affordable housing opportunities for El Segundo senior Residents;
- (3) To promote the common good and general welfare of the senior Residents of the City of El Segundo; and,
- (4) Any other purposes beneficial to the public.

B. **The limitations of the activities of this Corporation are as follows:**

- (1) No substantial part of the activities of this Corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, nor shall this Corporation participate or intervene directly or indirectly, in any political campaign (including publishing or distribution of statements) on behalf of or against any candidate for public office.
- (2) This Corporation is organized and operated exclusively for social welfare purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. Notwithstanding any other provision of these articles, the Corporation shall not, except to an insubstantial degree, carry on or engage in any other activities or exercise any powers not permitted to be carried on or exercised by a corporation exempt from federal income tax under Section 501 (c)(3) of the Internal Revenue Code.

Section 3. Members.

This corporation shall have no members.

Section 4. Directors.

A. Powers:

Subject to the provisions and limitations of the California Public Benefit Corporation Law and any other applicable laws, and subject to any limitations of the Articles of Incorporation, the Operating Agreement between the City of El Segundo and the Corporation and these Bylaws, the Corporation's activities and affairs shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board.

The Board staff liaison shall confer with the department head to determine if a request for research by the Board requires extra dedication and staff time that may not be available.

B. Specific Powers:

Without prejudice to the general powers set forth above, but subject to the same limitations, the Directors shall have the power to:

- (1) Change the principal office or the principal business office in California from one location to another and designate any place for holding any meeting of the Board.
- (2) Adopt and use a corporate seal and alter the form of the seal.
- (3) Borrow money and incur indebtedness on behalf of the Corporation and cause to be executed and delivered for the Corporation's purposes in the Corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.

C. Number and Qualifications of Directors:

- (1) Authorized Number. The authorized number of Directors shall be five.
- (2) All directors must live or, work, or attend school in shall be Residents of El Segundo. City employees are not eligible to serve as a Director.
- (3) All Directors shall be designated by the City Council of El

Segundo. Each Director shall hold office for ~~three~~ four years, except that the initial Directors shall hold office for staggered terms of one, two, three or four years, as designated by the City Council. Any Director may repeat consecutive terms if recommended by the remaining Directors and approved by City Council.

- (4) Director candidates will be reviewed and recommended by the Board President and Vice President, and the subsequent interviews and appointments will be made by the City Council. Notwithstanding the foregoing, the City Council may otherwise appoint Planning Commissioners.

D. Vacancies on Board:

- (1) Events Causing Vacancy - A vacancy or vacancies on the Board shall exist on the occurrence of the following: (a) the death or resignation of any Director; (b) the declaration by resolution of the Board of a vacancy in the office of a Director who has been declared of unsound mind by order of court, convicted of a felony, or found by final order or judgment of any court to have breached a duty under Article 3 of Chapter 2 of the California Nonprofit Public Benefit Corporation Law; (c) the declaration by resolution of the Board of a vacancy in the office of a Director who has ~~three or more absences in a 12-month period, failed to attend and participate in three (3) consecutive regular meetings of the Board or who has failed to attend and participate in five (5) meetings of the Board over the course of one year.~~ This provision shall be reviewed annually by the Board at its annual meeting and revised as necessary.
- (2) Resignations - Except as provided below, any Director may resign by giving written notice to the President or the Secretary. The resignation shall be effective when the notice is given unless it specifies a later time (not to exceed sixty days) for the resignation to become effective. Except on notice to the Attorney General of California, no Director may resign if the Corporation would be left without a duly elected Director or Directors.
- (3) Filling Vacancies - Within thirty (30) days of the occurrence of a vacancy or vacancies pursuant to Sections 4D(1) or (2) above, the Board shall identify the area(s) of expertise needed by a replacement Director or Directors and shall advise City Council, in writing, of the existence of a vacancy and the criteria to be evaluated in filling the vacancy. The City Council shall actively advertise any vacancy. Utilizing the criteria identified by the

Board, City Council shall appoint a replacement Director or Directors to fill the unexpired term or terms within sixty (60) days after receiving notice of the existence of such vacancy or vacancies. ~~Interviews will be held semi-annually in April and October by City Council.~~ City Council shall hold interviews shall be held twice a year.

- (4) No Vacancy on Reduction of Number of Directors -- No reduction of the authorized number of Directors shall have the effect of removing any Director before that Director's term of office expires.

E. Removing a Board Member

- (1) All board and committee members shall serve at the pleasure of the City Council and may be removed at any time without cause, by a majority vote of the City Council.
- (2) Notwithstanding Section 4D(1) above, a member can be removed after three or more absences in a 12-month period.

F. Directors' Meetings:

- (1) Place of Meetings - Meetings of the Board shall be held at any place that has been designated by resolution of the Board or in the notice of the meeting or, if not so designated, at the principal office of the Corporation.
- (2) Annual Meeting - Immediately after each annual meeting, the Board shall hold a regular meeting for purposes of organization, election of officers, and transaction of other business. The annual meeting is designated as the July meeting.
- (3) Other Regular Meetings - Other regular meetings of the Board may be held at such time and place as the Board may fix. Meeting dates and times are posted three days in advance of each meeting.
- (4) Special Meetings - Authority to Call - Special meetings of the Board for any purpose may be called at any time by the President or Vice President, or the Secretary or any two Directors.
- (5) Notice - Notice of the time and place of special meetings shall be given to each Director by one of the following methods: (a)

by personal delivery of written notice; (b) by first-class mail, postage prepaid return receipt requested; (c) or by telephone, either directly to the Director or to a person at the Director's office or residence who would reasonably be expected to communicate that notice promptly to the Director. All such notices shall be given or shown on the records of the Corporation. Notices sent by first-class mail shall be deposited in the United States mail at least six days before the time set for the meeting. Notices given by personal delivery or telephone shall be delivered or telephoned at least 48 hours before the time set for the meeting. The notice shall state the time of the meeting, and the place if the place is other than the principal office of the Corporation. It need not specify the purpose of the meeting.

- (6) Quorum - A majority of the authorized number of Directors (or such reduced number, if a vacancy or vacancies exist) shall constitute a quorum for the transaction of business.
- (7) Waiver of Notice - Notice of a meeting need not be given to any Director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. Notice of a meeting need not be given to any Director who attends the meeting and does not protest, before or of the commencement of the meeting, the lack of notice to him or her.
- (8) Adjournment - A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place.
- (9) Notice of Adjourned Meeting - Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than 24 hours. If the original meeting is adjourned for more than 24 hours, notice of any adjournment to another time and place shall be given, before the time of the adjourned meeting, to the Directors who were not present at the time of the adjournment.
- (10) Meetings will be conducted based upon the latest edition of Robert's Rules of Order (or similar rules of parliamentary procedure, e.g. Rosenberg's Rules of Order). Where there is a

conflict between the parliamentary guidelines and these Bylaws, the Bylaws should have precedence. Failure to strictly follow parliamentary guidelines shall not invalidate an action of the Board.

~~(11)~~ Joint Meeting with City Council – A joint meeting will be held annually in February between the Board and the City Council.

The Board will participate in an annual joint meeting with the City Council and representatives from each of the City's commissions, committees and boards.

~~(11)~~(12) Workplan Update – The Board President, Vice President or designee will provide the City Council with an update on the Board's workplan at a meeting chosen by the City Council.

Section 5. Officers.

A. Officers of the Corporation:

The officers of the Corporation shall consist of the President, Vice President, the Secretary, and the Chief Financial Officer. No two offices may be concurrently held by the same person. Should both the President and Vice President be absent from a meeting, the most senior Director who is neither Secretary nor Chief Financial Officer shall be acting President.

B. Election of Officers:

The Board of Directors shall elect all officers of the Corporation for terms of one year, or until their successors are elected and qualified. Officers shall be elected at the annual meeting.

C. Responsibility of Officers:

- (1) President - The President shall be the general manager of the Corporation and shall supervise, direct, and control the Corporation's activities, affairs, and officers. The President shall preside at all Board meetings. The President shall be responsible for representing the Corporation, before other governmental agencies. The President shall have such other powers and duties as the Board or the bylaws may prescribe.
- (2) Vice President - If the President is absent or disabled, the Vice President shall perform all duties of the President. When so acting, the Vice President shall have all powers of and be subject

to all restrictions of the President. The Vice President shall have such other powers and perform such other duties as the Board or the bylaws may prescribe.

- (3) Secretary - The Secretary shall keep or cause to be kept, at the Corporation's principal office or such other place as the Board may direct, a book of minutes of all meetings, proceedings, and actions of the Board, and of committees of the Board. The minutes of meetings shall include the time and place that the meeting was held, whether the meeting was annual, regular, or special, and, if special, how authorized, the notice given, the names of those present at Board and committee meetings. The Secretary shall keep or cause to be kept, at the principal office in California, a copy of the Articles of Incorporation and bylaws, as amended to date.

The Secretary shall give, or cause to be given, notice of all meetings of the Board and of committees of the Board required by these bylaws to be given. The Secretary shall keep the Corporate seal in safe custody and shall have such other powers and perform such other duties as the Board or the bylaws may prescribe.

- (4) Chief Financial Officer -
 - a. Books of Accounts - The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books of accounts of the Corporation's properties and transactions. The Chief Financial Officer shall send or cause to be given to the Directors such financial statements and reports as are required to be given by law, by these bylaws, or by the Board. The books of accounts shall be open to inspection by any Director at all reasonable times.
 - b. Deposit and Disbursement of Money and Valuables - The Chief Financial Officer shall deposit, or cause to be deposited all money and other valuables in the name and to the credit of the Corporation with such depositories as the Board may designate; shall disburse the Corporation's funds as the Board may order; shall render to the President and the Board, when requested, an account of all transactions as the Chief Financial Officer and of the financial condition of the Corporation; and shall have such other powers and perform such other duties as the Board or the bylaws may prescribe.
 - c. Bond - If required by the Board, the Chief Financial Officer shall, at the expense of the Corporation, give the Corporation a bond in the amount and with the surety or sureties specified by

the Board for faithful performance of the duties of the office and for restoration to the Corporation of all its books, papers, vouchers, money, and other property of every kind in the possession or under the control of the Chief Financial Officer on his or her death, resignation, retirement, or removal from office.

Section 6. **Indemnification.**

A. Right of Indemnification:

To the fullest extent permitted by law, this Corporation shall indemnify its Directors, Officers, employees, and other persons described in Section 5238(a) of the California Corporations Code, including persons formerly occupying any such position, against all expenses, judgments, fees, settlements and other amounts actually and reasonably incurred by them in connection with any "proceeding", as that term is used in that Section, and including an action by or in the right of the Corporation, by reason of the fact that the person is or was a person described in that section. "Expenses", as used in this bylaw, shall have the same meaning as in Section 5238(a) of the California Corporation Code.

B. Approval of Indemnity:

On written request to the Board by any person seeking indemnification under Section 5238(b) or Section 5238(c) of the California Corporation Code, the Board shall promptly determine under Section 5238(e) of the California Corporations Code whether the applicable standard of conduct set forth in Section 5238(b) or Section 5238(c) has been met and, if so, the Board shall authorize indemnification. If the Board cannot authorize indemnification because the number of Directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of Directors who are not parties to that proceeding, the Board shall promptly call a meeting of City Council. At that meeting, the Council shall determine under Section 5238(e) of the California Corporations Code whether the applicable standard of conduct set forth in Section 5238(b) or Section 5238(c) has been met and, if so, the Council members present at the meeting in person or by proxy shall authorize indemnification.

C. Advancement of Expenses:

To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under Section 6 of these bylaws in defending any proceeding covered by those Sections shall be advanced by the Corporation before final disposition of the proceeding. On receipt of the Corporation of an undertaking by or on behalf of that

person, the advance will be repaid, unless it is ultimately determined that the person is entitled to be indemnified by the Corporation for those expenses.

Section 7. **Insurance.**

The Corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its Officers, Directors, employees, and other agents, against any liability asserted against or incurred by any Officer, Director, employee, or agent in such capacity or arising out of the Officer's Director's, employee's, or agent's status as such.

Section 8. **Amendments.**

These bylaws may be amended or repealed and new bylaws adopted by the vote of a majority of the members of the Board of Directors. No bylaw shall be amended or repealed and new bylaws shall not be adopted, without the prior approval of the City Council.

Section 9. **Dissolution.**

The Corporation may only be dissolved by a vote of the El Segundo City Council.