**CITY OF SOUTH PASADENA**
**CITY COUNCIL**

# AGENDA

**REGULAR COUNCIL MEETING**
**WEDNESDAY, MARCH 4, 2026, AT 7:00 PM**

**AMEDEE O. "DICK" RICHARDS JR. COUNCIL CHAMBERS**
**1424 MISSION STREET, SOUTH PASADENA, CALIFORNIA 91030**

## *NOTICE ON PUBLIC PARTICIPATION & ACCESSIBILITY*

The South Pasadena City Council Meeting will be conducted in-person from the Amedee O. "Dick" Richards, Jr. Council Chambers, located at 1424 Mission Street, South Pasadena, CA 91030.

Public participation may be made as follows:

- In-Person – Council Chambers, 1424 Mission Street, South Pasadena, CA 91030
- Live Broadcast via the City website – http://www.spectrumstream.com/streaming/south_pasadena/live.cfm
- Via Zoom – Meeting ID: **825 9999 2830**
- Written Public Comment – written comment must be submitted by 12:00 p.m. the day of the meeting by emailing to ccpubliccomment@southpasadenaca.gov
- Via Phone–+1-669-900-6833 and entering the Zoom Meeting ID listed above.

Meeting may be viewed at:

1. Go to the Zoom website, https://zoom.us/join and enter the Zoom Meeting information; or
2. Click on the following unique Zoom meeting link: https://us06web.zoom.us/j/82599992830 or
3. By calling: +1-669-900-6833 and entering the Zoom Meeting ID listed above; and viewing the meeting via http://www.spectrumstream.com/streaming/south_pasadena/live.cfm

| | | |
|---|---|---|
| **CALL TO ORDER:** | Mayor | Sheila Rossi |
| **ROLL CALL:** | Mayor | Sheila Rossi |
| | Mayor Pro Tem | Omari Ferguson |
| | Councilmember | Michael A. Cacciotti |
| | Councilmember | Jon Primuth |
| | Councilmember | Janet Braun |
| **PLEDGE OF ALLEGIANCE:** | Councilmember | Jon Primuth |

**PUBLIC COMMENT GUIDELINES**

The City Council welcomes public input. Members of the public may comment on a non-agenda subject under the jurisdiction of the City Council or on an agenda item. Members of the public will have three minutes to address the City Council, however, the Mayor and City Council may adjust the time allotted, as needed.

Public Comments received in writing will not be read aloud at the meeting, but will be part of the meeting record. Written public comments will be uploaded to the City website for public viewing under Additional Documents. When submitting a public comment, please make sure to include the following:
1) Name (optional), and
2) Agenda item you are submitting public comment on.
3) Submit by no later than 12:00 p.m., on the day of the City Council meeting. Correspondence received after this time will be distributed the following business day.

PLEASE NOTE: The Mayor may exercise the Chair's discretion, subject to the approval of the majority of the City Council, to adjust public comment time limit to less than three minutes, as needed.

Pursuant to State law, the City Council may not discuss or take action on issues not on the meeting agenda, except that members of the City Council or staff may briefly respond to statements made or questions posed by persons exercising public testimony rights (Government Code Section 54954.2). Staff may be asked to follow up on such items.

**PRESENTATIONS**

**CLOSED SESSION ANNOUNCEMENTS**

**1. CLOSED SESSION ANNOUNCEMENTS**

**PUBLIC COMMENT**

**2. PUBLIC COMMENT - GENERAL (NON-AGENDA ITEMS)**

General Public Comment will be limited to 30 minutes at the beginning of the agenda. If there are speakers remaining in the queue, they will be heard at the end of the meeting. Only Speakers who submit a Public Comment card within the first 30 minutes of Public Comment period will be queued up to speak.

**CHANGES TO THE AGENDA**

**3. REORDERING OF, ADDITIONS, OR DELETIONS TO THE AGENDA**

**CONSENT CALENDAR**

**OPPORTUNITY TO COMMENT ON CONSENT CALENDAR**

Items listed under the Consent Calendar are considered by the City Manager to be routine in nature and will be enacted by one motion unless a public comment has been received or Councilmember requests otherwise, in which case the item will be removed for separate consideration. Any motion relating to an ordinance or a resolution shall also waive the reading of the ordinance or resolution and include its introduction or adoption as appropriate.

**4. CONSIDERATION OF THE APPROVAL OF PREPAID WARRANTS IN THE AMOUNT**

**OF $1,174,121.42; GENERAL CITY WARRANTS IN THE AMOUNT OF $626,832.52; ONLINE PAYMENTS IN THE AMOUNT OF $42,193.40; VOIDS IN THE AMOUNT OF ($6,499.18); PAYROLL IN THE AMOUNT OF $989,128.73**

Recommendation
It is recommended that the City Council approve the Warrants as presented.

5. **CONSIDERATION OF APPROVAL OF THE REGULAR CITY COUNCIL MEETING MINUTES FOR JANUARY 21, FEBRUARY 4 AND FEBRUARY 18, 2026, THE SPECIAL CITY COUNCIL MEETING MINUTES FOR FEBRUARY 25, 2026 AND THE SPECIAL JOINT CITY COUNCIL MEETING MINUTES FOR JANUARY 21, 2026**

Recommendation
It is recommended that the City Council approve the minutes from the Regular City Council meetings held on January 21, February 4, and February 18, 2026, the Special City Council meeting held on February 25, 2026 and the the Special Joint City Council and Finance Commission meeting held on January 21, 2026.

6. **CONSIDERATION TO APPROVE PURCHASE ORDERS WITH SIERRA AUTO GROUP, HOM COMMUNICATIONS AND MOTOROLA SOLUTIONS INC. FOR THE PURCHASE OF AND THE OUTFITTING OF ONE 2026 CHEVROLET SILVERADO EV AND TWO 2024 CHEVROLET BLAZER EV'S USING THE CALIFORNIA HIGHWAY PATROL'S CANNABIS TAX FUND GRANT PROGRAM**

Recommendation

It is recommended that the City Council:
1. Award a contract to Sierra Auto Group for the purchase of two 2024 Chevrolet Blazer Police Pursuit Vehicle (PPV) EV's and one 2026 Chevrolet Silverado PPV EV using the Cannabis Tax Grant funds from the expense account number 244-4010-0004-8520-000 (Machinery and Equipment) with a total not to exceed $163,000.00.
2. Award a contract to Motorola Solutions, Inc. for the purchase of three APX8500 vehicle radio systems with the amount not to exceed $34,000.00.
3. Award a contract to Hom Communications for outfitting of two Chevy Blazer EV's and one Chevy Silverado EV with the amount not to exceed $86,000.00.

4. Adopt a Resolution (Attachment 6) appropriating $35,000.00 from fund 272 (COPS grant) to the expense account number 272-4010-4018-8540 (Auto Equipment - AB 3229 99) to fully fund the outfitting for three vehicles.
5. Approve and authorize the City Manager or designee to execute the appropriate Purchase Orders.

7. **CONSIDERATION TO APPROVE A PROFESSIONAL SERVICES AGREEMENT TO RETAIN PACIFIC CREDIT SERVICES FOR THE COLLECTION OF THE CITY'S OUTSTANDING ACCOUNTS RECEIVABLES**

Recommendation
It is recommended that the City Council:

1. Approve a professional services agreement with Pacific Credit Services (Attachment

1) to recover delinquent accounts receivable over 90 days past due; and
2. Authorize the City Manager to execute the agreement, and all related documents, in a form approved by the City Attorney.

**8. CONSIDERATION OF APPROVAL OF A TASK ORDER WITH HDR ENGINEERING INC. FOR ENGINEERING DESIGN SERVICES RELATED TO THE MERIDIAN, GREVELIA AND EL CENTRO PEDESTRIAN CROSSING DEVICES PROJECT FOR A NOT TO EXCEED AMOUNT OF $112,342**

Recommendation
It is recommended that the City Council:

1. Approve the Task Order (Attachment No. 1) with HDR Engineering Inc. (HDR) to provide engineering design services for the Meridian, Grevelia and El Centro Pedestrian Crossing Devices Project (Project) in an amount not-to-exceed $112,342; and
2. Authorize the City Manager, or designee, to execute all related documents.

**9. CONSIDERATION OF APPROVAL OF THE FIRST AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH THE MOORE IACOFANO GOLTSMAN INC., FOR GEOGRAPHIC INFORMATIONAL SYSTEMS SERVICES INCREASING THE COMPENSATION IN THE AMOUNT OF $100,000 FOR A NEW AGGREGATE TOTAL OF $150,000 AND EXTENDING THE TERM BY THREE YEARS FOR A MAXIMUM FIVE YEAR TERM.**

Recommendation
It is recommended that the City Council approve the First Amendment to the Professional Services Agreement with Moore Iacofano Goltsman Inc., for geographic informational system services.

**10. CONSIDERATION TO APPROVE THE PURCHASE OF ONE ZOLL X-SERIES ADVANCED CARDIAC MONITOR/DEFIBRILLATOR FROM ZOLL MEDICAL CORPORATION IN THE AMOUNT OF $65,117.93 AND WAIVE COMPETITIVE BIDDING AS SET FORTH IN SOUTH PASADENA MUNICIPAL CODE SECTION 2.99-29(9)(D)**

Recommendation
It is recommended that the City Council:

1. Approve the purchase of one ZOLL X-Series Advanced Cardiac Monitor/Defibrillator from ZOLL Medical Corporation in the amount not to exceed $65,117.93;
2. Waive the formal bidding requirements and purchase pursuant to Municipal Code Section 2.99-29(9)(d) and the City's Purchasing Policy; and
3. Authorize the City Manager, or designee, to execute the Purchase Order and all related documents.

**11. CONSIDERATION TO AUTHORIZE SUBMITTAL OF A GRANT APPLICATION TO THE CALIFORNIA GOVERNOR'S OFFICE OF EMERGENCY SERVICES (CAL OES) FOR $250,000 FOR THE CITY OF SOUTH PASADENA, CRITICAL**

**INFRASTRUCTURE CYBERSECURITY AND CONTINUITY MODERNIZATION INITIATIVE**

Recommendation
It is recommended that the City Council authorize the preparation and submittal of a grant application to the California Governor's Office of Emergency Services (Cal OES) in the amount of up to $250,000 to support cybersecurity modernization and critical infrastructure resilience improvements.

**12. CONSIDERATION OF APPROVAL OF AN AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH ITERIS INC. FOR ENGINEERING DESIGN SERVICES RELATED TO THE NORTH-SOUTH CORRIDOR INTELLIGENT TRANSPORTATION SYSTEMS DEPLOYMENT ON FAIR OAKS AVENUE PROJECT (RABA01-5071(024)), FOR A NEW TOTAL CONTRACT AMOUNT OF $483,558 AND APPROVAL OF RESOLUTION NO. 7983 APPROPRIATING MEASURE R LOCAL RETURN AND MEASURE M LOCAL RETURN FUNDS FOR THE PROJECT**

Recommendation
It is recommended that the City Council:

1. Approve an amendment to the Professional Services Agreement with Iteris Inc. (Attachment No. 1) to provide engineering design services for the North-South Corridor Intelligent Transportation Systems (ITS) Deployment on Fair Oaks Avenue Project (Project) for a new not to exceed total of $483,558; and
2. Adopt Resolution No. 7983 (Attachment No. 2) amending the Fiscal Year 2025-2026 Capital Improvement Project budget to appropriate $500,000 to the project budget.

**13. CONSIDERATION TO ADOPT RESOLUTION 7984 TO ADD ONE (1) FULL-TIME LIBRARIAN POSITION, RECLASSIFY TWO (2) PART-TIME MANAGEMENT INTERNS TO FOUR (4) MAINTENANCE ASSISTANTS, AND ESTABLISH THE CUSTOMER SOLUTIONS JOB SERIES CONSISTING OF FOUR (4) NEW JOB SPECIFICATIONS WITH SALARY RANGES**

Recommendation
It is recommended that the City Council approve the adoption of Resolution No. 7984 to add one (1) new Librarian position to the budget; reclassify two (2) part-time Management Intern positions to four (4) part-time Maintenance Assistants; and establish a new Customer Solutions job series that comprises the following job specifications and provide salary ranges: a) Customer Solutions Representative; b) Lead Customer Solutions Representative; c) Customer Solutions Supervisor; and d) Customer Solutions Manager.

**ACTION/DISCUSSION**

**14. CONSIDERATION OF RESOLUTION NO. 7985 APPROVING THE PURCHASE AND SALE AGREEMENTS WITH THE STATE OF CALIFORNIA, DEPARTMENT OF TRANSPORTATION FOR THE PURCHASE OF TWELVE SURPLUS PROPERTIES (1131 COLUMBIA STREET, 215 FAIRVIEW AVENUE, 302 FAIRVIEW AVENUE, 529 PROSPECT AVENUE, 530 ORANGE GROVE BOULEVARD, 534 ORANGE GROVE**

**BOULEVARD, 535 MERIDIAN AVENUE, 901 BONITA DRIVE, 540 PROSPECT AVENUE, 1037 & 1039 GREVELIA STREET, 808 VALLEY VIEW ROAD AND 822 VALLEY VIEW ROAD) AND ACCEPTING THE PROPERTY FROM THE DEPARTMENT OF TRANSPORTATION PENDING APPROVAL FROM THE CALIFORNIA TRANSPORTATION COMMISSION**

Recommendation

It is recommended that the Council:

a. Adopt Resolution No. 7985 approving the purchase of the twelve surplus properties from the State of California, Department of Transportation;
b. Approve and ratify the executed purchase and sale agreements for such properties; and
c. Accept the properties from Caltrans pending approval from the California Transportation Commission.

**15. CONSIDERATION TO RECEIVE AND FILE THE MID-YEAR BUDGET REVIEW FOR FISCAL YEAR 2025-2026, ADOPT A RESOLUTION APPROVING THE MID-YEAR BUDGET ADJUSTMENTS; AND REVIEW THE DECEMBER MONTHLY BUDGET REPORT, GENERAL FUND 5-YEAR FORECAST AND FISCAL YEAR 2026-2027 BUDGET CALENDAR**

Recommendation

It is recommended that the City Council:

1. Receive a presentation of the Mid-Year Budget Review for Fiscal Year 2025-2026 (Attachment 1);
2. Adopt a Resolution approving the proposed mid-year adjustments (Attachment 2);
3. Review the monthly budget report through December 31, 2025 (Attachment 4);
4. Review the initial 5-year General Fund Forecast (Attachment 5);
5. Receive and file the tentative Fiscal Year 2026-2027 Budget Calendar (Attachment 6); and
6. Provide direction, as appropriate.

**16. CONSIDERATION OF THE ADOPTION OF RESOLUTION NO. 7987 ADOPTING THE TECHNOLOGY DISRUPTION POLICY FOR CITY COUNCIL MEETINGS IN COMPLIANCE WITH SENATE BILL 707**

Recommendation

It is recommended that the City Council adopt Resolution No. 7987, adopting the Technology Disruption Policy for City Council meetings and direct staff to implement the policy effective July 1, 2026, in compliance with state law.

**PUBLIC COMMENT - CONTINUED**

**17. CONTINUED PUBLIC COMMENT - GENERAL**

This time is reserved for speakers in the Public Comment queue not heard during the first 30 minutes of Item No. 2. No new speakers will be accepted at this time.

**COMMUNICATIONS**

## 18. COUNCILMEMBER COMMUNICATIONS

## 19. CITY MANAGER COMMUNICATIONS

**ADJOURNMENT**

**FOR YOUR INFORMATION**

**FUTURE CITY COUNCIL MEETINGS**

| | | |
|---|---|---|
| March 18, 2026 | Regular City Council Meeting | 7:00 P.M. |
| April 1, 2026 | Regular City Council Meeting (Cancelled) | 7:00 P.M. |
| April 15, 2026 | Regular City Council Meeting | 7:00 P.M. |
| May 6, 2026 | Regular City Council Meeting | 7:00 P.M. |

**PUBLIC ACCESS TO AGENDA DOCUMENTS AND BROADCASTING OF MEETINGS**

City Council meeting agenda packets, any agenda related documents, and additional documents are available at City Hall and online for public viewing on the City's website: https://www.southpasadenaca.gov/Your-Government/Your-City-Council/City-Council-Agendas

Regular meetings are live streamed via the internet at: http://www.spectrumstream.com/streaming/south_pasadena/live.cfm

**AGENDA NOTIFICATION SUBSCRIPTION**

If you wish to receive an agenda email notification please contact the City Clerk's Division via email at CityClerk@southpasadenaca.gov or call (626) 403-7230.

**ACCOMMODATIONS**

The City of South Pasadena wishes to make all of its public meetings accessible to the public. If special assistance is needed to participate in this meeting, please contact the City Clerk's Division at (626) 403-7230 or cityclerk@southpasadenaca.gov. Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities. Notification at least 48 hours prior to the meeting will assist staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting (28 CFR 35.102-35.104 ADA Title II).

**CERTIFICATION OF POSTING**

I declare under penalty of perjury that I posted this notice of agenda for the meeting to be held on March 4, 2026, on the bulletin board in the courtyard of City Hall located at 1414 Mission Street, South Pasadena, CA 91030, and on the City, website as required by law, on the date listed below.

| | |
|---|---|
| 02/26/2026 | /S/ |
| Date | Nikima Newsome, Chief City Clerk |

# City Council Agenda Report

**ITEM NO. 4**

**DATE:** March 4, 2026

**FROM:** Todd Hileman, City Manager

**PREPARED BY:** William Castrillon, Budget & Purchasing Manager

**SUBJECT:** **CONSIDERATION OF THE APPROVAL OF PREPAID WARRANTS IN THE AMOUNT OF $1,174,121.42; GENERAL CITY WARRANTS IN THE AMOUNT OF $626,832.52; ONLINE PAYMENTS IN THE AMOUNT OF $42,193.40; VOIDS IN THE AMOUNT OF ($6,499.18); PAYROLL IN THE AMOUNT OF $989,128.73**

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**Recommendation**
It is recommended that the City Council approve the Warrants as presented.

**Executive Summary**
Prepaid Warrants:
Warrant # 322981-322999, **$46,268.01**
ACH: **$1,127,853.41**

General City Warrants
Warrant # 323000-323077, **$400,280.70**
ACH: **$226,551.82**

Voids: **($6,499.18)**

Online Payments: **$42,193.40**

Payroll Period Ending 2/13/2026: **$989,128.73**

**Total: $2,825,776.89**

**Analysis**
A warrant register is the list of checks and electronic payments issued by the City. Approval of the warrant register allows the City Council to review and confirm payments made with City funds. This process provides transparency to the public, ensures spending is consistent with the adopted budget and City policies, and serves as an important internal control to safeguard taxpayer dollars. By approving the register, the City Council fulfills its responsibility to oversee the use of public funds and maintain accountability in City operations.

**Explanation of Terms**
Warrant – Directs the Finance Department to pay a sum of money out of the City's funds to bearer of claim/invoice (named individual, company) also known as a payable. The warrants

(payments) are only released after City Council approval.

Warrant Summary – Summarizes all of the payments prepared during a specific cycle. The beginning of the cycle is the period after the last set of warrants were approved by Council and released as payment. The end of the cycle is the last date of invoice processing. All the warrants for the current cycle are summarized and the detail of warrants provided to Council for review and approval.

Prepaid Warrant List - A Prepaid Warrant directs the Finance Department to pay a sum of money out of the City's funds to bearer of claim/invoice (named individual, company) also known as a payable. The Prepaid Warrants (payments) are released prior to City Council approval, however reported to City Council as a Prepaid. Prepayments are generally time sensitive and would incur additional charges if not paid within a specific time frame.

General City Warrant List – Detailed listing of all payments made for a specific cycle. The beginning of the cycle is the period after the last set of warrants were approved by Council and released as payment. The end of the cycle is the last date of invoice processing.

Online Payments – Payments made online. These are typically for time sensitive utilities, credit card payments, and sometimes require the use of the payee's portal (SCE, So Cal Gas, Amazon, etc.).

Voids – Checks that were issued and voided. Examples of such instances would be lost checks that were mailed out. Checks that were on a warrant that did not get approved by Council.

Payroll – All payments made related to payroll, such as payroll taxes, retirement benefits, CalPERS, Garnishments, payroll etc.

Attachment:
Attachment No. 1 - Warrant Summary
Attachment No. 2 - Prepaid Warrant List
Attachment No. 3 - General Warrant List
Attachment No. 4 - Online Payment Report
Attachment No. 5 - Payroll Summary Report
Attachment No. 6 - Voids

**City of South Pasadena**
**Demand/Warrant Register**
**Recap by fund**

**Date** 3/4/2026

| | Fund No. | Amounts | |
|---|---|---|---|
| | | **Prepaid** | **Written** |
| General Fund | 101 | 25,656.96 | 386,095.50 |
| Insurance Fund | 103 | - | - |
| Street Improvement Program | 104 | - | - |
| Technology Surcharge Fund | 106 | - | - |
| Facilities & Equip.Cap. Fund | 105 | - | - |
| Programs and Projects | 107 | - | - |
| Special Projects Fund | 116 | 1,107,396.40 | - |
| Vehicle Replacement Fund | 120 | - | - |
| Tree Replacement | 121 | - | - |
| Local Transit Return "A" | 205 | 2,530.00 | 1,696.94 |
| SLFRF Fund | 206 | - | - |
| Local Transit Return "C" | 207 | - | - |
| TEA/Metro | 208 | - | - |
| Sewer Fund | 210 | - | 3,026.05 |
| CTC Traffic Improvement | 211 | - | - |
| SB2 Planning Grant | 213 | - | - |
| Rogan HR5294 Grant | 214 | - | - |
| Street Lighting Fund | 215 | 1,645.96 | 120,085.82 |
| Public, Education & Govt Fund | 217 | - | - |
| Clean Air Act Fund | 218 | - | - |
| Business Improvement Tax | 220 | - | - |
| Gold Line Mitigation Fund | 223 | - | - |
| Mission Meridian Public Garage | 226 | - | - |
| Housing Authority Fund | 228 | - | - |
| State Gas Tax | 230 | 14,090.36 | 5,730.98 |
| County Park Bond Fund | 232 | - | - |
| Measure R | 233 | - | 2,145.00 |
| Measure M | 236 | - | 2,725.00 |
| Road Maint & Rehab (SB1) | 237 | - | - |
| MSRC Grant Fund | 238 | - | - |
| Measure W | 239 | - | - |
| Measure H | 241 | - | - |
| Prop C Exchange Fund | 242 | - | - |
| Reimbursable Grant Fund | 244 | - | - |
| Bike & Pedestrian Paths | 245 | - | - |
| BTA Grants | 248 | - | - |
| Golden Street Grant | 249 | - | - |
| Affordable Housing Trust Fund | 254 | - | - |
| Capital Growth Fund | 255 | - | - |
| CDBG | 260 | - | - |
| OTS Grant | 269 | - | 14,829.64 |
| Asset Forfeiture | 270 | - | - |
| Police Grants - State | 272 | - | - |
| Homeland Security Grant | 274 | - | - |
| Park Impact Fees | 275 | - | - |
| Historic Preservation Grant | 276 | - | - |
| HSIP Grant | 277 | - | - |
| Arroyo Seco Golf Course | 295 | - | - |
| State SR 710 LATIP | 297 | - | - |
| Sewer Capital Projects Fund | 310 | - | - |
| 400 Capital Improvement Program | 400 | - | 48,842.80 |
| Water Fund | 500 | 8,123.75 | 40,905.79 |
| Water Efficiency Fund | 503 | 1,660.00 | 749.00 |
| 2016 Water Revenue Bonds Fund | 505 | - | - |
| SRF Loan - Water | 506 | - | - |
| Water & Sewer Impact Fee | 510 | - | - |
| Public Financing Authority | 550 | - | - |
| Payroll Clearing Fund | 700 | 13,017.99 | - |
| | | | - |
| | **Column Totals:** | 1,174,121.42 | 626,832.52 |

| | |
|---|---|
| **City Report Totals:** | 1,800,953.94 |
| Payroll Period Ending 2/13/2026 | 989,128.73 |
| Online Payments | 42,193.40 |
| Voids | (6,499.18) |
| **Grand Report Total:** | **2,825,776.89** |

Sheila Rossi, Mayor

William Castrillon, Budget & Purchasing Manager

Nikima Newsome, Chief City Clerk

# Accounts Payable

## Check Detail

User: tfernandez
Printed: 02/23/2026 - 3:01PM

| Check Number | Check Date | Amount |
|---|---|---|
| **AMTIR4 - The Reinalt-Thomas Corporation DBA** | | |
| 322983 | 02/11/2026 | |
| Inv 5054812561 | | |
| Line Item Date | Line Item Description | |
| 12/02/2025 | VIN# 48033 PD Tire Replacement | 322.03 |
| Inv 5054812561 Total | | 322.03 |
| Inv 5054917975 | | |
| Line Item Date | Line Item Description | |
| 12/03/2025 | VIN# 27695 PD Tire Replacement | 298.14 |
| Inv 5054917975 Total | | 298.14 |
| 322983 Total: | | 620.17 |
| **AMTIR4 - The Reinalt-Thomas Corporation DBA Total:** | | 620.17 |
| **CLAP8180 - County of Los Angeles** | | |
| 322981 | 02/11/2026 | |
| Inv REPW26011203893 | | |
| Line Item Date | Line Item Description | |
| 01/12/2026 | Orange Grove Traffic Striping FY25-26 | 12,561.59 |
| Inv REPW26011203893 Total | | 12,561.59 |
| 322981 Total: | | 12,561.59 |
| **CLAP8180 - County of Los Angeles Total:** | | 12,561.59 |
| **DEPC6011 - Dewey Services Inc** | | |
| 322982 | 02/11/2026 | |
| Inv 17891139 | | |
| Line Item Date | Line Item Description | |
| 02/01/2026 | Monthly pest control--625 1/2 Stratford--Feb 2026 FY 2025-26 | 120.00 |
| Inv 17891139 Total | | 120.00 |
| Inv 17891140 | | |
| Line Item Date | Line Item Description | |

| Check Number | Check Date | | Amount |
|---|---|---|---|
| | 02/01/2026 | Monthly pest control--1700 Edgewood--Feb 2026-FY 2025-26 | 120.00 |
| | Inv 17891140 Total | | 120.00 |
| | Inv 17891141 | | |
| | Line Item Date | Line Item Description | |
| | 02/01/2026 | Monthly pest control--416 Garfield--Feb. 2026--FY 2025-26 | 120.00 |
| | Inv 17891141 Total | | 120.00 |
| | Inv 17891142 | | |
| | Line Item Date | Line Item Description | |
| | 02/01/2026 | Monthy pest control-435 Fair Oaks Feb 2026 FY 25-26 | 120.00 |
| | Inv 17891142 Total | | 120.00 |
| | Inv 17891143 | | |
| | Line Item Date | Line Item Description | |
| | 02/01/2026 | Monthly pest control--1100-1102 Oxley--Feb 2026--FY 2025-26 | 120.00 |
| | Inv 17891143 Total | | 120.00 |
| | Inv 17891144 | | |
| | Line Item Date | Line Item Description | |
| | 02/01/2026 | monthly pest control--1414 Mission-Feb 2026 FY2025-26 | 135.50 |
| | Inv 17891144 Total | | 135.50 |
| | Inv 17891146 | | |
| | Line Item Date | Line Item Description | |
| | 02/01/2026 | Monthly pest control 825 Mission--Feb 2025-- FY2025-26 | 120.00 |
| | Inv 17891146 Total | | 120.00 |
| | Inv 17891147 | | |
| | Line Item Date | Line Item Description | |
| | 02/01/2026 | Monthly pest control--815 Mission--Feb 2025- FY2025-26 | 120.00 |
| | Inv 17891147 Total | | 120.00 |
| | Inv 17891150 | | |
| | Line Item Date | Line Item Description | |
| | 02/01/2026 | monthly pest control 640 Stoney Yard--Feb 2026-- FY2025-26 | 303.00 |
| | Inv 17891150 Total | | 303.00 |
| 322982 Total: | | | 1,278.50 |
| **DEPC6011 - Dewey Services Inc Total:** | | | 1,278.50 |

| Check Number | Check Date | Amount |
|---|---|---|
| Total: | | 14,460.26 |

# Accounts Payable

## Check Detail

User: tfernandez
Printed: 02/23/2026 - 3:03PM

| Check Number | Check Date | Amount |
|---|---|---|
| **SOCOAFEQ - South Coast Fire Equipment, Inc** | | |
| 0 | 02/17/2026 | |
| Inv 624 | | |
| Line Item Date | Line Item Description | |
| 01/15/2026 | 2028 Pierce Enforcer PUC Fire Engine. To be rolled over until FY | 1,107,396.40 |
| Inv 624 Total | | 1,107,396.40 |
| 0 Total: | | 1,107,396.40 |
| **SOCOAFEQ - South Coast Fire Equipment, Inc Total:** | | 1,107,396.40 |
| Total: | | 1,107,396.40 |

# Accounts Payable

## Check Detail

User: tfernandez
Printed: 02/23/2026 - 3:04PM

| Check Number | Check Date | Amount |
|---|---|---|
| **AT&T5011 - AT&T** | | |
| 322984 | 02/19/2026 | |
| Inv 33184107563432 | | |
| Line Item Date | Line Item Description | |
| 02/07/2026 | AN 331 841-0756 343 2 Serv 2/7-3/6 Feb 2026 | 31.76 |
| Inv 33184107563432 Total | | 31.76 |
| Inv 33184108023436 | | |
| Line Item Date | Line Item Description | |
| 02/07/2026 | AN 331 841-0802 343 6 Services for 2/7 - 3/6 Feb 2026 | 31.76 |
| Inv 33184108023436 Total | | 31.76 |
| 322984 Total: | | 63.52 |
| **AT&T5011 - AT&T Total:** | | 63.52 |
| **ATTE2011 - AT&T DW Holdings, Inc** | | |
| 322985 | 02/19/2026 | |
| Inv 1016862111 | | |
| Line Item Date | Line Item Description | |
| 02/07/2026 | AN 831-001-4896 776 Monthly Serv for Feb 2026 | 4,968.27 |
| Inv 1016862111 Total | | 4,968.27 |
| Inv 1026862119 | | |
| Line Item Date | Line Item Description | |
| 02/07/2026 | AN 831-001-5489 449 Monthly Serv for Feb 2026 | 724.07 |
| Inv 1026862119 Total | | 724.07 |
| 322985 Total: | | 5,692.34 |
| **ATTE2011 - AT&T DW Holdings, Inc Total:** | | 5,692.34 |
| **CAASSOCT - CA Association for Coordinated Transportation** | | |
| 322987 | 02/19/2026 | |
| Inv 6680415 | | |
| Line Item Date | Line Item Description | |

| | | | |
|---|---|---|---|
| | 02/12/2026 | CALACT Spring conference | 715.00 |
| | Inv 6680415 Total | | 715.00 |
| 322987 Total: | | | 715.00 |
| **CAASSOCT - CA Association for Coordinated Transportation Total:** | | | 715.00 |
| **CEAP7000 - S.P. Public Service Employees Association-PT 700-0000-0000-2249-000** | | | |
| 0 | 02/19/2026 | | |
| | Inv PR 02.13.2026 | | |
| | Line Item Date | Line Item Description | |
| | 02/11/2026 | PR Batch 00001.02.2026 PART TIME ASSN. DUES / FEE | 176.00 |
| | Inv PR 02.13.2026 Total | | 176.00 |
| 0 Total: | | | 176.00 |
| **CEAP7000 - S.P. Public Service Employees Association-PT Total:** | | | 176.00 |
| **CIN4011 - AT&T Mobility** | | | |
| 322986 | 02/19/2026 | | |
| | Inv 287288006612 | | |
| | Line Item Date | Line Item Description | |
| | 02/02/2026 | AN 287288006612 Serv 1/3 - 2/2 January 2026 | 3,784.65 |
| | Inv 287288006612 Total | | 3,784.65 |
| | Inv 287288006612X12 | | |
| | Line Item Date | Line Item Description | |
| | 12/02/2025 | AN 287288006612 Mobile 11/3-12/2/25 NOV | 3,608.73 |
| | Inv 287288006612X12 Total | | 3,608.73 |
| | Inv 287312118886 | | |
| | Line Item Date | Line Item Description | |
| | 02/02/2026 | AN 287312118886 Serv 1/3 - 2/2 January 2026 | 2,822.68 |
| | Inv 287312118886 Total | | 2,822.68 |
| | Inv 287312118886X12 | | |
| | Line Item Date | Line Item Description | |
| | 12/02/2025 | AN 287312118886 11/3-12/2/25 NOV Mobile First Responders | 2,820.55 |
| | Inv 287312118886X12 Total | | 2,820.55 |
| | Inv 287351491376X12 | | |
| | Line Item Date | Line Item Description | |
| | 12/06/2025 | AN 287351491376 11/7-12/6/25 NOV | 69.90 |

| | | |
|---|---|---|
| Inv 287351491376X12 Total | | 69.90 |
| 322986 Total: | | 13,106.51 |
| **CIN4011 - AT&T Mobility Total:** | | 13,106.51 |

**CLA8011 - California Library Association**

322988 02/19/2026

Inv 300016364

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/14/2026 | CLA Institutional Membership | 600.00 |
| Inv 300016364 Total | | 600.00 |
| 322988 Total: | | 600.00 |
| **CLA8011 - California Library Association Total:** | | 600.00 |

**CSDI6601 - Department of Industrial Relations**

322990 02/19/2026

Inv E2249862SB

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/09/2026 | Library Elevator Conveyance Fees | 225.00 |
| Inv E2249862SB Total | | 225.00 |
| 322990 Total: | | 225.00 |
| **CSDI6601 - Department of Industrial Relations Total:** | | 225.00 |

**DGSI6010 - Duthie Power Services**

0 02/19/2026

Inv A151601

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/23/2026 | City Owned Backup Generator Maintenance at City Hall | 395.17 |
| Inv A151601 Total | | 395.17 |
| 0 Total: | | 395.17 |
| **DGSI6010 - Duthie Power Services Total:** | | 395.17 |

**FOO7777 - Foothill Lock & Key**

322991 02/19/2026

| Check Number | Check Date | | Amount |
|---|---|---|---|
| Inv 129090hs | | | |
| Line Item Date | Line Item Description | | |
| 07/22/2025 | Locksmith Services at City Hall - OVERDUE | | 1,390.38 |
| Inv 129090hs Total | | | 1,390.38 |
| 322991 Total: | | | 1,390.38 |
| **FOO7777 - Foothill Lock & Key Total:** | | | 1,390.38 |
| **HRSCHPIP - Hirsch Pipe & Supply Co Inc.** | | | |
| 322993 | 02/19/2026 | | |
| Inv 1649616 | | | |
| Line Item Date | Line Item Description | | |
| 01/26/2026 | supply hoses for Wilson Reservoir | | 93.22 |
| Inv 1649616 Total | | | 93.22 |
| 322993 Total: | | | 93.22 |
| **HRSCHPIP - Hirsch Pipe & Supply Co Inc. Total:** | | | 93.22 |
| **PARS3011 - Phase II Systems a California Corporation** | | | |
| 0 | 02/19/2026 | | |
| Inv PR 02.13.2026 | | | |
| Line Item Date | Line Item Description | | |
| 02/11/2026 | PR Batch 00001.02.2026 PARS Employer Contribution | | 55.08 |
| 02/11/2026 | PR Batch 00001.02.2026 PARS Employer Contribution | | 130.80 |
| 02/11/2026 | PR Batch 00001.02.2026 PARS Employee Contribution | | 571.50 |
| 02/11/2026 | PR Batch 00001.02.2026 PARS Employer Contribution | | 93.20 |
| 02/11/2026 | PR Batch 00001.02.2026 PARS Employer Contribution | | 292.43 |
| Inv PR 02.13.2026 Total | | | 1,143.01 |
| 0 Total: | | | 1,143.01 |
| **PARS3011 - Phase II Systems a California Corporation Total:** | | | 1,143.01 |
| **PWP4465 - Pasadena Water & Power** | | | |
| 322994 | 02/19/2026 | | |
| Inv 197875985497 | | | |
| Line Item Date | Line Item Description | | |
| 02/13/2026 | AN1973816780 Water Purchased FEB2026 | | 3,184.01 |
| Inv 197875985497 Total | | | 3,184.01 |
| 322994 Total: | | | 3,184.01 |

**PWP4465 - Pasadena Water & Power Total:** 3,184.01

**SCFT0001 - Franchise Tax Board**

322992 02/19/2026

Inv PR 02.13.2026

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/11/2026 | PR Batch 00001.02.2026 Garnishment -Christiana Case #11025452( | 90.00 |

Inv PR 02.13.2026 Total 90.00

322992 Total: 90.00

**SCFT0001 - Franchise Tax Board Total:** 90.00

**SDSI0107 - SDS Security Design Systems**

322995 02/19/2026

Inv 251847

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/01/2026 | Door / Access Security System for City Hall facilities, Police D | 65.18 |

Inv 251847 Total 65.18

Inv 251848

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/01/2026 | Door / Access Security System for City Hall facilities, Police D | 217.46 |

Inv 251848 Total 217.46

Inv 251849

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/01/2026 | Door / Access Security System for City Hall facilities, Police D | 113.00 |

Inv 251849 Total 113.00

Inv 251850

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/01/2026 | Door / Access Security System for City Hall facilities, Police D | 55.00 |

Inv 251850 Total 55.00

322995 Total: 450.64

**SDSI0107 - SDS Security Design Systems Total:** 450.64

**SOU5230 - S.P.Firefighters L-3657**

0 02/19/2026

Inv PR 02.13.2026

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/11/2026 | PR Batch 00001.02.2026 Firefighters 3657 - Union | 1,925.00 |
| 02/11/2026 | PR Batch 00001.02.2026 FFA Fire Rec Fees | 60.00 |
| 02/11/2026 | PR Batch 00001.02.2026 Fire Assn. Insurance | 105.88 |

Inv PR 02.13.2026 Total 2,090.88

0 Total: 2,090.88

**SOU5230 - S.P.Firefighters L-3657 Total:** 2,090.88

**SOU5435 - S.P. Police Officers Association 700-0000-0000-2246-000**

0 02/19/2026

Inv PR 02.13.2026

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/11/2026 | PR Batch 00001.02.2026 SPPOA Insurance | 2,825.91 |
| 02/11/2026 | PR Batch 00001.02.2026 SPPOA - Union Dues | 4,648.00 |

Inv PR 02.13.2026 Total 7,473.91

0 Total: 7,473.91

**SOU5435 - S.P. Police Officers Association Total:** 7,473.91

**SOU5451 - S.P. Public Service Employees Association 700-0000-0000-2248-000**

0 02/19/2026

Inv PR 02.13.2026

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/11/2026 | PR Batch 00001.02.2026 SPPSEA - Union Dues | 1,598.00 |

Inv PR 02.13.2026 Total 1,598.00

0 Total: 1,598.00

**SOU5451 - S.P. Public Service Employees Association Total:** 1,598.00

**SPRAGUES - Sprague's Rock & Sand Inc.**

322996 02/19/2026

Inv 278145

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/21/2026 | streets division--concrete pouring | 893.95 |

Inv 278145 Total 893.95

Inv 278265

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/28/2026 | 1012 Stratford Ave Sidewalk Pour | 634.82 |

| | | |
|---|---|---|
| Inv 278265 Total | | 634.82 |
| 322996 Total: | | 1,528.77 |
| **SPRAGUES - Sprague's Rock & Sand Inc. Total:** | | 1,528.77 |
| **SSDV2018 - Sandoval, Sheila** | | |
| 0 | 02/19/2026 | |
| Inv PR 02.13.2026 | | |
| Line Item Date | Line Item Description | |
| 02/11/2026 | PR Batch 00001.02.2026 Sandoval - Garnishment | 61.67 |
| 02/11/2026 | PR Batch 00001.02.2026 Garnishment - Sandoval | 956.03 |
| Inv PR 02.13.2026 Total | | 1,017.70 |
| 0 Total: | | 1,017.70 |
| **SSDV2018 - Sandoval, Sheila Total:** | | 1,017.70 |
| **UPP7789 - Upper San Gabriel Valley MWD** | | |
| 0 | 02/19/2026 | |
| Inv 2/01-26 | | |
| Line Item Date | Line Item Description | |
| 02/16/2026 | Water purchased from MWD January 2026 FY 25-26 | 120.83 |
| Inv 2/01-26 Total | | 120.83 |
| Inv 2026Q1-FXD | | |
| Line Item Date | Line Item Description | |
| 02/16/2026 | MWD 1st Quarter capacity charges CY2026 | 3,987.50 |
| Inv 2026Q1-FXD Total | | 3,987.50 |
| Inv So Pas 2.11.26 | | |
| Line Item Date | Line Item Description | |
| 02/12/2026 | Co-funding for MWD water conservation rebates in Jan 2026. | 1,660.00 |
| Inv So Pas 2.11.26 Total | | 1,660.00 |
| 0 Total: | | 5,768.33 |
| **UPP7789 - Upper San Gabriel Valley MWD Total:** | | 5,768.33 |
| **VTIN4010 - Caracal Enterprises LLC** | | |
| 322989 | 02/19/2026 | |

| Check Number | Check Date | | Amount |
|---|---|---|---|
| Inv 152852 | | | |
| Line Item Date | Line Item Description | | |
| 02/11/2026 | Annual Fees Mission-Meridian Parking Garage Ticket Machine | | 1,815.00 |
| Inv 152852 Total | | | 1,815.00 |
| 322989 Total: | | | 1,815.00 |
| **VTIN4010 - Caracal Enterprises LLC Total:** | | | 1,815.00 |
| **WLHD8020 - Westlake Hardware** | | | |
| 0 | 02/19/2026 | | |
| Inv 14306474 | | | |
| Line Item Date | Line Item Description | | |
| 01/28/2026 | Supplies for Water Distribution | | 184.51 |
| Inv 14306474 Total | | | 184.51 |
| Inv 14306491 | | | |
| Line Item Date | Line Item Description | | |
| 02/03/2026 | Supplies for Water Distribution | | 609.50 |
| Inv 14306491 Total | | | 609.50 |
| 0 Total: | | | 794.01 |
| **WLHD8020 - Westlake Hardware Total:** | | | 794.01 |
| Total: | | | 49,411.40 |

# Accounts Payable

## Check Detail

User: tfernandez
Printed: 02/23/2026 - 3:05PM

| Check Number | Check Date | Amount |
|---|---|---|
| **CAL6695 - California American Water** | | |
| 322998 | 02/19/2026 | |
| Inv 1/18/26-2/13/26 | | |
| Line Item Date | Line Item Description | |
| 02/18/2026 | water service fee for WIlson Well 2, Feb 2026 | 37.40 |
| Inv 1/18/26-2/13/26 Total | | 37.40 |
| 322998 Total: | | 37.40 |
| **CAL6695 - California American Water Total:** | | 37.40 |
| **CPS0551 - CPRS** | | |
| 322999 | 02/19/2026 | |
| Inv 3/31/26 | | |
| Line Item Date | Line Item Description | |
| 02/02/2026 | annual CPRS member-agency dues for CSD/Admin/SC/ Rec & Sec. | 170.00 |
| 02/02/2026 | annual CPRS member-agency dues for CSD/Admin/SC/ Rec & Sec. | 300.00 |
| 02/02/2026 | annual CPRS member-agency dues for CSD/Admin/SC/ Rec & Sec. | 700.00 |
| Inv 3/31/26 Total | | 1,170.00 |
| 322999 Total: | | 1,170.00 |
| **CPS0551 - CPRS Total:** | | 1,170.00 |
| **DEP5072 - CA Dept of Transportation** | | |
| 322997 | 02/19/2026 | |
| Inv SL260350 | | |
| Line Item Date | Line Item Description | |
| 01/20/2026 | Signals & Lighting OCT2025-DEC2025 Orange Grove & 110 Freev | 1,645.96 |
| Inv SL260350 Total | | 1,645.96 |
| 322997 Total: | | 1,645.96 |
| **DEP5072 - CA Dept of Transportation Total:** | | 1,645.96 |

| Check Number | Check Date | Amount |
|---|---|---|
| Total: | | 2,853.36 |

# Accounts Payable

## Check Detail

User: tfernandez
Printed: 02/23/2026 - 3:10PM

| Check Number | Check Date | Amount |
|---|---|---|
| **ACCOEG - ACCO Engineered Systems, Inc.** | | |
| 323001 | 02/19/2026 | |
| Inv 20756914 | | |
| Line Item Date | Line Item Description | |
| 11/01/2025 | HVAC services at fire station & cooling tower 11/25 | 420.00 |
| Inv 20756914 Total | | 420.00 |
| Inv 20770462 | | |
| Line Item Date | Line Item Description | |
| 12/22/2025 | Heating, Ventilation, & Air Conditioning (HVAC) & Cooling Tower | 557.50 |
| Inv 20770462 Total | | 557.50 |
| Inv 20771309 | | |
| Line Item Date | Line Item Description | |
| 12/29/2025 | 9/15-10/3/25 AC-1 supply fan motor replacement City Hall | 6,407.00 |
| Inv 20771309 Total | | 6,407.00 |
| Inv 20777686 | | |
| Line Item Date | Line Item Description | |
| 01/14/2026 | HVAC services at Fire station | 3,968.00 |
| Inv 20777686 Total | | 3,968.00 |
| 323001 Total: | | 11,352.50 |
| **ACCOEG - ACCO Engineered Systems, Inc. Total:** | | 11,352.50 |
| **ACMT2920 - All City Management Services, Inc.** | | |
| 323004 | 02/19/2026 | |
| Inv PS-INV103283 | | |
| Line Item Date | Line Item Description | |
| 01/23/2026 | Crossing Guard Services Annual FY25-26 HL (Jan. 04-Jan. 17 /26) | 12,317.92 |
| Inv PS-INV103283 Total | | 12,317.92 |
| Inv PS-INV103634 | | |
| Line Item Date | Line Item Description | |
| 02/06/2026 | School crossing guard services: Jan.18 - Jan. 31, 2026 | 12,668.70 |

Inv PS-INV103634 Total 12,668.70

323004 Total: 24,986.62

**ACMT2920 - All City Management Services, Inc. Total:** 24,986.62

**ACTM3010 - Robert Half International, Inc.**

0 02/19/2026

Inv 65887536

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/09/2026 | WE 2/6/26 HL Accounts Payable Specialists Staffing | 757.36 |
| 02/09/2026 | WE 2/6/26 HL Accounts Payable Specialists Staffing | 34.64 |
| 02/09/2026 | WE 2/6/26 HL Accounts Payable Specialists Staffing | 399.68 |
| 02/09/2026 | WE 2/6/26 HL Accounts Payable Specialists Staffing | 209.49 |
| 02/09/2026 | Accounts Payable Specialists Staffing FEB2026 | 61.78 |
| 02/09/2026 | WE 2/6/26 HL Accounts Payable Specialists Staffing | 465.45 |

Inv 65887536 Total 1,928.40

Inv 65910727

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/16/2026 | WE 2/13/26 HL AP Specialist Services | 96.42 |
| 02/16/2026 | WE 2/13/26 HL AP Specialist Services | 1,157.04 |
| 02/16/2026 | WE 2/13/26 HL AP Specialist Services | 674.94 |

Inv 65910727 Total 1,928.40

0 Total: 3,856.80

**ACTM3010 - Robert Half International, Inc. Total:** 3,856.80

**ADHA6116 - Herrera, Adam**

323033 02/19/2026

Inv 1/16-1/17/26

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/17/2026 | Mileage round trip for A. Herrera from 1.16-1.17.26, 113.6 miles | 82.36 |

Inv 1/16-1/17/26 Total 82.36

323033 Total: 82.36

**ADHA6116 - Herrera, Adam Total:** 82.36

**AGSINC - Automated Gate Services, Inc.**

323006 02/19/2026

Inv 0098679

| Line Item Date | Line Item Description |
|---|---|

| Check Number | Check Date | | Amount |
|---|---|---|---|
| 02/11/2026 | | Service Call for Garfield Main Gate Repair | 512.00 |
| Inv 0098679 Total | | | 512.00 |
| 323006 Total: | | | 512.00 |
| **AGSINC - Automated Gate Services, Inc. Total:** | | | 512.00 |
| **AJTREE - A&J Tree Inc** | | | |
| 323000 | 02/19/2026 | | |
| Inv 10272025 | | | |
| Line Item Date | | Line Item Description | |
| 10/27/2025 | | Raise tree & tree/debris removal 526-600 Garfield | 18,900.00 |
| Inv 10272025 Total | | | 18,900.00 |
| 323000 Total: | | | 18,900.00 |
| **AJTREE - A&J Tree Inc Total:** | | | 18,900.00 |
| **ALCOPRO - AlcoPro, Inc** | | | |
| 0 | 02/19/2026 | | |
| Inv 0304309-IN | | | |
| Line Item Date | | Line Item Description | |
| 01/15/2026 | | DUI Equipment | 284.25 |
| Inv 0304309-IN Total | | | 284.25 |
| 0 Total: | | | 284.25 |
| **ALCOPRO - AlcoPro, Inc Total:** | | | 284.25 |
| **ALH0181 - Alhambra Hospital Med Ctr** | | | |
| 323003 | 02/19/2026 | | |
| Inv SPFD007 | | | |
| Line Item Date | | Line Item Description | |
| 02/05/2026 | | Medical Supplies: Medications, Doses, Supplies FY25-26 | 2,014.14 |
| Inv SPFD007 Total | | | 2,014.14 |
| 323003 Total: | | | 2,014.14 |
| **ALH0181 - Alhambra Hospital Med Ctr Total:** | | | 2,014.14 |
| **ALKH5011 - Khachatoorian, Alex** | | | |
| 323037 | 02/19/2026 | | |

| Check Number | Check Date | | Amount |
|---|---|---|---|
| Inv 1.12.26 AK | | | |
| Line Item Date | Line Item Description | | |
| 01/12/2026 | Paramedic License Renewal - Alex K. | | 250.00 |
| Inv 1.12.26 AK Total | | | 250.00 |
| 323037 Total: | | | 250.00 |
| **ALKH5011 - Khachatoorian, Alex Total:** | | | 250.00 |
| **ALL0197 - All Star Fire Equipment, Inc.** | | | |
| 323005 | 02/19/2026 | | |
| Inv 269790 | | | |
| Line Item Date | Line Item Description | | |
| 01/13/2026 | Safety Clothing / Equipment purchase FY25-26 | | 2,422.93 |
| 01/13/2026 | Safety Clothing / Equipment Add Amendment 2/4/26 HL | | 187.36 |
| Inv 269790 Total | | | 2,610.29 |
| Inv 270015 | | | |
| Line Item Date | Line Item Description | | |
| 01/27/2026 | Safety Clothing / Equipment Add Amendment 2/4/26 HL | | 337.05 |
| Inv 270015 Total | | | 337.05 |
| 323005 Total: | | | 2,947.34 |
| **ALL0197 - All Star Fire Equipment, Inc. Total:** | | | 2,947.34 |
| **ALTA2011 - ALTA Language Services, INC.** | | | |
| 0 | 02/19/2026 | | |
| Inv IS828999 | | | |
| Line Item Date | Line Item Description | | |
| 01/31/2026 | Listening & Speaking Test | | 58.00 |
| Inv IS828999 Total | | | 58.00 |
| 0 Total: | | | 58.00 |
| **ALTA2011 - ALTA Language Services, INC. Total:** | | | 58.00 |
| **AMAZONCP - Amazon Capital Services, Inc.** | | | |
| 0 | 02/19/2026 | | |
| Inv 11TP-LDJT-KPF9 | | | |
| Line Item Date | Line Item Description | | |
| 01/29/2026 | PD Office Supplies | | 32.83 |
| Inv 11TP-LDJT-KPF9 Total | | | 32.83 |

Inv 16TD-DLX1-J9NL

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/05/2026 | Office Supplies | 30.91 |

Inv 16TD-DLX1-J9NL Total 30.91

Inv 1CN6-T3VV-9RNP

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/30/2026 | Office Supplies | 45.96 |

Inv 1CN6-T3VV-9RNP Total 45.96

Inv 1F64-J79D-RLHN

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/22/2026 | Finance Dept Office Supplies TF | 42.00 |

Inv 1F64-J79D-RLHN Total 42.00

Inv 1FPH-YQQG-9CQC

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/11/2026 | Office Supplies | 132.59 |

Inv 1FPH-YQQG-9CQC Total 132.59

Inv 1FY7-GJXJ-JJ1N

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/05/2026 | PWIC Name Plate - Commissioner Kuo | 13.64 |

Inv 1FY7-GJXJ-JJ1N Total 13.64

Inv 1GD3-6YDP-NHKT

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/07/2026 | Senior Center event supplies | 396.68 |

Inv 1GD3-6YDP-NHKT Total 396.68

Inv 1JFK-137Q-TL4Y

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/22/2026 | PD Office Supplies | 74.52 |

Inv 1JFK-137Q-TL4Y Total 74.52

Inv 1L99-39JJ-GCTL

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/07/2026 | Senior Center Spanish books | 19.86 |

Inv 1L99-39JJ-GCTL Total 19.86

Inv 1LP3-1LNX-1FDG

| Line Item Date | Line Item Description |
|---|---|

| Check Number | Check Date | | Amount |
|---|---|---|---|
| | 02/09/2026 | Senior Center event supplies | 33.53 |
| | Inv 1LP3-1LNX-1FDG Total | | 33.53 |
| | Inv 1QH1-LY37-HJDC | | |
| | Line Item Date | Line Item Description | |
| | 02/05/2026 | Office Supplies | 12.50 |
| | Inv 1QH1-LY37-HJDC Total | | 12.50 |
| | Inv 1RL3-HDMJ-TWNK | | |
| | Line Item Date | Line Item Description | |
| | 01/27/2026 | Books for Library Collection | 75.61 |
| | Inv 1RL3-HDMJ-TWNK Total | | 75.61 |
| | Inv 1RW1-V4TG-C1MY | | |
| | Line Item Date | Line Item Description | |
| | 02/04/2026 | Nameplates for Library Board of Trustees | 49.64 |
| | Inv 1RW1-V4TG-C1MY Total | | 49.64 |
| | Inv 1TT4-JP3K-F3GW | | |
| | Line Item Date | Line Item Description | |
| | 02/03/2026 | Books for Library Collection | 45.39 |
| | Inv 1TT4-JP3K-F3GW Total | | 45.39 |
| | Inv 1W44-D7TM-F7GF | | |
| | Line Item Date | Line Item Description | |
| | 02/10/2026 | Books for Library Collection | 46.91 |
| | Inv 1W44-D7TM-F7GF Total | | 46.91 |
| | Inv 1WXN-C4PW-FGD7 | | |
| | Line Item Date | Line Item Description | |
| | 02/10/2026 | Books for Library Collection | 18.54 |
| | Inv 1WXN-C4PW-FGD7 Total | | 18.54 |
| | Inv 1YL7-K4VQ-YXRT | | |
| | Line Item Date | Line Item Description | |
| | 01/27/2026 | new Iphone case and screen protector for Rick Hernandez | 39.31 |
| | Inv 1YL7-K4VQ-YXRT Total | | 39.31 |
| 0 Total: | | | 1,110.42 |
| **AMAZONCP - Amazon Capital Services, Inc. Total:** | | | 1,110.42 |

| Check Number | Check Date | | Amount |
|---|---|---|---|
| **ANSC6011 - Schumacher, Andrew** | | | |
| 323059 | 02/19/2026 | | |
| Inv PW2716 | | | |
| Line Item Date | Line Item Description | | |
| 02/17/2026 | Tree replacement refund for 1505 milan ave. | | 424.00 |
| Inv PW2716 Total | | | 424.00 |
| 323059 Total: | | | 424.00 |
| **ANSC6011 - Schumacher, Andrew Total:** | | | 424.00 |
| **ARVT6011 - Tseng, Arvin** | | | |
| 323069 | 02/19/2026 | | |
| Inv PW2451 | | | |
| Line Item Date | Line Item Description | | |
| 01/14/2026 | Refund for Tree Replacement Deposit - 1040 Orange Grove Ave | | 2,968.00 |
| Inv PW2451 Total | | | 2,968.00 |
| 323069 Total: | | | 2,968.00 |
| **ARVT6011 - Tseng, Arvin Total:** | | | 2,968.00 |
| **ATGC8530 - CU Technology** | | | |
| 0 | 02/19/2026 | | |
| Inv 13273 | | | |
| Line Item Date | Line Item Description | | |
| 02/17/2026 | ABsolute Secure Upgrade, ISP Links, & PS Upgrade | | 1,875.00 |
| Inv 13273 Total | | | 1,875.00 |
| 0 Total: | | | 1,875.00 |
| **ATGC8530 - CU Technology Total:** | | | 1,875.00 |
| **AUTOCSPC - Echeveria, Jose** | | | |
| 323024 | 02/19/2026 | | |
| Inv 13620 | | | |
| Line Item Date | Line Item Description | | |
| 02/03/2026 | water division unit #12 coolant leak repairs | | 3,198.91 |
| Inv 13620 Total | | | 3,198.91 |
| Inv 13667 | | | |
| Line Item Date | Line Item Description | | |
| 01/28/2026 | water division vehicle unit 3 front suspension repair | | 1,225.99 |

| | | |
|---|---|---|
| Inv 13667 Total | | 1,225.99 |
| 323024 Total: | | 4,424.90 |
| **AUTOCSPC - Echeveria, Jose Total:** | | 4,424.90 |
| **BARALPW - Barrera, Alejandro** | | |
| 323007 | 02/19/2026 | |
| Inv 1.29.26 | | |
| Line Item Date | Line Item Description | |
| 01/29/2026 | Rate: .72 Miles: 36 Arroyo Park Light Total: $25.92 | 25.92 |
| Inv 1.29.26 Total | | 25.92 |
| 323007 Total: | | 25.92 |
| **BARALPW - Barrera, Alejandro Total:** | | 25.92 |
| **BLSP8010 - Blackstone Publishing** | | |
| 0 | 02/19/2026 | |
| Inv 2223990 | | |
| Line Item Date | Line Item Description | |
| 01/27/2026 | Books, DVDs, CDs, AudioBooks Purchase FY25-23 | 248.58 |
| Inv 2223990 Total | | 248.58 |
| Inv 2224726 | | |
| Line Item Date | Line Item Description | |
| 01/30/2026 | Books, DVDs, CDs, AudioBooks Purchase FY25-23 | 30.94 |
| Inv 2224726 Total | | 30.94 |
| 0 Total: | | 279.52 |
| **BLSP8010 - Blackstone Publishing Total:** | | 279.52 |
| **BRMR8267 - BRIT West Soccer** | | |
| 323010 | 02/19/2026 | |
| Inv BritWest W26 | | |
| Line Item Date | Line Item Description | |
| 02/12/2026 | Contract Class Instructor Payment BritWest Soccer Winter 2026 | 2,470.00 |
| Inv BritWest W26 Total | | 2,470.00 |
| 323010 Total: | | 2,470.00 |

**BRMR8267 - BRIT West Soccer Total:** 2,470.00

**BSHL6710 - Base Hill, Inc., dba Jan Point**

0 02/19/2026

Inv 26752

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/02/2026 | Citywide Janitorial Services January 2026 FY2025-26 | 17,033.33 |
| 02/02/2026 | Citywide Janitorial Services January 2026 FY2025-26 | 916.67 |

Inv 26752 Total 17,950.00

0 Total: 17,950.00

**BSHL6710 - Base Hill, Inc., dba Jan Point Total:** 17,950.00

**BUJO6011 - Butler, Joseph**

323011 02/19/2026

Inv PW2832

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/12/2026 | Tree refund_PW2832_1331 Milan Ave. | 3,816.00 |

Inv PW2832 Total 3,816.00

323011 Total: 3,816.00

**BUJO6011 - Butler, Joseph Total:** 3,816.00

**CAL5236 - Dy-Dee Services of Pasadena, Inc.**

323023 02/19/2026

Inv 2559270

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/05/2026 | Linen & Cleaning Services FY25-26 | 91.36 |

Inv 2559270 Total 91.36

Inv 2562588

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/05/2026 | Linen & Cleaning Services FY25-26 | 104.71 |

Inv 2562588 Total 104.71

323023 Total: 196.07

**CAL5236 - Dy-Dee Services of Pasadena, Inc. Total:** 196.07

**CAME2015 - California Maintenance & Environmental**

0 02/19/2026

Inv 41369

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/05/2026 | December 2025 Monthly Inspection at Fire/PD FY25-26 | 125.00 |

Inv 41369 Total 125.00

Inv 41463

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/02/2026 | Fire Department - Fuel Dispenser 87 | 240.00 |

Inv 41463 Total 240.00

Inv 41464

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/02/2026 | quarterly healy inspection at service yard Feb. 26 FY2025-26 | 225.00 |

Inv 41464 Total 225.00

Inv 41465

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/02/2026 | Quarterly Healy Inspection at Fire/PD FY25-26 | 225.00 |

Inv 41465 Total 225.00

Inv 41482

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/04/2026 | Monthly Underground Fuel Tank Maintenance & Inspections FY202 | 125.00 |

Inv 41482 Total 125.00

Inv 41483

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/04/2026 | monthly inspection at fire/police dept.--Jan 2026 | 125.00 |

Inv 41483 Total 125.00

0 Total: 1,065.00

**CAME2015 - California Maintenance & Environmental Total:** 1,065.00

**CAN0607 - Cantu Graphics Inc.**

323013 02/19/2026

Inv 65253-4

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/07/2026 | Business Cards for Chief City Clerk - NN | 44.14 |
| 01/07/2026 | Business Cards for City Council | 170.01 |

Inv 65253-4 Total 214.15

Inv 65300-4

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/26/2026 | PD Printing: | 44.14 |

Inv 65300-4 Total 44.14

Inv 65361-2

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/03/2026 | Certificate Paper | 82.05 |

Inv 65361-2 Total 82.05

323013 Total: 340.34

**CAN0607 - Cantu Graphics Inc. Total:** 340.34

**CAPTEV - California Association for Property & Evidence**

323012 02/19/2026

Inv 15537

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/10/2026 | CA ASSOCIATION FOR PROPERTY/EVIDENCE 2026 MEMBEI | 60.00 |

Inv 15537 Total 60.00

323012 Total: 60.00

**CAPTEV - California Association for Property & Evidence Total:** 60.00

**CDAVILA - Davila, Cristofer**

0 02/19/2026

Inv CD 2/26

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/17/2026 | FEB2026 Reimb Wellness YMCA | 55.00 |

Inv CD 2/26 Total 55.00

0 Total: 55.00

**CDAVILA - Davila, Cristofer Total:** 55.00

**CGPH4011 - Phillips, Craig**

323053 02/19/2026

Inv 01/21-23/26

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/10/2026 | SGT. CRAIG PHILLIPS SHERMAN BLOCK S8 REIMBURSEMI | 438.87 |

Inv 01/21-23/26 Total 438.87

Inv 12/11-13/2026

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/10/2026 | SGT. CRAIG PHILLIPS SHERMAN BLOCK S7 REIMBURSEME | 434.60 |

Inv 12/11-13/2026 Total 434.60

323053 Total: 873.47

**CGPH4011 - Phillips, Craig Total:** 873.47

**CGUSA - Compass Group USA, Inc.**

323018 02/19/2026

Inv SOC310281

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/01/2026 | Feb water machine rental | 52.47 |

Inv SOC310281 Total 52.47

323018 Total: 52.47

**CGUSA - Compass Group USA, Inc. Total:** 52.47

**CHMILLER - Miller, Christiana**

0 02/19/2026

Inv 100005803.001

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/02/2026 | YMCA Reimbursement for Feb 2026 | 55.00 |

Inv 100005803.001 Total 55.00

0 Total: 55.00

**CHMILLER - Miller, Christiana Total:** 55.00

**CINTA3 - Cintas Corporation**

323015 02/19/2026

Inv 4256809518

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/19/2026 | Weekly uniforms for yard and Garfield uniforms 1/19/26 | 23.15 |
| 01/19/2026 | Weekly uniforms for yard and Garfield uniforms 1/19/26 | 44.41 |
| 01/19/2026 | Weekly uniforms for yard and Garfield uniforms 1/19/26 | 38.36 |
| 01/19/2026 | Weekly uniforms for yard and Garfield uniforms 1/19/26 | 91.22 |
| 01/19/2026 | Weekly uniforms for yard and Garfield uniforms 1/19/26 | 46.61 |
| 01/19/2026 | Weekly uniforms for yard and Garfield uniforms 1/19/26 | 82.82 |
| 01/19/2026 | Weekly uniforms for yard and Garfield uniforms 1/19/26 | 48.99 |

Inv 4256809518 Total 375.56

Inv 4257454314

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/26/2026 | Weekly Uniforms for Yard & Garfield 1/26/26 | 46.60 |
| 01/26/2026 | Weekly Uniforms for Yard & Garfield 1/26/26 | 44.42 |
| 01/26/2026 | Weekly Uniforms for Yard & Garfield 1/26/26 | 91.22 |
| 01/26/2026 | Weekly Uniforms for Yard & Garfield 1/26/26 | 38.36 |
| 01/26/2026 | Weekly Uniforms for Yard & Garfield 1/26/26 | 23.15 |
| 01/26/2026 | Weekly Uniforms for Yard & Garfield 1/26/26 | 82.82 |
| 01/26/2026 | Weekly Uniforms for Yard & Garfield 1/26/26 | 48.99 |

Inv 4257454314 Total 375.56

323015 Total: 751.12

**CINTA3 - Cintas Corporation Total:** 751.12

**CINTAS - Cintas Corporation**

323016 02/19/2026

Inv 8408029167

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/02/2026 | AED Lease at City Facilities for Dec 2025 | 1,306.59 |

Inv 8408029167 Total 1,306.59

Inv 8408029168

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/02/2026 | 815 Mission AED Lease for Dec 2025 | 144.20 |

Inv 8408029168 Total 144.20

Inv 9344828315

| Line Item Date | Line Item Description | |
|---|---|---|
| 10/31/2025 | 1102 Oxley AED Lease for Oct 2025 | 144.76 |

Inv 9344828315 Total 144.76

Inv 9353396828

| Line Item Date | Line Item Description | |
|---|---|---|
| 12/31/2026 | 1102 Oxley St AED Lease for Jan 2026 | 144.76 |

Inv 9353396828 Total 144.76

Inv 9357607207

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/31/2026 | 1102 Oxley St AED Lease for Feb 2026 | 144.76 |

Inv 9357607207 Total 144.76

323016 Total: 1,885.07

**CINTAS - Cintas Corporation Total:** 1,885.07

**CRPC7000 - Pech, Carlos**

323051 02/19/2026

Inv 01/27-29/26

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/10/2026 | Carlos Pech Missing/Unidentified persons training reimbursement | 136.51 |

Inv 01/27-29/26 Total 136.51

323051 Total: 136.51

**CRPC7000 - Pech, Carlos Total:** 136.51

**CRSGRUND - Gruenewald, Christopher**

323031 02/19/2026

Inv 02/02-06/2026

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/10/2026 | CHRIS GRUENEWALD GST TRAINING REIMBURSEMENT | 276.82 |

Inv 02/02-06/2026 Total 276.82

323031 Total: 276.82

**CRSGRUND - Gruenewald, Christopher Total:** 276.82

**CRSR2010 - Corodata Shredding Inc.**

0 02/19/2026

Inv DN1562067

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/31/2026 | Shredding for City Facilities - January SD041103 | 268.84 |

Inv DN1562067 Total 268.84

0 Total: 268.84

**CRSR2010 - Corodata Shredding Inc. Total:** 268.84

**DACA4011 - Calderon, David**

0 02/19/2026

Inv DC SEP-DEC-2025

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/12/2026 | Gym Reimbursement for four months: Sep - Dec 2025 | 195.96 |

Inv DC SEP-DEC-2025 Total 195.96

0 Total: 195.96

**DACA4011 - Calderon, David Total:** 195.96

**DDLP8010 - Dr. Detail Ph.D LLC**

0 02/19/2026

Inv 3550

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/09/2026 | Vehicle cleening 1/3/26 & 1/17/26 Veh 81, 82, 83 | 500.00 |

Inv 3550 Total 500.00

0 Total: 500.00

**DDLP8010 - Dr. Detail Ph.D LLC Total:** 500.00

**DEL4000 - Dell Marketing L.P.**

0 02/19/2026

Inv 10860508757

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/04/2026 | Dell Pro 14 Plus Laptop for Police Dept, | 2,573.52 |

Inv 10860508757 Total 2,573.52

Inv 10860878660

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/06/2026 | Computer Equipment | 68.64 |

Inv 10860878660 Total 68.64

0 Total: 2,642.16

**DEL4000 - Dell Marketing L.P. Total:** 2,642.16

**DEM0777 - Demco Inc.**

323020 02/19/2026

Inv 7755741

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/27/2026 | glue strips, book jackets | 469.18 |

Inv 7755741 Total 469.18

323020 Total: 469.18

**DEM0777 - Demco Inc. Total:** 469.18

| Check Number | Check Date | | Amount |
|---|---|---|---|
| **DENFLRES - Flores, Dean** | | | |
| 323026 | 02/19/2026 | | |
| Inv DF OCT-NOV-2025 | | | |
| Line Item Date | Line Item Description | | |
| 02/10/2026 | Ride Share Reimb (Oct/Nov 2025) | | 20.50 |
| Inv DF OCT-NOV-2025 Total | | | 20.50 |
| 323026 Total: | | | 20.50 |
| **DENFLRES - Flores, Dean Total:** | | | 20.50 |
| **DOO0805 - Dooley Enterprises Inc** | | | |
| 323021 | 02/19/2026 | | |
| Inv 71334 | | | |
| Line Item Date | Line Item Description | | |
| 02/10/2026 | Pistol and Rifle Ammunition for new recruits, SWAT school, and r | | -283.02 |
| 02/10/2026 | Pistol and Rifle Ammunition for new recruits, SWAT school, and r | | 11,089.09 |
| 02/10/2026 | Pistol and Rifle Ammunition for new recruits, SWAT school, and r | | 283.02 |
| Inv 71334 Total | | | 11,089.09 |
| 323021 Total: | | | 11,089.09 |
| **DOO0805 - Dooley Enterprises Inc Total:** | | | 11,089.09 |
| **DTATK701 - Data Ticket, Inc.** | | | |
| 323019 | 02/19/2026 | | |
| Inv 188627 | | | |
| Line Item Date | Line Item Description | | |
| 02/04/2026 | Administrative Citation Processing and Collections Year 1 of 5 F | | 200.00 |
| Inv 188627 Total | | | 200.00 |
| 323019 Total: | | | 200.00 |
| **DTATK701 - Data Ticket, Inc. Total:** | | | 200.00 |
| **DUN1111 - Dunn, Daniel** | | | |
| 323022 | 02/19/2026 | | |
| Inv 9.19.25 | | | |
| Line Item Date | Line Item Description | | |
| 02/02/2026 | Paramedic License Renewal Reimbursement - Chief Dunn | | 250.00 |
| Inv 9.19.25 Total | | | 250.00 |
| 323022 Total: | | | 250.00 |

**DUN1111 - Dunn, Daniel Total:** 250.00

**EDGHITI - Engineering Consulting Services, Inc.**

323025 02/19/2026

Inv 30

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/03/2026 | JAN2026 Ttransportation project coordination | 2,145.00 |
| 02/03/2026 | JAN2026 Ttransportation project coordination | 2,145.00 |

Inv 30 Total 4,290.00

323025 Total: 4,290.00

**EDGHITI - Engineering Consulting Services, Inc. Total:** 4,290.00

**ERBE4011 - Benitez, Erik**

323009 02/19/2026

Inv 00432103

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/13/2026 | 2/13/2026 Refund for Overcharged Parking Citations | 50.00 |
| 02/13/2026 | 2/13/2026 Refund for Overcharged Parking Citations | 1.50 |

Inv 00432103 Total 51.50

323009 Total: 51.50

**ERBE4011 - Benitez, Erik Total:** 51.50

**FHCM5011 - Foothill Communications, Inc.**

323027 02/19/2026

Inv INV7831

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/19/2026 | New Radio Control Head for Motor Officer | 1,341.91 |

Inv INV7831 Total 1,341.91

323027 Total: 1,341.91

**FHCM5011 - Foothill Communications, Inc. Total:** 1,341.91

**FOXFURY - FOXFURY, LLC**

0 02/19/2026

Inv 13447

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/16/2026 | DUI Checkpoint Equipment model# 200-900, 200-400-102, 301-00 | 14,545.39 |

| Check Number | Check Date | Amount |
|---|---|---|
| Inv 13447 Total | | 14,545.39 |
| 0 Total: | | 14,545.39 |
| **FOXFURY - FOXFURY, LLC Total:** | | 14,545.39 |
| **FRAL4011 - Litterini, Frank** | | |
| 323041 | 02/19/2026 | |
| Inv 01/26-27/26 | | |
| Line Item Date | Line Item Description | |
| 02/10/2026 | Sgt. Frank Litterini Officer involved shooting reimbursement | 244.11 |
| Inv 01/26-27/26 Total | | 244.11 |
| 323041 Total: | | 244.11 |
| **FRAL4011 - Litterini, Frank Total:** | | 244.11 |
| **GAL7788 - Gale, Donna M.** | | |
| 323028 | 02/19/2026 | |
| Inv Ballet&Tap W26 | | |
| Line Item Date | Line Item Description | |
| 02/11/2026 | Ballet and Tap Winter 2026 | 720.00 |
| Inv Ballet&Tap W26 Total | | 720.00 |
| Inv Master Chef W26 | | |
| Line Item Date | Line Item Description | |
| 02/11/2026 | Master Chef Winter 2026 | 990.00 |
| Inv Master Chef W26 Total | | 990.00 |
| 323028 Total: | | 1,710.00 |
| **GAL7788 - Gale, Donna M. Total:** | | 1,710.00 |
| **GALL5011 - Galls, LLC** | | |
| 323029 | 02/19/2026 | |
| Inv 033284027 | | |
| Line Item Date | Line Item Description | |
| 11/26/2025 | PD Safety Clothing/Equipment | -0.26 |
| 11/26/2025 | PD Safety Clothing/Equipment | 0.26 |
| 11/26/2025 | PD Safety Clothing/Equipment | 37.30 |
| Inv 033284027 Total | | 37.30 |

Inv 033284078

| Line Item Date | Line Item Description | |
|---|---|---|
| 11/26/2025 | PD Safety Clothing/Equipment | 99.92 |

Inv 033284078 Total 99.92

Inv 033284087

| Line Item Date | Line Item Description | |
|---|---|---|
| 11/26/2025 | PD Safety Clothing/Equipment | -0.32 |
| 11/26/2025 | PD Safety Clothing/Equipment | 46.08 |
| 11/26/2025 | PD Safety Clothing/Equipment | 0.32 |

Inv 033284087 Total 46.08

Inv 033284089

| Line Item Date | Line Item Description | |
|---|---|---|
| 11/26/2025 | PD Safety Clothing/Equipment | 42.79 |
| 11/26/2025 | PD Safety Clothing/Equipment | -0.29 |
| 11/26/2025 | PD Safety Clothing/Equipment | 0.29 |

Inv 033284089 Total 42.79

Inv 033354671

| Line Item Date | Line Item Description | |
|---|---|---|
| 12/03/2025 | PD Safety Clothing/Equipment | 135.49 |

Inv 033354671 Total 135.49

Inv 033445001

| Line Item Date | Line Item Description | |
|---|---|---|
| 12/11/2025 | PD Safety Clothing/Equipment | 3.84 |
| 12/11/2025 | PD Safety Clothing/Equipment | 557.37 |
| 12/11/2025 | PD Safety Clothing/Equipment | -3.84 |

Inv 033445001 Total 557.37

Inv 033445024

| Line Item Date | Line Item Description | |
|---|---|---|
| 12/11/2025 | PD Safety Clothing/Equipment | 122.47 |
| 12/11/2025 | PD Safety Clothing/Equipment | 0.85 |
| 12/11/2025 | PD Safety Clothing/Equipment | -0.85 |

Inv 033445024 Total 122.47

Inv 033464596

| Line Item Date | Line Item Description | |
|---|---|---|
| 12/13/2025 | PD Safety Clothing/Equipment | 1,033.84 |

Inv 033464596 Total 1,033.84

Inv 033609514

| Line Item Date | Line Item Description |
|---|---|

| | | |
|---|---|---|
| 12/29/2025 | PD Safety Clothing/Equipment | 140.97 |
| Inv 033609514 Total | | 140.97 |

Inv 033657923

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/05/2026 | PD Safety Clothing/Equipment | 50.00 |
| Inv 033657923 Total | | 50.00 |

Inv 033692034

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/08/2026 | PD Safety Clothing/Equipment | 94.29 |
| Inv 033692034 Total | | 94.29 |

Inv 033766969

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/15/2026 | Fire Department Safety Clothing/Equipment | 574.06 |
| 01/15/2026 | Fire Department Safety Clothing/Equipment | -3.92 |
| 01/15/2026 | Fire Department Safety Clothing/Equipment | 3.92 |
| Inv 033766969 Total | | 574.06 |

Inv 033779893

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/16/2026 | Fire Department Safety Clothing/Equipment | -4.71 |
| 01/16/2026 | Fire Department Safety Clothing/Equipment | 686.99 |
| 01/16/2026 | Fire Department Safety Clothing/Equipment | 4.71 |
| Inv 033779893 Total | | 686.99 |

Inv 033779908

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/16/2026 | Fire Department Safety Clothing/Equipment | -3.05 |
| 01/16/2026 | Fire Department Safety Clothing/Equipment | 445.54 |
| 01/16/2026 | Fire Department Safety Clothing/Equipment | 3.05 |
| Inv 033779908 Total | | 445.54 |

Inv 033798489

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/19/2026 | Fire Department Safety Clothing/Equipment | 2.32 |
| 01/19/2026 | Fire Department Safety Clothing/Equipment | -2.32 |
| 01/19/2026 | Fire Department Safety Clothing/Equipment | 339.07 |
| Inv 033798489 Total | | 339.07 |

Inv 033825007

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/21/2026 | Fire Department Safety Clothing/Equipment | 650.35 |
| 01/21/2026 | Fire Department Safety Clothing/Equipment | 4.46 |
| 01/21/2026 | Fire Department Safety Clothing/Equipment | -4.46 |

Inv 033825007 Total 650.35

Inv 033825010

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/21/2026 | Fire Department Safety Clothing/Equipment | -4.94 |
| 01/21/2026 | Fire Department Safety Clothing/Equipment | 4.94 |
| 01/21/2026 | Fire Department Safety Clothing/Equipment | 720.46 |

Inv 033825010 Total 720.46

Inv 033825017

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/21/2026 | Fire Department Safety Clothing/Equipment | -4.86 |
| 01/21/2026 | Fire Department Safety Clothing/Equipment | 712.33 |
| 01/21/2026 | Fire Department Safety Clothing/Equipment | 4.86 |

Inv 033825017 Total 712.33

Inv 033825071

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/21/2026 | Fire Department Safety Clothing/Equipment | 0.14 |
| 01/21/2026 | Fire Department Safety Clothing/Equipment | -0.14 |
| 01/21/2026 | Fire Department Safety Clothing/Equipment | 19.72 |

Inv 033825071 Total 19.72

Inv 033852081

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/23/2026 | Fire Department Safety Clothing/Equipment | 5.44 |
| 01/23/2026 | Fire Department Safety Clothing/Equipment | -5.44 |
| 01/23/2026 | Fire Department Safety Clothing/Equipment | 796.83 |

Inv 033852081 Total 796.83

Inv 033852102

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/23/2026 | Fire Department Safety Clothing/Equipment | 1.11 |
| 01/23/2026 | Fire Department Safety Clothing/Equipment | 162.56 |
| 01/23/2026 | Fire Department Safety Clothing/Equipment | -1.11 |

Inv 033852102 Total 162.56

Inv 033852141

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/23/2026 | Fire Department Safety Clothing/Equipment | 4.57 |
| 01/23/2026 | Fire Department Safety Clothing/Equipment | -4.57 |
| 01/23/2026 | Fire Department Safety Clothing/Equipment | 668.31 |

Inv 033852141 Total 668.31

Inv 033855119

| Line Item Date | Line Item Description |
|---|---|

| | | |
|---|---|---|
| 01/23/2026 | Fire Department Safety Clothing/Equipment | -672.88 |
| Inv 033855119 Total | | -672.88 |

Inv 033892595

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/28/2026 | Fire Department Safety Clothing/Equipment | 98.72 |
| 01/28/2026 | Fire Department Safety Clothing/Equipment | -0.67 |
| 01/28/2026 | Fire Department Safety Clothing/Equipment | 0.67 |
| Inv 033892595 Total | | 98.72 |

Inv 033905469

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/29/2026 | PD Safety Clothing/Equipment | -0.51 |
| 01/29/2026 | PD Safety Clothing/Equipment | 75.07 |
| 01/29/2026 | PD Safety Clothing/Equipment | 0.51 |
| Inv 033905469 Total | | 75.07 |

Inv 033944342

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/02/2026 | Fire Department Safety Clothing/Equipment | 388.66 |
| 02/02/2026 | Fire Department Safety Clothing/Equipment | 2.66 |
| 02/02/2026 | Fire Department Safety Clothing/Equipment | -2.66 |
| Inv 033944342 Total | | 388.66 |

Inv 033956365

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/03/2026 | PD Safety Clothing/Equipment | 2.22 |
| 02/03/2026 | PD Safety Clothing/Equipment | -2.22 |
| 02/03/2026 | PD Safety Clothing/Equipment | 138.08 |
| Inv 033956365 Total | | 138.08 |

Inv 033971045

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/04/2026 | PD Safety Clothing/Equipment | 995.46 |
| Inv 033971045 Total | | 995.46 |

Inv 033982363

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/05/2026 | Fire Department Safety Clothing/Equipment | 758.41 |
| Inv 033982363 Total | | 758.41 |

Inv 033982364

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/05/2026 | Fire Department Safety Clothing/Equipment | 281.23 |
| Inv 033982364 Total | | 281.23 |

Inv 033995506

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/06/2026 | Fire Department Safety Clothing/Equipment | 23.96 |

Inv 033995506 Total 23.96

323029 Total: 10,223.45

**GALL5011 - Galls, LLC Total:** 10,223.45

**GEN1207 - General Pump Company, Inc.**

0 02/19/2026

Inv 32896

| Line Item Date | Line Item Description | |
|---|---|---|
| 10/15/2025 | Service call to pull and troubleshoot booster B @ Wilson | 8,334.25 |

Inv 32896 Total 8,334.25

Inv 32897

| Line Item Date | Line Item Description | |
|---|---|---|
| 10/15/2025 | service call to pull & troubleshoot booster A @ Grand Reservoir | 7,463.00 |

Inv 32897 Total 7,463.00

0 Total: 15,797.25

**GEN1207 - General Pump Company, Inc. Total:** 15,797.25

**GRA1244 - Woods Maintenance Services, Inc.**

323075 02/19/2026

Inv SPAS0126

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/02/2026 | January 2026 Graffiti Control Services FY25-26 | 313.50 |

Inv SPAS0126 Total 313.50

323075 Total: 313.50

**GRA1244 - Woods Maintenance Services, Inc. Total:** 313.50

**GRED4011 - Gramajo, Ederson**

323030 02/19/2026

Inv 01/15/2026

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/10/2026 | Ederson Gramajo mental health decision making reimbursement | 26.63 |

| | | |
|---|---|---|
| Inv 01/15/2026 Total | | 26.63 |
| 323030 Total: | | 26.63 |
| **GRED4011 - Gramajo, Ederson Total:** | | 26.63 |

**ISGU4011 - Gutierrez, Issac**

323032 02/19/2026

Inv 02/01-06/26

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/10/2026 | ISSAC GUTIERREZ GST TRAINING REIMBURSEMENT | 1,227.70 |
| Inv 02/01-06/26 Total | | 1,227.70 |
| 323032 Total: | | 1,227.70 |
| **ISGU4011 - Gutierrez, Issac Total:** | | 1,227.70 |

**JCLTRAFF - JCL Traffic Services**

0 02/19/2026

Inv 132503

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/08/2026 | Orange Grove sign project FY 25-26 | 2,260.83 |
| Inv 132503 Total | | 2,260.83 |
| 0 Total: | | 2,260.83 |
| **JCLTRAFF - JCL Traffic Services Total:** | | 2,260.83 |

**JCMOYA - Moya, Juan Carlos**

323046 02/19/2026

Inv 6SDS027

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/28/2026 | Refund Parking Permit duplicate | 7.20 |
| Inv 6SDS027 Total | | 7.20 |
| 323046 Total: | | 7.20 |
| **JCMOYA - Moya, Juan Carlos Total:** | | 7.20 |

**JCRS5011 - Jones Coffee Roasters**

323035 02/19/2026

Inv 80776

| Line Item Date | Line Item Description |
|---|---|

| Check Number | Check Date | | Amount |
|---|---|---|---|
| | 02/04/2026 | Coffee Supplies FY25-26 | 320.00 |
| | Inv 80776 Total | | 320.00 |
| 323035 Total: | | | 320.00 |
| **JCRS5011 - Jones Coffee Roasters Total:** | | | 320.00 |
| **JDGN9160 - Judge Netting, Inc** | | | |
| 323036 | 02/19/2026 | | |
| | Inv 017-012617C | | |
| | Line Item Date | Line Item Description | |
| | 01/26/2026 | Emergency Repair of Driving Range Netting | 10,600.00 |
| | Inv 017-012617C Total | | 10,600.00 |
| 323036 Total: | | | 10,600.00 |
| **JDGN9160 - Judge Netting, Inc Total:** | | | 10,600.00 |
| **JHMS8020 - JHM Supply Inc** | | | |
| 0 | 02/19/2026 | | |
| | Inv 118439/1 | | |
| | Line Item Date | Line Item Description | |
| | 01/20/2026 | Irrigation Repairs: Arroyo North Mainline Repairs | 518.55 |
| | Inv 118439/1 Total | | 518.55 |
| | Inv 118460/1 | | |
| | Line Item Date | Line Item Description | |
| | 01/27/2026 | Irrigation Repairs: Arroyo North Mainline Repair | 1,121.09 |
| | Inv 118460/1 Total | | 1,121.09 |
| | Inv 118465/1 | | |
| | Line Item Date | Line Item Description | |
| | 01/28/2026 | Irrigation Repairs: Arroyo North Mainline Repair | 193.84 |
| | Inv 118465/1 Total | | 193.84 |
| 0 Total: | | | 1,833.48 |
| **JHMS8020 - JHM Supply Inc Total:** | | | 1,833.48 |
| **JSAR4011 - Jack's Auto Repair** | | | |
| 323034 | 02/19/2026 | | |

Inv 20776

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/04/2026 | PD Vehicle Maintenance | 1,259.16 |

Inv 20776 Total 1,259.16

Inv 20787

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/06/2026 | 45 days inpection for 81,82,83 | 66.00 |

Inv 20787 Total 66.00

Inv 20788

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/06/2026 | 45 days inpection for 81,82,83 | 66.00 |

Inv 20788 Total 66.00

Inv 20789

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/09/2026 | 45 days inpection for 81,82,83 | 66.00 |

Inv 20789 Total 66.00

323034 Total: 1,457.16

**JSAR4011 - Jack's Auto Repair Total:** 1,457.16

**KOSMONTC - Kosmont & Associates, Inc,**

323038 02/19/2026

Inv 2509.4-001

| Line Item Date | Line Item Description | |
|---|---|---|
| 09/30/2025 | Services for as needed real estate, econ dev, & financial adviso | 852.80 |

Inv 2509.4-001 Total 852.80

Inv 2509.4-002

| Line Item Date | Line Item Description | |
|---|---|---|
| 10/31/2025 | Real Estate & Econ Dev Advisory | 4,820.40 |

Inv 2509.4-002 Total 4,820.40

Inv 2509.4-003

| Line Item Date | Line Item Description | |
|---|---|---|
| 11/30/2025 | Real Estate & Econ Dev Advisory | 4,102.80 |

Inv 2509.4-003 Total 4,102.80

323038 Total: 9,776.00

**KOSMONTC - Kosmont & Associates, Inc, Total:** 9,776.00

**KVMC6710 - Machado, Kelvin**

323042 02/19/2026

Inv 2.1.26

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/01/2026 | 2/1/26 Shut Off at 1726 Fletcher Rate .725 Miles 33.4 | 24.22 |

Inv 2.1.26 Total 24.22

323042 Total: 24.22

**KVMC6710 - Machado, Kelvin Total:** 24.22

**LETCHENG - Cheng Ku, Leticia Jane**

323014 02/19/2026

Inv 32638SF124520

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/14/2026 | Reimbursement to attend Performers Showcase | 157.41 |

Inv 32638SF124520 Total 157.41

323014 Total: 157.41

**LETCHENG - Cheng Ku, Leticia Jane Total:** 157.41

**LIFE822 - Life-Assist Inc.**

323040 02/19/2026

Inv 2057810

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/28/2026 | Paramedic Medical Supplies FY25-26. | 144.22 |

Inv 2057810 Total 144.22

323040 Total: 144.22

**LIFE822 - Life-Assist Inc. Total:** 144.22

**LWEI2010 - Lan Wan Enterprise Inc**

0 02/19/2026

Inv 76980

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/30/2026 | IT Management & Support Services for January 2026 | 19,000.00 |

Inv 76980 Total 19,000.00

Inv 77000

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/30/2026 | Monthly Recurring IT Subscription (Licenses) January 2026 | 4,540.00 |

Inv 77000 Total 4,540.00

0 Total: 23,540.00

**LWEI2010 - Lan Wan Enterprise Inc Total:** 23,540.00

**MBFEC106 - Marx Bros. Fire Extinguisher Co.**

323043 02/19/2026

Inv 23491

| Line Item Date | Line Item Description | |
|---|---|---|
| 12/10/2026 | Annual inspection for 80,81, 82 & 83 fire extinguisher | 90.00 |

Inv 23491 Total 90.00

Inv S25950

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/29/2026 | Semi Annual inspection of fire supression systems for SC kitchen | 150.00 |

Inv S25950 Total 150.00

323043 Total: 240.00

**MBFEC106 - Marx Bros. Fire Extinguisher Co. Total:** 240.00

**MCST4010 - Smith, Michael**

323061 02/19/2026

Inv 02/02/2026

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/10/2026 | Michael Smith Domestic Violence for 1st responders reimbursement | 78.83 |

Inv 02/02/2026 Total 78.83

323061 Total: 78.83

**MCST4010 - Smith, Michael Total:** 78.83

**MDONOVAN - Donovan, Michael**

0 02/19/2026

Inv MD-Feb 2026

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/02/2026 | Wellness Program Reimb-Feb 2026 | 55.00 |

Inv MD-Feb 2026 Total 55.00

| | | |
|---|---|---|
| 0 Total: | | 55.00 |
| **MDONOVAN - Donovan, Michael Total:** | | 55.00 |

**MDWSTPE - Midwest Tape LLC**

323045 02/19/2026

Inv 508307510

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/14/2026 | DVDs Purchase for Collection FY25-26 | 24.85 |
| Inv 508307510 Total | | 24.85 |

Inv 508307511

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/14/2026 | DVDs Purchase for Collection FY25-26 | 33.94 |
| Inv 508307511 Total | | 33.94 |

Inv 508339494

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/22/2026 | DVDs Purchase for Collection FY25-26 | 35.63 |
| Inv 508339494 Total | | 35.63 |
| 323045 Total: | | 94.42 |
| **MDWSTPE - Midwest Tape LLC Total:** | | 94.42 |

**MERPLMBN - Merry Plumbing Co., Inc.**

323044 02/19/2026

Inv 59264012826

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/30/2026 | PD jail toilet/sink combo repair | 295.00 |
| Inv 59264012826 Total | | 295.00 |
| 323044 Total: | | 295.00 |
| **MERPLMBN - Merry Plumbing Co., Inc. Total:** | | 295.00 |

**MNBL8170 - Crestline Software, LLC**

0 02/19/2026

Inv #INV17724

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/10/2026 | JAN2026 Lockbox, Return/Merchant Fees | 2,678.08 |

Inv #INV17724 Total 2,678.08

Inv #INV17788

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/10/2026 | Jan2026 Printing & Postage | 2,605.53 |

Inv #INV17788 Total 2,605.53

0 Total: 5,283.61

**MNBL8170 - Crestline Software, LLC Total:** 5,283.61

**MRKPRERZ - Perez, Mark**

323052 02/19/2026

Inv MP 01-2026

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/31/2026 | JAN2026 Rideshare Reimb | 80.00 |

Inv MP 01-2026 Total 80.00

Inv MP 12-2025

| Line Item Date | Line Item Description | |
|---|---|---|
| 12/31/2025 | DEC2025 Rideshare Reimb | 80.00 |

Inv MP 12-2025 Total 80.00

323052 Total: 160.00

**MRKPRERZ - Perez, Mark Total:** 160.00

**MSKM8032 - Mischook, Kim**

0 02/19/2026

Inv Belly Dance W26

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/11/2026 | Contract Class Instructor Payment Belly Dance Winter 2026 | 299.00 |

Inv Belly Dance W26 Total 299.00

0 Total: 299.00

**MSKM8032 - Mischook, Kim Total:** 299.00

**MVARTANI - Vartanians, Michael**

323073 02/19/2026

Inv 12.07.25

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/14/2026 | Reimbursement for Civil Engineer License Fee | 180.00 |

| | | |
|---|---|---|
| Inv 12.07.25 Total | | 180.00 |
| 323073 Total: | | 180.00 |
| **MVARTANI - Vartanians, Michael Total:** | | 180.00 |

**MVCH3011 - MV Cheng & Associates Inc.**

323047 02/19/2026

Inv 1/31/2026E

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/05/2026 | Public Works Project Management consulting services for Jan 2026 | 580.00 |
| Inv 1/31/2026E Total | | 580.00 |

Inv 1/31/2026R

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/05/2026 | JAN2026 Accountants Consulting Srv RVirany | 3,040.00 |
| 02/05/2026 | JAN2026 Accountants Consulting Srv RVirany | 3,040.00 |
| Inv 1/31/2026R Total | | 6,080.00 |
| 323047 Total: | | 6,660.00 |
| **MVCH3011 - MV Cheng & Associates Inc. Total:** | | 6,660.00 |

**OREI6711 - O' Reilly Automotive Inc.**

323048 02/19/2026

Inv 3213-438528

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/05/2026 | Vehicle Maintenance LED Vehicle Rear Lights & Wiper Fluid | 45.46 |
| 02/05/2026 | Vehicle Maintenance LED Vehicle Rear Lights & Wiper Fluid | 100.00 |
| Inv 3213-438528 Total | | 145.46 |
| 323048 Total: | | 145.46 |
| **OREI6711 - O' Reilly Automotive Inc. Total:** | | 145.46 |

**OVDR8011 - OverDrive Inc.**

0 02/19/2026

Inv 01148CO26016201

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/20/2026 | eBooks, eAudiobooks Purchase FY25-26 | 1,946.89 |
| Inv 01148CO26016201 Total | | 1,946.89 |

Inv 01148CO26016202

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/20/2026 | eBooks, eAudiobooks Purchase FY25-26 | 517.75 |

Inv 01148CO26016202 Total 517.75

Inv 01148CO26016203

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/20/2026 | eBooks, eAudiobooks Purchase FY25-26 | 499.39 |

Inv 01148CO26016203 Total 499.39

0 Total: 2,964.03

**OVDR8011 - OverDrive Inc. Total:** 2,964.03

**PAS4012 - City of Pasadena**

323017 02/19/2026

Inv 30028287

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/13/2026 | Forensics services from July 01, 2025 -December 31, 2025. | 906.24 |

Inv 30028287 Total 906.24

Inv 30028359

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/22/2026 | Inmate housing for the month of December, 2025 | 946.00 |

Inv 30028359 Total 946.00

Inv 30028439

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/02/2026 | Foothill Air Support - FY 25-26 | 40,450.00 |

Inv 30028439 Total 40,450.00

323017 Total: 42,302.24

**PAS4012 - City of Pasadena Total:** 42,302.24

**PHOE4610 - Phoenix Group Information Systems**

323054 02/19/2026

Inv 122025184

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/21/2026 | Citations Management FY25-26 (December, 2025) | 4,490.82 |

Inv 122025184 Total 4,490.82

| Check Number | Check Date | | Amount |
|---|---|---|---|
| 323054 Total: | | | 4,490.82 |
| **PHOE4610 - Phoenix Group Information Systems Total:** | | | 4,490.82 |
| **PHS4011 - Pasadena Humane Society** | | | |
| 323050 | 02/19/2026 | | |
| Inv FEB2026SoPas | | | |
| Line Item Date | Line Item Description | | |
| 02/01/2026 | FY25-26 Animal Care & Control. $15,797.45 p/m (February,26) | | 15,797.45 |
| Inv FEB2026SoPas Total | | | 15,797.45 |
| 323050 Total: | | | 15,797.45 |
| **PHS4011 - Pasadena Humane Society Total:** | | | 15,797.45 |
| **PRKWOD - Parkwood Landscape Maintenance, Inc.** | | | |
| 323049 | 02/19/2026 | | |
| Inv 110614 | | | |
| Line Item Date | Line Item Description | | |
| 12/31/2025 | December 2025 Landscape Maintenance FY25-26 | | 37,810.89 |
| 12/31/2025 | December 2025 Landscape Maintenance FY25-26 | | 2,000.00 |
| 12/31/2025 | December 2025 Landscape Maintenance FY25-26 | | 12,083.33 |
| Inv 110614 Total | | | 51,894.22 |
| Inv 110738 | | | |
| Line Item Date | Line Item Description | | |
| 01/31/2026 | January 2026 Monthly Landscape Maintenance FY25-26 | | 37,810.89 |
| 01/31/2026 | January 2026 Monthly Landscape Maintenance FY25-26 | | 2,000.00 |
| 01/31/2026 | January 2026 Monthly Landscape Maintenance FY25-26 | | 12,083.33 |
| Inv 110738 Total | | | 51,894.22 |
| 323049 Total: | | | 103,788.44 |
| **PRKWOD - Parkwood Landscape Maintenance, Inc. Total:** | | | 103,788.44 |
| **PUWA8020 - Pure Water** | | | |
| 0 | 02/19/2026 | | |
| Inv 217763 | | | |
| Line Item Date | Line Item Description | | |
| 02/01/2026 | Drinking Water - Feb 2026 | | 66.24 |
| Inv 217763 Total | | | 66.24 |
| 0 Total: | | | 66.24 |

**PUWA8020 - Pure Water Total:** 66.24

**RAN7775 - Range Systems**

323056 02/19/2026

Inv 35065

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/09/2026 | PD Equipment | 1,101.38 |
| 02/09/2026 | PD Equipment | 2.49 |
| 02/09/2026 | PD Equipment | -2.49 |

Inv 35065 Total 1,101.38

323056 Total: 1,101.38

**RAN7775 - Range Systems Total:** 1,101.38

**RCSI2013 - RCS Investigations & Consulting, LLC**

323057 02/19/2026

Inv 7272

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/23/2026 | Executive Background Investigation Service | 2,800.00 |

Inv 7272 Total 2,800.00

323057 Total: 2,800.00

**RCSI2013 - RCS Investigations & Consulting, LLC Total:** 2,800.00

**REP6115 - Yunex LLC**

0 02/19/2026

Inv 5610007143

| Line Item Date | Line Item Description | |
|---|---|---|
| 12/28/2025 | Traffic Signal and Streetlight maint. callouts November 2025 | 3,691.43 |

Inv 5610007143 Total 3,691.43

Inv 5610007314

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/23/2006 | Traffic Signal and Streetlight Inspection, Maintenance, and Repa | 6,776.96 |

Inv 5610007314 Total 6,776.96

Inv 90006033

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/07/2026 | Traffic Signal and Streetlight Inspection, Maintenance, and Repa | 3,435.00 |

Inv 90006033 Total 3,435.00

Inv 90006347

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/05/2026 | January 2026 Traffic Signal Maintenance FY25-26 | 3,435.00 |
| Inv 90006347 Total | | 3,435.00 |
| 0 Total: | | 17,338.39 |
| **REP6115 - Yunex LLC Total:** | | 17,338.39 |

**RFCI8180 - Raftelis Financial Consultants, Inc.**

323055 02/19/2026

Inv 44420

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/17/2026 | Water/Sewer Rate Study_January 2026 Invoice | 2,740.00 |
| 02/17/2026 | Water/Sewer Rate Study_January 2026 Invoice | 2,740.00 |
| Inv 44420 Total | | 5,480.00 |
| 323055 Total: | | 5,480.00 |
| **RFCI8180 - Raftelis Financial Consultants, Inc. Total:** | | 5,480.00 |

**RHAL9158 - RHA Landscape Architects-Planners**

323058 02/19/2026

Inv 122880

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/14/2026 | Parks comprehensive plans 11/26-12/25/2025 | 400.00 |
| Inv 122880 Total | | 400.00 |

Inv 122942

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/10/2026 | Parks comprehensive plan 12/26/25 - 01/25/26 | 2,000.00 |
| Inv 122942 Total | | 2,000.00 |
| 323058 Total: | | 2,400.00 |
| **RHAL9158 - RHA Landscape Architects-Planners Total:** | | 2,400.00 |

**RWGN8160 - Richards, Watson & Gershon**

0 02/19/2026

Inv 257037

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/31/2026 | December 2025 - Legal | 20,923.00 |

Inv 257037 Total 20,923.00

Inv 257038

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/31/2026 | December 2025 - Legal | 3,427.20 |

Inv 257038 Total 3,427.20

Inv 257039

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/31/2026 | December 2025 - Legal | 696.00 |

Inv 257039 Total 696.00

Inv 257040

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/31/2026 | December 2025 - Legal | 1,060.10 |

Inv 257040 Total 1,060.10

Inv 257041

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/31/2026 | December 2025 - Legal | 1,499.30 |

Inv 257041 Total 1,499.30

0 Total: 27,605.60

**RWGN8160 - Richards, Watson & Gershon Total:** 27,605.60

**SCRR4010 - Superior Court of California, County of LA**

323066 02/19/2026

Inv December 2025

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/13/2026 | Citations processed for the month of December, 2025. | 5,919.00 |

Inv December 2025 Total 5,919.00

323066 Total: 5,919.00

**SCRR4010 - Superior Court of California, County of LA Total:** 5,919.00

**SGVMC111 - AHMC San Gabriel Valley Medical Center LP**

323002 02/19/2026

Inv 856713

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/15/2026 | PD Blood alcohol withdrawals | 48.00 |

Inv 856713 Total 48.00

Inv 947200

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/23/2026 | PD Blood alcohol withdrawals | 48.00 |

Inv 947200 Total 48.00

Inv 947549

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/05/2026 | PD Blood alcohol withdrawals | 48.00 |

Inv 947549 Total 48.00

Inv 947550

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/05/2026 | PD Blood alcohol withdrawals | 48.00 |

Inv 947550 Total 48.00

Inv 947779

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/05/2026 | PD Blood alcohol withdrawals | 434.00 |

Inv 947779 Total 434.00

323002 Total: 626.00

**SGVMC111 - AHMC San Gabriel Valley Medical Center LP Total:** 626.00

**SHO7777 - RoseDrew, Inc**

0 02/19/2026

Inv 331558

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/02/2026 | CD pages | 33.50 |

Inv 331558 Total 33.50

0 Total: 33.50

**SHO7777 - RoseDrew, Inc Total:** 33.50

**SKYHAWKS - Lenear Sports, LLC**

0 02/19/2026

Inv SH MultiTot W26

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/11/2026 | SKYHAWKS-MultiSportTots Winter 2026 | 646.75 |

Inv SH MultiTot W26 Total 646.75

| | | |
|---|---|---|
| 0 Total: | | 646.75 |
| **SKYHAWKS - Lenear Sports, LLC Total:** | | 646.75 |

**SKYLINES - SKYLINE SAFETY AND SUPPLY LLC**

323060 02/19/2026

Inv 9854

| Line Item Date | Line Item Description | |
|---|---|---|
| 12/24/2025 | Safety cones for facilities, street trees, and lightingFY2025-26 | 1,500.00 |
| 12/24/2025 | safety cones for facilities, street trees, and lightingFY2025-26 | 1,025.10 |
| 12/24/2025 | Safety cones for facilities, street trees, and lightingFY2025-26 | 1,500.00 |
| Inv 9854 Total | | 4,025.10 |
| 323060 Total: | | 4,025.10 |
| **SKYLINES - SKYLINE SAFETY AND SUPPLY LLC Total:** | | 4,025.10 |

**SOTIREMA - Southern Tire Mart LLC**

323062 02/19/2026

Inv 7080033262

| Line Item Date | Line Item Description | |
|---|---|---|
| 12/08/2025 | Tires for Water Division Unit #6 | 2,142.95 |
| Inv 7080033262 Total | | 2,142.95 |
| 323062 Total: | | 2,142.95 |
| **SOTIREMA - Southern Tire Mart LLC Total:** | | 2,142.95 |

**SPEC5011 - Spectrum Gas Products**

323063 02/19/2026

Inv 0000677463

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/29/2026 | Oxygen Supplies Medical Grade FY25-26 | 109.12 |
| Inv 0000677463 Total | | 109.12 |

Inv 0000678238

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/05/2026 | Oxygen Supplies Medical Grade FY25-26 | 189.68 |
| Inv 0000678238 Total | | 189.68 |

Inv 0000887566

| Line Item Date | Line Item Description |
|---|---|

| | | | |
|---|---|---|---|
| | 01/31/2026 | Oxygen Supplies Medical Grade FY25-26 | 54.00 |
| | Inv 0000887566 Total | | 54.00 |
| 323063 Total: | | | 352.80 |
| **SPEC5011 - Spectrum Gas Products Total:** | | | 352.80 |

**STA5219 - Staples Business Advantage**

0 02/19/2026

Inv 6053026998

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/15/2026 | PD Office Supplies | 17.45 |
| Inv 6053026998 Total | | 17.45 |

Inv 6053486592

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/22/2026 | PD Office Supplies | 256.34 |
| Inv 6053486592 Total | | 256.34 |

Inv 6054114286

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/28/2026 | Finance Dept Office Supplies TF | 98.02 |
| Inv 6054114286 Total | | 98.02 |

Inv 6054114287

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/28/2026 | Finance Dept Office Supplies TF | 37.55 |
| Inv 6054114287 Total | | 37.55 |

Inv 6054201059

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/29/2026 | PD Office Supplies | 702.72 |
| Inv 6054201059 Total | | 702.72 |

Inv 6054201061

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/29/2026 | Finance Dept Office Supplies TF | 44.19 |
| Inv 6054201061 Total | | 44.19 |

Inv 6054355701

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/31/2026 | Office Supplies | 281.71 |

Inv 6054355701 Total 281.71

Inv 6055018956

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/03/2026 | PD Office Supplies | 327.84 |

Inv 6055018956 Total 327.84

Inv 6055018958

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/03/2026 | PD Office Supplies | 15.99 |

Inv 6055018958 Total 15.99

Inv 6055092041

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/04/2026 | PD Office Supplies | 208.85 |

Inv 6055092041 Total 208.85

Inv 6055092044

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/04/2026 | PD Office Supplies | 33.59 |

Inv 6055092044 Total 33.59

Inv 6055170275

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/05/2026 | Garfield Office & Break Room Supplies | 118.50 |
| 02/05/2026 | Garfield Office & Break Room Supplies | 99.18 |

Inv 6055170275 Total 217.68

Inv 6055170279

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/05/2026 | DAR supplies | 260.17 |

Inv 6055170279 Total 260.17

Inv 6055170285

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/05/2026 | PD Office Supplies | 15.24 |

Inv 6055170285 Total 15.24

Inv 6055170286

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/05/2026 | PD Office Supplies | 87.71 |

Inv 6055170286 Total 87.71

Inv 6055170287

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/05/2026 | PW admin office supplies-Garfield | 18.10 |

Inv 6055170287 Total 18.10

Inv 6055245937

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/06/2026 | PW admin office supplies-Garfield | 131.43 |

Inv 6055245937 Total 131.43

Inv 6055245938

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/06/2026 | color-coding labels, scotch tape | 112.61 |

Inv 6055245938 Total 112.61

Inv 6055245939

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/06/2026 | Fire - Office Supplies | 55.45 |

Inv 6055245939 Total 55.45

Inv 6055332194

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/05/2026 | DAR supplies | 3.27 |

Inv 6055332194 Total 3.27

Inv 6055332196

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/07/2026 | PD Office Supplies | 92.37 |

Inv 6055332196 Total 92.37

Inv 6055332197

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/07/2026 | PD Office Supplies | 302.67 |

Inv 6055332197 Total 302.67

Inv 6055332199

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/07/2026 | toner, coffee | 62.92 |

Inv 6055332199 Total 62.92

Inv 6055332201

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/07/2026 | Fire - Office Supplies | 3.65 |

| | | |
|---|---|---|
| Inv 6055332201 Total | | 3.65 |
| 0 Total: | | 3,387.52 |
| **STA5219 - Staples Business Advantage Total:** | | 3,387.52 |

**STKLINFO - Sterling Infosystems Inc.**

323064 02/19/2026

Inv 10573459

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/31/2026 | Pre- Empployment Background Check Services - January 2026 | 247.86 |
| Inv 10573459 Total | | 247.86 |
| 323064 Total: | | 247.86 |
| **STKLINFO - Sterling Infosystems Inc. Total:** | | 247.86 |

**STSM1020 - Studio Spectrum, Inc.**

0 02/19/2026

Inv 193399

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/01/2026 | Agreement for Video Production, Web Streaming for Dec 2025 | 3,610.00 |
| Inv 193399 Total | | 3,610.00 |

Inv 193433

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/01/2026 | Agreement for Video Production, Web Streaming for January 2026 | 3,610.00 |
| Inv 193433 Total | | 3,610.00 |
| 0 Total: | | 7,220.00 |
| **STSM1020 - Studio Spectrum, Inc. Total:** | | 7,220.00 |

**SUST2010 - Sustainovation LLC**

323067 02/19/2026

Inv 20260213

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/13/2026 | Strategic Facilitation Services for Workshops Developing and Est | 17,000.00 |
| Inv 20260213 Total | | 17,000.00 |
| 323067 Total: | | 17,000.00 |

**SUST2010 - Sustainovation LLC Total:** 17,000.00

**SUVA8022 - Sunset Vans Inc.**

323065 02/19/2026

Inv 101639

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/09/2026 | 60 day ramp inpection for 81,82,83 | 310.00 |

Inv 101639 Total 310.00

Inv 101642

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/09/2026 | 60 day ramp inpection for 81,82,83 | 155.00 |

Inv 101642 Total 155.00

323065 Total: 465.00

**SUVA8022 - Sunset Vans Inc. Total:** 465.00

**SWOR8032 - Swords Fencing Studio**

323068 02/19/2026

Inv SWFENCING W26

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/11/2026 | SWFENCING Winter 2026 | 720.00 |

Inv SWFENCING W26 Total 720.00

323068 Total: 720.00

**SWOR8032 - Swords Fencing Studio Total:** 720.00

**THBE6011 - Becker, Thomas**

323008 02/19/2026

Inv DW0226-01

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/11/2026 | Water Conservation Rebate_Energy Star Dishwasher | 749.00 |

Inv DW0226-01 Total 749.00

323008 Total: 749.00

**THBE6011 - Becker, Thomas Total:** 749.00

**TORTGALL - Neal I. Payton Architectural Corporation**

0 02/19/2026

Inv 0076381

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/31/2026 | JAN2026 Development Residential Design Standards | 11,112.68 |

Inv 0076381 Total 11,112.68

0 Total: 11,112.68

**TORTGALL - Neal I. Payton Architectural Corporation Total:** 11,112.68

**TRIOVLLY - Valley Services, Inc.**

323072 02/19/2026

Inv INV223007004

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/10/2026 | Senior meals Jan2026 bulk and frozen meals | 5,180.25 |

Inv INV223007004 Total 5,180.25

323072 Total: 5,180.25

**TRIOVLLY - Valley Services, Inc. Total:** 5,180.25

**TRUPINT - TruePoint Solutions, LLC**

0 02/19/2026

Inv 48912

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/31/2026 | JAN2026 Consultant Accela Software case mgmt & online permit | 1,402.50 |

Inv 48912 Total 1,402.50

0 Total: 1,402.50

**TRUPINT - TruePoint Solutions, LLC Total:** 1,402.50

**ULIN8021 - Uline, Inc.**

0 02/19/2026

Inv 202945719

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/15/2026 | PD Equipment: | 612.86 |

Inv 202945719 Total 612.86

0 Total: 612.86

**ULIN8021 - Uline, Inc. Total:** 612.86

| Check Number | Check Date | | Amount |
|---|---|---|---|
| **ULTRA601 - Ultrasystems Environmental, Inc.** | | | |
| 323070 | 02/19/2026 | | |
| Inv 13670 | | | |
| Line Item Date | Line Item Description | | |
| 01/05/2026 | OCT-DEC2025 IS/MND Development Westside Reservoir | | 31,419.00 |
| Inv 13670 Total | | | 31,419.00 |
| Inv 13698 | | | |
| Line Item Date | Line Item Description | | |
| 02/17/2026 | JAN 2026 Westside Reservoir Environmental Study | | 4,423.80 |
| Inv 13698 Total | | | 4,423.80 |
| 323070 Total: | | | 35,842.80 |
| **ULTRA601 - Ultrasystems Environmental, Inc. Total:** | | | 35,842.80 |
| **UND6710 - Underground Service Alert/SC** | | | |
| 323071 | 02/19/2026 | | |
| Inv 120260724 | | | |
| Line Item Date | Line Item Description | | |
| 02/01/2026 | February 2026 Underground Utility Service Alert Fee | | 190.00 |
| Inv 120260724 Total | | | 190.00 |
| Inv 25-262651 | | | |
| Line Item Date | Line Item Description | | |
| 02/01/2026 | February 2026 Underground Utility Service Alert Fee | | 47.89 |
| Inv 25-262651 Total | | | 47.89 |
| 323071 Total: | | | 237.89 |
| **UND6710 - Underground Service Alert/SC Total:** | | | 237.89 |
| **UQMS8010 - Unique Management Services, Inc.** | | | |
| 0 | 02/19/2026 | | |
| Inv 6150543 | | | |
| Line Item Date | Line Item Description | | |
| 02/01/2026 | Agency Collection Recovery Services FY25-26 | | 477.65 |
| Inv 6150543 Total | | | 477.65 |
| 0 Total: | | | 477.65 |
| **UQMS8010 - Unique Management Services, Inc. Total:** | | | 477.65 |

**VTMS4011 - Vital Medical Services, LLC**

323074 02/19/2026

Inv 4823

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/31/2026 | PD on-site blood alcohol withdrawals/med clearance | 1,042.00 |
| Inv 4823 Total | | 1,042.00 |

Inv 4826

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/31/2026 | PD on-site blood alcohol withdrawals/med clearance | 2,082.00 |
| Inv 4826 Total | | 2,082.00 |

Inv 4827

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/31/2026 | PD on-site blood alcohol withdrawals/med clearance | 2,082.00 |
| Inv 4827 Total | | 2,082.00 |

323074 Total: 5,206.00

**VTMS4011 - Vital Medical Services, LLC Total:** 5,206.00

**VUL6601 - Vulcan Materials Company**

0 02/19/2026

Inv 5408449

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/09/2026 | materials for streets division 1/26 | 787.82 |
| Inv 5408449 Total | | 787.82 |

Inv 5409745

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/09/2026 | Crush Aggregate Rock, Fill Sand, Asphalt, and Asphalt Emulsions | 2,636.03 |
| Inv 5409745 Total | | 2,636.03 |

0 Total: 3,423.85

**VUL6601 - Vulcan Materials Company Total:** 3,423.85

**WES4152 - West Coast Arborists, Inc.**

0 02/19/2026

Inv 235473

| Line Item Date | Line Item Description | |
|---|---|---|
| 10/15/2025 | 10/1-10/15/25 Grid Pruning, GIS Inventory, Emergency Response | 2,678.00 |
| 10/15/2025 | 10/1-10/15/25 Grid Pruning, GIS Inventory, Emergency Response | 19,008.65 |

Inv 235473 Total 21,686.65

Inv 235474

| Line Item Date | Line Item Description | |
|---|---|---|
| 10/15/2025 | 10/1-10/15/25 Citywide Urban Forestry Services | 7,524.15 |

Inv 235474 Total 7,524.15

Inv 236700

| Line Item Date | Line Item Description | |
|---|---|---|
| 11/15/2026 | 11/1-11/15/25 Citywide Urban Forestry Services | 5,263.20 |
| 02/17/2026 | 11/1-11/15/25 Citywide Urban Forestry Services | 10,010.80 |

Inv 236700 Total 15,274.00

Inv 238159

| Line Item Date | Line Item Description | |
|---|---|---|
| 12/31/2025 | 12/16-12/31/25 Citywide Urban Forestry Arborist Services | 525.30 |

Inv 238159 Total 525.30

Inv 239141

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/15/2026 | 1/1-1/15/26 Citywide Urban Forestry Arborist Services | 612.85 |

Inv 239141 Total 612.85

Inv 239142

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/15/2026 | 1/1-1/15/26 Citywide Urban Forestry Srv tree pruning | 10,753.20 |

Inv 239142 Total 10,753.20

0 Total: 56,376.15

**WES4152 - West Coast Arborists, Inc. Total:** 56,376.15

**WLHD8020 - Westlake Hardware**

0 02/19/2026

Inv 14306481

| Line Item Date | Line Item Description | |
|---|---|---|
| 01/28/2026 | Supplies for Water Distribution | 63.45 |

Inv 14306481 Total 63.45

Inv 14306498

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/04/2026 | PD Vehicle Maintenance | 10.14 |

| Check Number | Check Date | Amount |
|---|---|---|
| Inv 14306498 Total | | 10.14 |
| 0 Total: | | 73.59 |
| **WLHD8020 - Westlake Hardware Total:** | | 73.59 |

**WOODRCRD - Lewis, Liam**

323039 02/19/2026

Inv 3182026

| Line Item Date | Line Item Description | |
|---|---|---|
| 02/02/2026 | St. Patrick's Day Luncheon 2026 entertainment | 400.00 |
| Inv 3182026 Total | | 400.00 |
| 323039 Total: | | 400.00 |
| **WOODRCRD - Lewis, Liam Total:** | | 400.00 |
| Total: | | 625,369.94 |

# Accounts Payable

## Check Detail

User: tfernandez
Printed: 02/23/2026 - 3:12PM

| Check Number | Check Date | | Amount |
|---|---|---|---|
| **SRYC5011 - Stericycle Inc.** | | | |
| 323076 | 02/23/2026 | | |
| Inv 8012895799 | | | |
| Line Item Date | Line Item Description | | |
| 12/18/2025 | Fire - Medical Waste | | 205.33 |
| Inv 8012895799 Total | | | 205.33 |
| 323076 Total: | | | 205.33 |
| **SRYC5011 - Stericycle Inc. Total:** | | | 205.33 |
| **ZOLL8021 - Zoll Medical Corporation** | | | |
| 323077 | 02/23/2026 | | |
| Inv 4416541 | | | |
| Line Item Date | Line Item Description | | |
| 02/23/2026 | Fire - Autopulse LI-ION Battery | | 1,257.25 |
| Inv 4416541 Total | | | 1,257.25 |
| 323077 Total: | | | 1,257.25 |
| **ZOLL8021 - Zoll Medical Corporation Total:** | | | 1,257.25 |
| Total: | | | 1,462.58 |

City of
SOUTH PASADENA

| Online Payment Log | | | |
|---|---|---|---|
| **Date** | **Vendor** | **Amount** | **Description** |
| 2/25/2026 | Columbia Bank | $16,003.37 | Online Payment for January 2026 Citywide Credit Card Expenses. |
| 2/25/2026 | So Cal Edison | $26,190.03 | Online Payment for City Owned Electric Account # 3859. |
| ***Total:*** | | ***$42,193.40*** | |

# Payroll

**Payroll Summary Report**

| **Payroll Date:** | **02.13.2026** | **Regular** | | |
|---|---|---|---|---|
| Checks | | | $ | 646.74 |
| Direct Deposits | | | $ | 621,082.26 |
| IRS Payments | | | $ | 129,287.63 |
| EDD - State of CA | | | $ | 43,693.79 |
| PERS Pension | | | $ | 157,618.23 |
| Deferred Comp | | | $ | 36,800.08 |
| PERS Health | | | $ | - |
| | | **Subtotal:** | **$** | **989,128.73** |
| | | **Grand Total:** | **$** | **989,128.73** |

# Accounts Payable

## Void Check Distribution List

User: hlin
Printed: 2/19/2026 - 9:48 AM
Batch: 00001.02.2026 - VOID CHK 322703

| | DR Amount | CR Amount | Acct Number | Description | Vendor |
|---|---|---|---|---|---|
| Fund:101General Fund | | | | | |
| | 6,499.18 | 0.00 | 101-0000-0000-1000-000 | Cash & Cash Equivalents | |
| | 0.00 | 69.90 | 101-3010-3032-8150-000 | Telephone | CIN4011 |
| | 0.00 | 2,820.55 | 101-3010-3032-8150-000 | Telephone | CIN4011 |
| | 0.00 | 3,608.73 | 101-3010-3032-8150-000 | Telephone | CIN4011 |
| Total for Fund:101 | 6,499.18 | 6,499.18 | | | |
| Grand Total: | 6,499.18 | 6,499.18 | | | |

# Accounts Payable

## Void Check Proof List

User: hlin
Printed: 02/19/2026 - 9:45AM
Batch: 00001.02.2026 - VOID CHK 322703

| Account Number | Amount | Invoice No | Inv Date | Description | Reference | Task Label | Type | PONumber | Close PO? | Line Item |
|---|---|---|---|---|---|---|---|---|---|---|
| Vendor: CIN4011 | AT&T Mobility | | | | | | | | | |
| Check No: 322703 | Check Date: | 12/23/2025 | | | | | | | | |
| | 3,608.73 | 287288006612 | 12/02/2025 | AN 287288006612X12102025 Mobile | | | | | No | 0 |
| 101-3010-3032-8150-000 | | | | | | | | | | |
| | 69.90 | 287351491376 | 12/06/2025 | AN 287351491376X12142025 Serv 11 | AN 287351491376X121420 | | | | No | 0 |
| 101-3010-3032-8150-000 | | | | | | | | | | |
| | 2,820.55 | 287312118886 | 12/02/2025 | AN 287312118886 Serv 11/3 - 12/2 Fi | | | | | No | 0 |
| 101-3010-3032-8150-000 | | | | | | | | | | |
| Check Total: | 6,499.18 | | | | | | | | | |
| Vendor Total: | 6,499.18 | | | | | | | | | |
| Report Total: | 6,499.18 | | | | | | | | | |

# City Council Agenda Report

**ITEM NO. 5**

**DATE:** March 4, 2026

**FROM:** Todd Hileman, City Manager

**PREPARED BY:** Nikima S. Newsome, Chief City Clerk

**SUBJECT:** **CONSIDERATION OF APPROVAL OF THE REGULAR CITY COUNCIL MEETING MINUTES FOR JANUARY 21, FEBRUARY 4 AND FEBRUARY 18, 2026, THE SPECIAL CITY COUNCIL MEETING MINUTES FOR FEBRUARY 25, 2026 AND THE SPECIAL JOINT CITY COUNCIL MEETING MINUTES FOR JANUARY 21, 2026**

## Recommendation

It is recommended that the City Council approve the minutes from the Regular City Council meetings held on January 21, February 4, and February 18, 2026, the Special City Council meeting held on February 25, 2026 and the the Special Joint City Council and Finance Commission meeting held on January 21, 2026.

## Executive Summary

Attached for the City Council's consideration and approval are meeting minutes and hereby included as attachments to this staff report.

## Background

The City Clerk's Division is responsible for producing meeting action minutes for the City Council meetings.

## Analysis

The City Clerk prepares action minutes, which serve as the official written record of what actions the City Council took at a particular meeting, such as motions, votes, and direction, without including the detailed discussion. The purpose of meeting action minutes is to provide a clear and permanent record of Council actions for the public, staff, and legal purposes. The City Council adopts minutes from prior meetings to confirm that the record is accurate and complete. Even if a Councilmember was not present at the meeting, they may still vote to approve the minutes, since the minutes serve as the official record of the Council as a whole, not of individual attendance or opinions.

## Fiscal Impact

Preparation of meeting minutes is included in the City Clerk's work plan as part of the FY 2025-2026 Adopted Budget.

Attachment:
Attachment No. 1 - January 21, 2026 Regular City Council Meeting Minutes

Attachment No. 2 - February 4, 2026 Regular City Council Meeting Minutes
Attachment No. 3 - February 18, 2026 Regular City Council Meeting Minutes
Attachment No. 4 - January 21, 2026 Special Joint City Council Meeting Minutes
Attachment No. 5 - February 25, 2026 Special City Council Meeting Minutes

**CITY OF SOUTH PASADENA**
**CITY COUNCIL MINUTES**
**JANUARY 21, 2026**

**CALL TO ORDER:**

A regular meeting of the South Pasadena City Council was called to order by Mayor Rossi at 7:14 p.m., on Wednesday, January 21, 2026, at City Council Chambers, 1424 Mission Street, South Pasadena, California 91030 and at a teleconference location in Mexico City, Mexico.

**ROLL CALL:**

| | | |
|---|---|---|
| **PRESENT** | Mayor | Sheila Rossi |
| | Mayor Pro Tem | Omari Ferguson *(remotely)* |
| | Councilmember | Janet Braun |
| | Councilmember | Jon Primuth |
| | Councilmember | Michael Cacciotti |
| **ABSENT** | None | |
| **ALSO PRESENT** | City Manager Todd Hileman | |
| | City Attorney Roxanne | |
| | Chief City Clerk Nikima Newsome | |

Mayor Pro Tem Ferguson joined the meeting remotely All other Councilmembers were present in person and a quorum was determined. Mayor Rossi led the assemblage in the Pledge of Allegiance.

1. **CLOSED SESSION ANNOUNCEMENTS**

   The City Attorney reported that all items on the closed session agendas for the January 14, 2026 special Council meeting and January 21, 2026, regular council meeting, were heard with no reportable action.

## PUBLIC COMMENT

### 2. PUBLIC COMMENT – GENERAL (NON-AGENDA ITEMS)

Members of the public, Yvonne LaRose, Angelo Gladding, and Steve Novotny spoke in person.

## PRESENTATIONS

**3. A PRESENTATION OF A CERTIFICATE RECOGNIZING THE SOUTH PASADENA TOURNAMENT OF ROSES COMMITTEE**, was presented.

## CHANGES TO THE AGENDA

**4. REORDERING OF, ADDITIONS, OR DELETIONS TO THE AGENDA**

There was no agenda management.

## CONSENT CALENDAR

Items listed under the Consent Calendar are considered by the City Manager to be routine in nature and will be enacted by one motion unless a Public Comment has been received or Councilmember requests otherwise, in which case the item will be removed for separate consideration. Any motion relating to an Ordinance, or a Resolution shall also waive the reading of the Ordinance or Resolution and include its introduction or adoption as appropriate.

Items 10 and 12 were removed from the consent calendar via public comment.

Motion by Councilmember Braun, seconded by Councilmember Cacciotti to approve the consent calendar with the exception of Items 10 and 12. The motion was approved by the following roll call vote:

| | |
|---|---|
| AYES: | Councilmembers Braun, Primuth, Cacciotti, Mayor Pro Tem Ferguson, Mayor Rossi |
| NOES: | None |
| ABSENT: | None |

**5. CONSIDERATION OF APPROVAL OF PREPAID WARRANTS IN THE AMOUNT OF $657,378.72; GENERAL CITY WARRANTS IN THE AMOUNT OF $1,326,695.47; ONLINE PAYMENTS IN THE AMOUNT OF $66,470.28; VOIDS IN THE AMOUNT OF ($5,589.00); PAYROLL IN THE AMOUNT OF $2,324,078.12**, was approved.

Recommendation

It is recommended that the City Council approve the Warrants as presented.

6. **CONSIDERATION OF ADOPTION OF RESOLUTION NO. 7966 APPOINTING THE DELEGATES, REPRESENTATIVES AND ALTERNATES AS OFFICIAL REPRESENTATIVES OF THE CITY TO CERTAIN REGIONAL GROUPS AND APPROVE THE MAYOR'S LIST OF CITY COUNCIL LIAISON AND REGIONAL GROUP APPOINTMENTS**, was adopted.

   Recommendation

   It is recommended that the City Council:

   1. Approve Mayor's list of City Council Liaisons to the City's Commissions and the appointments to the Regional Group Appointments; and
   2. Adopt Resolution No. 7966, superseding Resolution No. 7890, appointing delegates, representatives, and alternates as official representatives of the City of South Pasadena.

7. **CONSIDERATION OF APPOINTMENTS TO CITY BOARDS, COMMISSIONS, AND COMMITTEES**, was approved.

   Recommendation

   It is recommended by Mayor Rossi that the City Council appoint the following residents to City Boards, Commissions, and Committees for a full-term ending on December 31, 2028:

   1. Teresa Petrich to the Commission Services Commission for a full-term beginning January 1, 2026 and ending on December 31, 2028.
   2. Richard Elbaum to the Library Board of Trustees for a full-term beginning January 1, 2026 and ending on December 31, 2028.
   3. Eric Forman to the Library Board of Trustees for a full-term beginning January 1, 2026 and ending on December 31, 2028.
   4. John Lange to the Public Art Commission for a full-term beginning January 1, 2026 and ending on December 31, 2028.
   5. Steven Kuo to the Public Works Infrastructure Commission for a full-term beginning January 1, 2026 and ending on December 31, 2028.

8. **CONSIDERATION OF APPROVAL OF AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT WITH SCS ENGINEERS, FOR AN ADDITIONAL AMOUNT OF $20,000 FOR CONSULTING SERVICES RELATED TO SB 1383**, was approved.

   Recommendation

   It is recommended that the Professional Services Agreement with SCS Engineers be amended to increase the contract amount by $20,000, for a new total not to exceed of $49,500, for continuation of consulting services related to SB 1383 compliance and assistance with the City's transition to a three-stream waste collection system.

9. **CONSIDERATION OF ADOPTION OF RESOLUTION NO. 7967 AUTHORIZING THE ACCEPTANCE OF A $25,000 GRANT FROM THE CALIFORNIA FIRE FOUNDATION FOR AN EMERGENCY PREPAREDNESS COMMUNITY OUTREACH PLAN AND ADOPT RESOLUTION NO. ~~XXXX~~ 7971 APPROPRIATING THE GRANT FUNDS**, was adopted as amended by add docs.

Recommendation

Staff recommends that the City Council adopt Resolution No. 7967:

1. Authorizing acceptance of a $25,000 grant award from the California Fire Foundation to implement an Emergency Preparedness Community Outreach Plan to increase community enrollment in the City's emergency alerting and communication system (Attachment 1); and

2. Authorizing the City Manager (or designee) to execute all grant agreements and related documents required to receive and administer the funds, subject to City Attorney review; and

    a. Adopt Resolution No. ~~xxxx~~ 7971 appropriating $25,000 to Fund 244 - Reimbursable Grant Fund (Attachment 4), for implementation of the outreach plan.

**10. CONSIDERATION OF ADOPTION OF RESOLUTION NO. 7968 TO APPROVE A NEW FIVE-YEAR AGREEMENT WITH THE LOS ANGELES COUNTY DEPARTMENT OF AGRICULTURAL COMMISSIONER AND WEIGHTS AND MEASURES FOR HAZARDOUS VEGETATION MANAGEMENT SERVICES**, was approved.

Recommendation

It is recommended that the City Council adopt the resolution approving a new five-year agreement between the City of South Pasadena and the County of Los Angeles Department of Agricultural Commissioner and Weights and Measures for hazardous vegetation management services on vacant and unimproved private properties for the term of July 1, 2026 through June 30, 2031.

Member of the public Angelo Gladding spoke to the item in person.

Motion by Councilmember Braun, seconded by Councilmember Cacciotti to approve the staff recommendation. The motion was approved by the following roll call vote:

| | |
|---|---|
| AYES: | Councilmembers Braun, Primuth, Cacciotti, Mayor Pro Tem Ferguson, Mayor Rossi |
| NOES: | None |
| ABSENT: | None |

**11. CONSIDERATION OF ADOPTION OF RESOLUTION NO. 7969 TO ACCEPT LOS ANGELES COUNTY HEALTH SERVICES MEASURE B FUNDING IN THE AMOUNT UP TO $197,396**, was adopted as amended by add docs.

Recommendation

It is recommended that the City Council adopt Resolution No. 7969 accepting the Los Angeles County Health Services Measure B funding in the total amount of $197,396

awarded to the City of South Pasadena.

**12. CONSIDERATION OF AWARD OF A THREE-YEAR MAINTENANCE CONTRACT TO PAVECO CONSTRUCTION AND CT&T CONCRETE PAVING FOR ON-CALL SIDEWALK REPAIR SERVICES BETWEEN FISCAL YEARS 2025-2026 AND FISCAL YEARS 2028-2029, WITH THE OPTION TO EXTEND THE CONTRACT FOR TWO ADDITIONAL ONE-YEAR EXTENSIONS,** was approved.

Recommendation

It is recommended that the City Council:

1. Award two three-year maintenance contracts to Paveco Construction and CT&T Concrete Paving (Contractors) to provide sidewalk repair services between fiscal years (FY) 2025-2026 and 2028-2029, with the option to extend the contracts twice for an additional one year per extension, subject to a Consumer Price Index (CPI) increase to the rates in each FY;
2. Authorize the City Manager to finalize and enter into maintenance contracts with Paveco Construction and CT&T Concrete Paving, in the form approved by the City Attorney and City Manager, and execute any related documents;
3. Reject all other proposals received;
4. Approve Purchase Orders to each Contractor in the not-to-exceed amount of $30,000 for the remainder of FY 2025-2026, ending June 30, 2026.

Member of the public Angelo Gladding spoke to the item in person.

Motion by Councilmember Braun, seconded by Councilmember Cacciotti to approve the staff recommendation. The motion was approved by the following roll call vote:

| | |
|---|---|
| AYES: | Councilmembers Braun, Primuth, Cacciotti, Mayor Pro Tem Ferguson, Mayor Rossi |
| NOES: | None |
| ABSENT: | None |

**13. CONSIDERATION OF AWARD OF A THREE YEAR MAINTENANCE CONTRACT TO HARDY & HARPER, INC. AND PAVECO CONSTRUCTION FOR ON-CALL STREET REPAIR SERVICES BETWEEN FISCAL YEARS 2025-2026 AND FISCAL YEARS 2028-2029, WITH THE OPTION TO EXTEND THE CONTRACT FOR TWO ADDITIONAL ONE-YEAR EXTENSIONS**, was approved.

Recommendation

It is recommended that the City Council:

1. Award two three-year maintenance contracts to Hardy & Harper, Inc. and Paveco Construction (Contractors) to provide on-call street repair services between Fiscal Years (FY) 2025-2026 and 2028-2029, with the option to extend the contracts twice for an additional one year per extension, subject to a Consumer Price Index (CPI) increase to the rates in each fiscal year;

2. Authorize the City Manager to finalize and enter into maintenance contracts with Hardy & Harper, Inc. and Paveco Construction, in the form approved by the City Attorney and City Manager, and execute any related documents; and
3. Reject all other proposals received.
4. Approve Purchase Orders to each Contractor in the not-to-exceed amount of $30,000 for the remainder of FY 2025-2026, ending June 30, 2026.

**14. CONSIDERATION OF AWARD OF A THREE-YEAR MAINTENANCE CONTRACT TO WGJ ENTERPRISES, INC. AND SUPERIOR PAVEMENT MARKINGS FOR ON-CALL STRIPING, PAVEMENT MARKINGS, AND CURB PAINTING SERVICES BETWEEN FISCAL YEARS 2025-2026 AND FISCAL YEARS 2028-2029, WITH THE OPTION TO EXTEND THE CONTRACT FOR TWO ADDITIONAL ONE-YEAR EXTENSIONS**, was approved.

Recommendation

It is recommended that the City Council:

1. Award two three-year maintenance contracts to WGJ Enterprises, Inc. and Superior Pavement Markings (Contractors) to provide striping, pavement markings, and curb painting services between Fiscal Years (FY) 2025- 2026 and 2028-2029, with the option to extend the contracts twice for an additional one year per extension, subject to a Consumer Price Index (CPI) increase to the rates in each fiscal year;
2. Authorize the City Manager to finalize and enter into maintenance contracts with Superior Pavement Markings and WGJ Enterprises, Inc. in the form approved by the City Attorney and City Manager and execute any related documents;
3. Reject all other proposals received;
4. Authorize the City Manager to execute Purchase Orders to each Contractor in the not-to-exceed amount of $30,000 for the remainder of FY 2025-2026, ending June 30, 2026.

**15. CONSIDERATION OF SELECTION OF PBK ARCHITECTS, FOR FACILITY DESIGN ENGINEERING SERVICES RELATED TO THE POLICE DEPARTMENT LOCKER ROOM REMODEL PROJECT, APPROVAL OF A MASTER SERVICE AGREEMENT, APPROVAL OF TASK ORDER NOT-TO-EXCEED AMOUNT OF $159,000 AND APPROVAL OF A BUDGET RESOLUTION APPROPRIATING ASSET SEIZURE FUNDS FOR THE PROJECT**, was approved as amended by add docs.

Recommendation

It is recommended that the City Council:

1. Approve the selection of PBK Architects to provide facility design engineering services related to the Police Department Locker Room Remodel Project;
2. Approve a Master Service Agreement with PBK Architects in the final form approved by the City Attorney (Attachment 1);
3. Approve a task order for the Police Department Locker Room Remodel Project, authorize the City Manager to execute the task order in the final form approved by the City Attorney for an amount not-to-exceed $159,000 ($145,000 + 10% contingency)

(Attachment 2).

4. Adopt Resolution No. ~~xxxx~~ 7973 appropriating $159,000 in Asset Seizure Funds to cover the cost of the project.

**ACTION/DISCUSSION**

**16. CONSIDERATION OF REQUEST FOR WAIVER OF PERMITTING FEES ASSOCIATED WITH THE CROWELL FAMILY YMCA RENOVATION PROJECT**

Recommendation

It is recommended that the City Council approve the waiver of permitting fees in the estimated amount of $82,890.00 for the Crowell Family YMCA Renovation Project.

Members of the public Myron Quon, Jason Ramos, and Sally Kilby spoke to the item in person.

Questions asked and answered of staff included what the types of public benefits and community-serving programs the Y provides; how will the renovation project benefit elderly residents and other community members through programming and facility improvements; are the YMCA board members residents of South Pasadena or the nearby area and what is the local community representation on the board; will the YMCA renovation project increase traffic and parking impacts on surrounding streets and neighborhoods; what is the YMCA's plan for working with neighbors to manage traffic and parking; is the Y meeting with neighbors and taking their input; how does the YMCA intend to continue communicating and problem-solving with nearby residents about impacts such as parking demand and timing of events/classes; and whether the proposed 50% fee waiver (approximately $82,890) reflects a standard, responsible approach that supports a key community nonprofit, while ensuring the city recovers its direct and unavoidable costs.

Discussion ensued on topics including but not limited to the Crowell Family YMCA as a key community asset serving youth, adults, and seniors; its role in disaster response and ongoing food and recovery efforts; YMCA programs being accessible beyond dues-paying members; balancing the public benefit with fiscal responsibility, agreement that a 50% waiver appropriately supports the nonprofit while ensuring the city recovers direct and unavoidable costs (e.g., technology and third-party plan review); acknowledgement of neighborhood concerns about traffic and parking; expectation that the YMCA will continue coordinating with nearby residents and institutions to manage impacts.

Motion by Councilmember Cacciotti, seconded by Councilmember Braun to approve the staff recommendation. The motion was approved by the following roll call vote:

| | |
|---|---|
| AYES: | Councilmembers Braun, Primuth, Cacciotti<br>Mayor Pro Tem Ferguson, Mayor Rossi |
| NOES: | None |
| ABSENT: | None |

**17. DISCUSSION AND FEEDBACK REGARDING THE ESTABLISHMENT OF A NEIGHBORHOOD TRAFFIC CALMING TOOLBOX**

Recommendation

It is recommended that the City Council discuss and provide staff feedback regarding the establishment of a Neighborhood Traffic Calming Toolbox as part of an updated Neighborhood Traffic Management Plan.

Member of the public Angelo Gladding spoke to the item in person.

Questions asked and answered of staff included is this toolbox intended mainly for spot/short-term treatments at hot spots before a larger, citywide active transportation plan is done; can bike lanes be considered as an addition, where feasible, when studying a road diet; how will temporary/pilot installations be handled, and what is the plan to inform and consult neighbors before and after those pilots; after the toolbox is adopted, will the next step be to identify and prioritize hot spots and then match tools to those locations; clarification on the difference between arterial, collector, and local streets using local examples; how is it determined which tool to use for a given traffic problem, and what standards/traffic studies are required (e.g., for stop signs or major devices) to avoid liability issues; how will staff prioritize which locations get studied and treated first; identification of which tools require formal traffic study or engineering certification, can be implemented directly by staff, or need a separate budget appropriation; which tools are quick/easier to deploy, and which are large, complex projects; can information on typical implementation timeframes for each tool be added, so residents know roughly how long different measures take.

Discussion ensued on topics including but not limited to support for establishing a standardized traffic calming toolbox as a useful framework for addressing neighborhood traffic concerns and future capital projects; the toolbox as a baseline menu of options, to be paired with site-specific engineering judgment and community input; clarified that the toolbox is primarily for location-specific and near- to medium-term solutions, while broader measures (e.g., full road diets with bikeways) will often require separate, more comprehensive planning and study; distinguishing between quick/low-cost treatments and large, high-cost or intrusive projects; emphasis that traffic problems exist citywide and that not every street can be treated at once; directed staff to use data and studies to identify and prioritize "hot spots" and bring forward prioritized recommendations and associated costs in the CIP/budget; stressed the need for robust communication with nearby residents, especially for temporary or pilot installations; and the importance of tying tools to street classifications (arterial, collector, local) so residents understand why certain measures (e.g., roundabouts) fit on some streets but not others.

**18. CONSIDERATION OF ORDINANCE NO. ~~2409~~ 2411 OF THE CITY OF SOUTH PASADENA, CALIFORNIA, AMENDING CHAPTER 34 (TREES AND SHRUBS) OF THE SOUTH PASADENA MUNICIPAL CODE IN ITS ENTIRETY ~~CONSIDERATION OF FIRST READING OF ORDINANCE NO. 2411 OF THE CITY OF SOUTH PASADENA, CALIFORNIA, AMENDING SECTION 35.13~~**

~~**(DISCONTINUANCE OF SERVICE—FOR FAILURE TO PAY BILL) OF CHAPTER 35 (WATER) OF THE SOUTH PASADENA MUNICIPAL CODE TO IMPLEMENT THE SOUTH PASADENA DISCONTINUATION OF RESIDENTIAL WATER SERVICE POLICY IN ACCORDANCE WITH STATE LAW**~~

Recommendation

It is recommended that City Council hold a public hearing and:

1. Introduce Ordinance No. 2411 for first reading by title only, and waive further reading of the Ordinance amending Section 35.13 (Discontinuance of Service—For Failure to Pay Bill) of Chapter 35 (Water) of the South Pasadena Municipal Code to implement the Discontinuation of Residential Water Service Policy;
2. Consider the proposed Discontinuation of Residential Water Service Policy (Attachment B); and
3. Provide direction, as appropriate.

Member of the public Yvonne LaRose spoke to the item in person.

Questions asked and answered of staff included how does the new policy handle shutoffs in buildings where the landlord is responsible for the water bill and tenants live in separate units; what protections or options are available for tenants if their landlord fails to pay and the account becomes delinquent; do any of the seriously delinquent accounts involve multi-unit buildings (multi-family) that might affect multiple households if shutoffs occur; if there are large delinquencies, does that mean the cost is effectively being shifted to other ratepayers, so addressing delinquencies is an equity issue for the entire customer base; and does the policy include payment plans, low-income protections, and appeal processes.

Discussion ensued on topics including but not limited to the need to address long-term delinquencies/equity for ratepayers; noted that some accounts are years, not just months, delinquent, and that the total delinquent balance is significant; highlighted that SB 998 does not ban shutoffs but requires stronger consumer protections; stressed the importance of protecting tenants when landlords fail to pay water bills; underscored that the intent is not punitive, but to re-establish normal payment discipline while helping customers; support for staff's recommended outreach plan; and clarification on separate trash vs. water billing.

Motion by Councilmember Braun, seconded by Councilmember Primuth to introduce Ordinance No. 2411 for first reading by title only, waiving further reading of the Ordinance, and to approve attachment B, the Discontinuation of Residential Water Service. The motion was approved by the following roll call vote:

| | |
|---|---|
| AYES: | Councilmembers Braun, Primuth, Cacciotti<br>Mayor Pro Tem Ferguson, Mayor Rossi |
| NOES: | None |
| ABSENT: | None |

**19. CONTINUED PUBLIC COMMENT - GENERAL**
***(only if we did not complete the initial round of speakers at beginning of the meeting)***

There was no continued public comment.

**20. COUNCILMEMBER COMMUNICATIONS**

Mayor reported on efforts to address undergrounding of Southern California Edison (SCE) utility lines and that legislative advocacy may be the next step if Edison remains resistant.

**21. CITY MANAGER COMMUNICATIONS**

City Manager Hileman had nothing to report at this time.

**ADJOURNMENT**

On order of the Mayor, the City Council meeting adjourned at 9:14 p.m., without objection.

ATTEST:

Nikima S. Newsome
Chief City Clerk

APPROVED:

Sheila Rossi
Mayor

**CITY OF SOUTH PASADENA**
**CITY COUNCIL MINUTES**
**FEBRUARY 4, 2026**

**CALL TO ORDER:**

A regular meeting of the South Pasadena City Council was called to order by Mayor Rossi at 7:26 p.m., on Wednesday, February 4, 2026, at City Council Chambers, 1424 Mission Street, South Pasadena, California 91030.

**ROLL CALL:**

| | | |
|---|---|---|
| **PRESENT** | Mayor | Sheila Rossi |
| | Mayor Pro Tem | Omari Ferguson *(remotely)* |
| | Councilmember | Janet Braun |
| | Councilmember | Jon Primuth *(excused at 9:05 P.M.)* |
| | Councilmember | Michael Cacciotti |
| **ABSENT** | None | |
| **ALSO PRESENT** | City Manager Todd Hileman | |
| | City Attorney Roxanne | |
| | Chief City Clerk Nikima Newsome | |

Mayor Pro Tem Ferguson attended the meeting remotely in accordance with the Brown Act, California Government Code Section 54953.8.3(c)(2). All other Councilmembers were present in person and a quorum was determined. Councilmember Primuth led the assemblage in the Pledge of Allegiance.

**PRESENTATIONS**

1. **PRESENTATION FROM FM3 REGARDING COMMUNITY SURVEY RELATED TO CITY'S PUBLIC INFRASTRUCTURE FOR DISCUSSION AND DIRECTION REGARDING FUNDING**, was presented.

   Member of the public Angelo Gladding provided public comment on the item remotely.

   Motion by Councilmember Braun, seconded by Councilmember Primuth to approve direction to proceed with staff's recommended next steps, including partnering with FM3 and Grassroots Lab to develop a community education and outreach program; planning for a follow-up poll in late spring to refine ballot language, re-test bond amount and tax rate,

and analyze potential interactions with other local measures, such as a school bond; and return to Council with updated data and refined options prior to final decision about placing a measure on the November 2026 ballot. The motion was approved by the following roll call vote:

| | |
|---|---|
| AYES: | Councilmembers Braun, Primuth, Cacciotti, Mayor Pro Tem Ferguson, Mayor Rossi |
| NOES: | None |
| ABSENT: | None |

## 2. CLOSED SESSION ANNOUNCEMENTS

### A. CONFERENCE WITH LEGAL COUNSEL: ANTICIPATED LITIGATION-SIGNIFICANT EXPOSURE TO LITIGATION

Government Code Section 54956.9 (d)(2)
Number of Potential Cases: 1

### B. CONFERENCE WITH LEGAL COUNSEL: EXISTING LITIGATION

Government Code Section 54956.9 (d)(1)

1. Frida Bejarano v. City of South Pasadena, Los Angeles Superior Court (Case No. 23AHCV02111)
2. Joanna Garcia v. City of South Pasadena, Los Angeles Superior Court (Case No. 24NNCV04795)
3. Xiomara Der Sarkissian v. City of South Pasadena, Los Angeles Superior Court (Case No. 24NNCV05835)
4. Abelardo Valdivia v. City of South Pasadena, Los Angeles Superior Court (Case No. 25NNCV03061)
5. Knighton v. City of South Pasadena, Los Angeles Superior Court (Case No. 23AHCV00740)
6. Adela Watkins v. City of South Pasadena, Los Angeles Superior Court (Case No. 25NNCV06901)

The City Attorney reported that all items on the closed session agenda were heard with no reportable action.

## PUBLIC COMMENT

## 3. PUBLIC COMMENT – GENERAL (NON-AGENDA ITEMS)

Public comment period was opened at 7:55 P.M. and closed at 8:25 P.M. under the guidelines of alternative teleconferencing in accordance with the Brown Act, California Government Code Section 54953.8(6)(C). Members of the public, Colin Campbell, Tucker Nelson, and Sam spoke in person. Members of the public Angelo Gladding and Josh Betta spoke remotely.

## CHANGES TO THE AGENDA

### 4. REORDERING OF, ADDITIONS, OR DELETIONS TO THE AGENDA

Councilmember Cacciotti requested moving Item 13 to be heard before the consent calendar and Mayor Pro Tem Ferguson requested moving Item 15 to be heard immediately after the consent calendar.

## CONSENT CALENDAR

**Items listed under the Consent Calendar are considered by the City Manager to be routine in nature and will be enacted by one motion unless a Public Comment has been received or Councilmember requests otherwise, in which case the item will be removed for separate consideration. Any motion relating to an Ordinance, or a Resolution shall also waive the reading of the Ordinance or Resolution and include its introduction or adoption as appropriate.**

Items 5, 9, and 12 were removed from the consent calendar via public comment.

Motion by Councilmember Braun, seconded by Councilmember Cacciotti to approve the consent calendar with the exception of Items 5, 9, and 12. The motion was approved by the following roll call vote:

| | |
|---|---|
| AYES: | Councilmembers Braun, Primuth, Cacciotti, Mayor Pro Tem Ferguson, Mayor Rossi |
| NOES: | None |
| ABSENT: | None |

### 5. CONSIDERATION OF THE APPROVAL OF PREPAID WARRANTS IN THE AMOUNT OF $92,557.84; GENERAL CITY WARRANTS IN THE AMOUNT OF $571,723.58; ONLINE PAYMENTS IN THE AMOUNT OF $230,766.43; VOIDS IN THE AMOUNT OF ($0); PAYROLL IN THE AMOUNT OF $2,160,588.67, was approved

Recommendation

It is recommended that the City Council approve the Warrants as presented.

Member of the public John spoke to the item in person.

Motion by Councilmember Braun, seconded by Councilmember Cacciotti to approve the staff recommendation. The motion was approved by the following roll call vote:

| | |
|---|---|
| AYES: | Councilmembers Braun, Primuth, Cacciotti, Mayor Pro Tem Ferguson, Mayor Rossi |
| NOES: | None |
| ABSENT: | None |

6. **CONSIDERATION OF ADOPTION OF A RESOLUTION AUTHORIZING THE COUNTY OF LOS ANGELES AGRICULTURE COMMISSIONER'S OFFICE TO INSPECT AND ABATE WEEDS, BRUSH, AND NATIVE VEGETATION DECLARED TO BE AN EXISTING OR POTENTIAL FIRE HAZARD, AND SCHEDULE A PUBLIC HEARING TO BE HELD ON FEBRUARY 18, 2026, TO HEAR OBJECTIONS OR PROTESTS TO THE VEGETATION MANAGEMENT PROGRAM**, was adopted.

   Recommendation

   It is recommended that the City Council adopt the resolution authorizing the County of Los Angeles Agriculture Commissioner's Office to inspect and abate weeds, brush, and native vegetation declared to be an existing or potential fire hazard and schedule a Public Hearing to be held on February 18, 2026, to hear objections or protests to the vegetation management program.

7. **CONSIDERATION OF ~~APPROVAL~~ ADOPTION OF RESOLUTION NO. 7976 AUTHORIZING THE RENEWAL OF A FIVE- YEAR GENERAL SERVICES AGREEMENT WITH THE COUNTY OF LOS ANGELES**, was adopted.

   Recommendation

   It is recommended that the City Council consider adoption of the proposed Resolution No. 7976 authorizing the renewal of a five-year General Services Agreement (GSA) with the County of Los Angeles, allowing the County to provide services as requested by the City.

8. **CONSIDERATION OF APPROVAL OF THE THIRD AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH THE ARROYO GROUP FOR SERVICES RELATED TO THE HOUSING ELEMENT, IN THE AMOUNT OF $30,000 AND ADOPTION OF A RESOLUTION NO. 7975 ADOPTING A BUDGET AMENDMENT RELATED THERETO**, was approved.

   Recommendation

   It is recommended that the City Council:

   a. Approve the third amendment to the Professional Services Agreement with the Arroyo Group, for services related to the Housing Element, subject to the final form of the agreement approved by the City Manager and City Attorney;
   b. Adopt Resolution No. 7975 to appropriate $30,000 from General Plan Surcharge Special Fund for the contract amendment and make necessary budget amendments.

9. **CONSIDERATION TO APPROVE A PROFESSIONAL SERVICES AGREEMENT WITH BIBLIOTHECA, LLC FOR THE IMPLEMENTATION OF RADIO FREQUENCY IDENTIFICATION TECHNOLOGY AND EQUIPMENT FOR THE LIBRARY IN AN AMOUNT NOT TO EXCEED $82,250.00**, was approved.

   Recommendation

   It is recommended that the City Council approve the agreement with Bibliotheca, LLC for the implementation of radio frequency identification technology and equipment for the library in an amount not to exceed $82,250.00 for the project, including the proposed bid

amount of $74,769.00 and a contingency of $7,481.00.

Motion by Councilmember Braun, seconded by Councilmember Cacciotti to approve the staff recommendation. The motion was approved by the following roll call vote:

AYES: Councilmembers Braun, Primuth, Cacciotti, Mayor Pro Tem Ferguson, Mayor Rossi
NOES: None
ABSENT: None

**10. REVIEW THE SOUTH PASADENA POLICE DEPARTMENT'S UPDATED MILITARY EQUIPMENT USE REPORT AND ADOPT THE RESOLUTION RENEWING ORDINANCE NO. 2365 WHICH ADOPTED THE SOUTH PASADENA POLICE DEPARTMENT'S UPDATED MILITARY EQUIPMENT USE POLICY**, was adopted.

Recommendation

It is recommended that the City Council:

1. Review The South Pasadena Police Department's Updated Military Equipment Use Report
2. Adopt the Resolution renewing ordinance No. 2365, which adopted The South Pasadena Police Department's Military Equipment Use Policy.

Member of the public John spoke to the item in person.

**11. SECOND READING AND ADOPTION OF ORDINANCE NO. 2411 OF THE CITY OF SOUTH PASADENA, CALIFORNIA, AMENDING SECTION 35.13 (DISCONTINUANCE OF SERVICE—FOR FAILURE TO PAY BILL) OF CHAPTER 35 (WATER) OF THE SOUTH PASADENA MUNICIPAL CODE TO IMPLEMENT THE SOUTH PASADENA DISCONTINUATION OF RESIDENTIAL WATER SERVICE POLICY IN ACCORDANCE WITH STATE LAW**, was adopted.

Recommendation

It is recommended that City Council adopt Ordinance No. 2411 amending Section 35.13 (Discontinuance of Service—For Failure to Pay Bill) of Chapter 35 (Water) of the South Pasadena Municipal Code to implement the Discontinuation of Residential Water Service Policy.

**12. RECEIVE AND FILE AN UPDATE ON SURPLUS CITY PROPERTY AND PLANNED ACTION**, was received and filed.

Recommendation

It is recommended that City Council receive and file an informational update on city property deemed as surplus property by the City Manager per the City's adopted Financial Policies and planned action to disposed of the surplus property.

Member of the public John spoke to the item in person.

Motion by Councilmember Braun, seconded by Councilmember Cacciotti to receive and file the update, as amended by the add docs. The motion was approved by the following roll call vote:

| | |
|---|---|
| AYES: | Councilmembers Braun, Primuth, Cacciotti, Mayor Pro Tem Ferguson, Mayor Rossi |
| NOES: | None |
| ABSENT: | None |

**ACTION/DISCUSSION**

**13. CONSIDERATION AND SELECTION OF THE PREFERRED EVENING SHOW FORMAT FOR THE 2026 FOURTH OF JULY CELEBRATION AND AUTHORIZATION FOR THE CITY MANAGER TO EXECUTE A CONTRACT FOR THE SELECTED SHOW FORMAT**

Recommendation

It is recommended that the City Council:

1. Select the preferred evening show format for the 2026 Fourth of July Celebration from the following options:
   a. Traditional Firework Show;
   b. Drone Light Show; or
   c. Hybrid Fireworks and Drone Light Show; and
2. Authorize the City Manager to execute a contract with a qualified vendor for the selected show format, in an amount not to exceed the available budget.

Members of the public Tucker Nelson, Amelia Perry, Catherine Chan, Rose Xia, and John spoke to the item in person. Member of the public Angelo Gladding spoke to the item remotely.

Questions asked and answered of staff included did staff receive feedback from any cities that had used the responding drone-show vendors; what feedback did San Gabriel provide about show length and audience reaction; were additional costs provided for the addition of lasers and to extend the length of the show; what costs are associated with the hybrid option; would the drones and fireworks occur simultaneously or one after the other; if they must be sequential, would that effectively lengthen the overall program; did staff receive any pricing for similar-scale events from comparable cities such as Arcadia; what was the feedback from other cities regarding the size of their drone shoes; if there isn't Council support for a full drone show, could the City do a hybrid show with smaller fireworks plus a drone component; could the city test a drone show at another venue or event outside of the 4$^{th}$ of July to build local familiarity and experience with the format before replacing fireworks; is the city ready to move to drones this year, given the 250th anniversary of the

country; and would more advance planning time and public communication be needed before making such a change.

Discussion ensued on topics including, but not limited to how long Council has discussed moving away from fireworks; environmental and health concerns raised; concern that a drone show may not yet be a good full replacement for fireworks in terms of community expectations and show impact; members of the community who do not attend Council meetings but have expressed support for continuing the traditional fireworks show; suggestion to pilot a drone show at another event other than the 4th of July celebration; and the use of drone shows by other entities such as the Rose Bowl and Dodger's Stadium.

Motion by Councilmember Braun, seconded by Councilmember Primuth to approve the traditional firework show option. The motion was approved by the following roll call vote:

| | |
|---|---|
| AYES: | Councilmembers Braun, Primuth, |
| | Mayor Pro Tem Ferguson, Mayor Rossi |
| NOES: | Councilmember Cacciotti |
| ABSENT: | None |

Motion by Councilmember Braun, seconded by Councilmember Primuth to approve the vendor contract. The motion was approved by the following roll call vote:

| | |
|---|---|
| AYES: | Councilmembers Braun, Cacciotti, Primuth |
| | Mayor Pro Tem Ferguson, Mayor Rossi |
| NOES: | None |
| ABSENT: | None |

**14. PRESENTATION ON SENATE BILL 707 RELATED TO NEW CHANGES IN THE BROWN ACT**, was presented.

Recommendation

Receive and file presentation on Senate Bill 707 from the City Attorney.

Member of the public Angelo Gladding spoke to the item.

Questions asked and answered of staff included does the adoption of a telephonic/internet service disruption policy apply to just-cause teleconferencing, or is it for regular teleconferencing as well; is the city legally required to offer Zoom or some other remote attendance option; what is the difference between "traditional teleconferencing" and "alternative teleconferencing/just-cause;" if a teleconferencing Councilmember's connection fails but City Hall's Zoom/AV is fine, does the Council have to stop the meeting, or can it continue; and what would be the consequence(s) of violating the Brown Act.

**15. RECEIVE A PRESENTATION REGARDING A PROPOSED CENTRALIZED CUSTOMER SERVICE CENTER AND ADOPT RESOLUTION NO. 7974 APPROPRIATING $100,000 FOR IMPLEMENTATION**

Recommendation

It is recommended that City Council:

1. Receive a presentation from staff regarding a proposed centralized customer service center and provide direction as appropriate; and
2. Adopt Resolution No. 7974 amending the Fiscal Year 2025-2026 budget to appropriate $100,000 to procure the core technology components necessary to establish a centralized customer service center.

Member of the public Angelo Gladding spoke to the item remotely.

Questions asked and answered of staff included how will the proposed centralized customer service center work in practice; how will the centralized system ensure that when a resident reports an issue, it is actually handled and closed out, not just logged; does staff have specific examples or lessons from the City of Kyle, Texas on how they implemented this, how it changed service delivery, and how they use their system day-to-day; will the new system allow the city to see where calls and requests are coming from geographically and identify "hot spot" areas; will a GIS-based heat map or similar tool be part of the implementation; could the technology eventually support outbound communication to send alerts or notices to affected areas so residents know the City is aware of the issue, and roughly how long they might be without; service; will the system capture what types of questions are coming into Planning Department, and help develop standard responses/FAQs, since many questions are likely similar and could be handled more consistently; as this platform is built out, could it support online payments for city services; would the self-service mobile app be an enhancement to the existing app or a new solution and how will residents interact with it; how will the planned asset management component will be structured, grow with operational needs, and integrate with other systems; how will assets such as pipes, hydrants, signs, etc. will be digitally tracked, linked to maintenance schedules, and reportable for long-term planning; and will the city be adding functionality to the existing vendor app or developing and maintaining app functionality in-house; will the vendor be responsible for building and maintaining the self-service app, or will the city's IT Department be doing custom development.

Discussion ensued on topics including but not limited to general agreement that customer service and follow-through is an area of known weakness for the city; residents often not knowing who to call; Councilmembers frequently receiving service complaints directly and forwarding them to staff; residents not being updated on the status of complaints; request that staff keep the system schematic updated as more data sources and departments are connected, so Council can see how data flow and systems interrelate; requiring contractors to deliver GIS/asset datasets compatible with the city's system, keeping asset records current and integrated with citywide maps and maintenance schedules; support for the phased, data-driven approach and the strategy of funding new systems through efficiencies and consolidations, not large net new operating costs; and the Customer Success Center as

a key step in improving responsiveness, increasing transparency and measurable performance, and giving both staff and Council better data to manage services.

Motion by Councilmember Cacciotti, seconded by Councilmember Braun to approve the staff recommendation. The motion was approved by the following roll call vote:

| | |
|---|---|
| AYES: | Councilmembers Braun, Cacciotti<br>Mayor Pro Tem Ferguson, Mayor Rossi |
| NOES: | None |
| ABSENT: | Councilmember Primuth |

**PUBLIC COMMENT CONTINUED**

**16. <u>CONTINUED PUBLIC COMMENT - GENERAL</u>**
***(only if we did not complete the initial round of speakers at beginning of the meeting)***

There was no continued public comment.

**COMMUNICATIONS**

**17. COUNCILMEMBER COMMUNICATIONS**

Councilmember Cacciotti presented photos of recent observations around the city, including the recent Los Angeles County Homeless Count, and thanked the City Manager and staff for their responsiveness and customer service on various city issues.

Mayor Pro Tem Ferguson provided updates from the Clean Power Alliance and the Los Angeles County Sanitation Board of Directors.

Mayor Sheila Rossi reported that she attended CalCities policy committee meetings in Sacramento including the Community Services Policy Committee meeting and the Housing Policy Committee meeting. In addition, she also attended the Monterey Hills Elementary SchoolYellow Ribbon Week event.

**18. CITY MANAGER COMMUNICATIONS**

City Manager Hileman thanked Council for working through a heavy and complex policy agenda with civility and collaborative problem-solving.

**ADJOURNMENT**

On order of the Mayor, the City Council meeting adjourned at 10:09 p.m., without objection.

ATTEST:

Nikima S. Newsome
Chief City Clerk

APPROVED:

Sheila Rossi
Mayor

**CITY OF SOUTH PASADENA**
**CITY COUNCIL MINUTES**
**FEBRUARY 18, 2026**

## CALL TO ORDER:

A regular meeting of the South Pasadena City Council was called to order by Mayor Rossi at 7:26 p.m., on Wednesday, February 18, 2026, at City Council Chambers, 1424 Mission Street, South Pasadena, California 91030.

## ROLL CALL:

| | | |
|---|---|---|
| **PRESENT** | Mayor | Sheila Rossi |
| | Mayor Pro Tem | Omari Ferguson |
| | Councilmember | Janet Braun |
| | Councilmember | Jon Primuth |
| | Councilmember | Michael Cacciotti |
| **ABSENT** | None | |
| **ALSO PRESENT** | City Manager Todd Hileman | |
| | City Attorney Roxanne | |
| | Chief City Clerk Nikima Newsome | |

All Councilmembers were present and a quorum was determined. Councilmember Cacciotti led the assemblage in the Pledge of Allegiance.

## PRESENTATIONS

1. **A PROCLAMATION DECLARING FEBRUARY 2026 AS "BLACK HISTORY MONTH" IN THE CITY OF SOUTH PASADENA**, was presented.

2. **A PROCLAMATION DECLARING FEBRUARY 17, 2026 AS "LUNAR NEW YEAR" IN THE CITY OF SOUTH PASADENA**, was presented.

## CLOSED SESSION ANNOUNCEMENTS

### 3. CLOSED SESSION ANNOUNCEMENTS

The City Attorney reported that all items on the closed session agendas were heard with no reportable action.

## PUBLIC COMMENT

### 4. PUBLIC COMMENT – GENERAL (NON-AGENDA ITEMS)

Members of the public, Colin Campbell, Barbara Eisenstein, and Angelo Gladding spoke in person.

## CHANGES TO THE AGENDA

### 5. REORDERING OF, ADDITIONS, OR DELETIONS TO THE AGENDA

There was no agenda management.

## CONSENT CALENDAR

**Items listed under the Consent Calendar are considered by the City Manager to be routine in nature and will be enacted by one motion unless a Public Comment has been received or Councilmember requests otherwise, in which case the item will be removed for separate consideration. Any motion relating to an Ordinance, or a Resolution shall also waive the reading of the Ordinance or Resolution and include its introduction or adoption as appropriate.**

No items were removed from the consent calendar.

Motion by Councilmember Cacciotti, seconded by Councilmember Braun to approve the consent calendar. The motion was approved by the following roll call vote:

| | |
|---|---|
| AYES: | Councilmembers Braun, Primuth, Cacciotti, Mayor Pro Tem Ferguson, Mayor Rossi |
| NOES: | None |
| ABSENT: | None |

6. **CONSIDERATION OF THE APPROVAL OF PREPAID WARRANTS IN THE AMOUNT OF $764,165.81; GENERAL CITY WARRANTS IN THE AMOUNT OF $1,966,265.75; ONLINE PAYMENTS IN THE AMOUNT OF $18,418.80; VOIDS IN THE AMOUNT OF ($1,326.89); PAYROLL IN THE AMOUNT OF $964,957.67**, was approved.

Recommendation

It is recommended that the City Council approve the Warrants as presented.

7. **CONSIDERATION OF APPROVAL OF THE SPECIAL CITY COUNCIL MEETING MINUTES FOR FEBRUARY 4, 2026**, were approved.

   Recommendation

   It is recommended that the City Council approve the minutes from the Special City Council meeting held on February 4, 2026.

8. **CONSIDERATION TO ADOPT RESOLUTION NO. 7979 TO ESTABLISH A NEW CRIME ANALYST JOB SPECIFICATION AND SALARY RANGE, UPDATE JOB TITLES, AND RECLASSIFY TWO (2) POSITIONS IN THE COMMUNITY SERVICES AND POLICE DEPARTMENT**, was adopted.

   Recommendation

   It is recommended that the City Council approve the following:
   1. Reclassification of the Community Services Coordinator to Senior Management Analyst
   2. Retitling the Police Assistant I to Police Dispatcher
   3. Retitling the Police Assistant II to Police Services Assistant
   4. Establishment of a new job specification and salary range for the Crime Analyst classification
   5. Reclassification of the Police Assistant (Police Dispatcher) to Crime Analyst
   6. Adopt Resolution No. 7979 establishing the job specification for the Crime Analyst and salary range, reclassification of two (2) positions, as well as the retitling of existing job specifications.

9. **CONSIDERATION OF APPOINTMENTS TO CITY BOARDS, COMMISSIONS, AND COMMITTEES**, were approved.

   Recommendation

   It is recommended by Mayor Rossi that the City Council appoint the following residents to City Boards, Commissions, and Committees for a full-term ending on December 31, 2028:
   1. Matt Horton to the Planning Commission for a full-term beginning January 1, 2026 and ending on December 31, 2028.
   2. Joey Williams to the Planning Commission for a full-term beginning January 1, 2026 and ending on December 31, 2028.

10. **CONSIDERATION OF ADOPTION OF RESOLUTION NO. 7980 APPOINTING THE DELEGATES, REPRESENTATIVES AND ALTERNATES AS OFFICIAL REPRESENTATIVES OF THE CITY TO CERTAIN REGIONAL GROUPS AND APPROVE THE MAYOR'S LIST OF CITY COUNCIL LIAISON AND REGIONAL GROUP APPOINTMENTS**, was adopted.

Recommendation

It is recommended that the City Council:

1. Approve Mayor's list of City Council Liaisons to the City's Commissions and the appointments to the Regional Group Appointments; and
2. Adopt Resolution No. 7980, superseding Resolution No. 7966, appointing delegates, representatives, and alternates as official representatives of the City of South Pasadena.

**11. CONSIDERATION TO ACCEPT PROJECT COMPLETION, AUTHORIZE FILING OF THE NOTICE OF COMPLETION FOR THE FISCAL YEAR 2020-2024 SIDEWALK AND ADA RAMP (CDBG) PROJECT NO. 2020-03 (002003), APPROVE AN AMENDMENT TO THE CONTRACT IN THE AMOUNT OF $2,331.49, AND AUTHORIZE RELEASE OF THE RETENTION PAYMENT TO CT&T CONCRETE, INC. IN THE AMOUNT OF $26,366.57**, was approved.

Recommendation

It is recommended that the City Council:

1. Accept the Fiscal Year (FY) 2020-2024 Sidewalk and ADA Ramp (CDBG) Project No. 2020-03 (002003) (Project) as complete; and
2. Authorize the recordation of the Notice of Completion (NOC) with the Los Angeles County Registrar-Recorder County Clerk; and
3. Authorize the City Manager to amend the contract to not-to-exceed amount from $525,000 to 527,331.49; and
4. Authorize release of retention payment to CT&T Concrete, Inc. (Contractor) in the amount of $26,366.57.

**12. CONSIDERATION TO ADOPT RESOLUTION NO. 7801 APPROVING AN APPROPRIATION IN THE AMOUNT OF $44,000 TO THE CITY'S GRANT FUND - FUND 244, AND TO AUTHORIZE THE CITY MANAGER TO EXECUTE A PURCHASE ORDER WITH AT&T FOR MAINTENANCE SERVICES OF THE 9-1-1 EMERGENCY PHONE SYSTEM**, was adopted.

Recommendation

It is recommended that the City Council:

1. Adopt Resolution No. 7801 (Attachment 1) amending the Fiscal Year 2025-2026 Budget to appropriate $44,000.00 to the City's Grant Fund - Fund 244, expense account number 244-4010-0003-8170-000 and revenue account number 244-0000-0000-5071-023 respectively.
2. Authorize the City Manager to execute a Purchase Order in the amount of $43,973.77 to pay for the two-year maintenance term of AT&T's 9-1-1 basic turn-key system from 03/28/2024 – 03/27/2026.

**13. CONSIDERATION OF APPROVAL OF AN AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH GRASSROOTSLAB FOR PUBLIC INFORMATION AND EDUCATION SERVICES, IN THE AMOUNT NOT**

**TO EXCEED OF $27,500, FOR A NEW TOTAL CONTRACT AMOUNT OF $57,250**, was approved.

Recommendation

It is recommended that the City Council approve the proposed amendment to the Professional Services Agreement with GrassrootsLab to expand the scope of public information and education services, in the amount of $27,500, for a new total contract amount of $57,250.

**PUBLIC HEARING**

**14. PUBLIC HEARING TO RECEIVE OBJECTIONS OR PROTESTS TO THE VEGETATION MANAGEMENT PROGRAM REGARDING THE ABATEMENT OF WEEDS, BRUSH, RUBBISH AND REFUSE UPON OR IN FRONT OF SPECIFIED PROPERTY IN THE CITY AND AUTHORIZING BY MINUTE ORDER THE ABATEMENT OF HAZARDOUS VEGETATION**

Recommendation

It is recommended that the City Council, after holding a Public Hearing and receiving public testimony and hearing any objections or protests to the procedures for abating brush and native vegetation fire hazards identified in Resolution No. 7978, adopt by motion an order directing the abatement of hazardous vegetation.

The public hearing for this item was opened at 7:24 P.M. No members of the public spoke to the item. The public hearing was closed at 7:24 P.M.

Motion by Mayor Pro Tem Ferguson, seconded by Councilmember Primuth to approve the staff recommendation. The motion was approved by the following roll call vote:

| | |
|---|---|
| AYES: | Councilmembers Braun, Primuth, Cacciotti, Mayor Pro Tem Ferguson, Mayor Rossi |
| NOES: | None |
| ABSENT: | None |

**ACTION/DISCUSSION**

**15. PRESENTATION AND DISCUSSION REGARDING THE FLOCK SAFETY AUTOMATIC LICENSE PLATE READER (ALPR) SYSTEM PROGRAM; UPDATE REGARDING THE CITY'S CONTRACT WITH FLOCK; AND DIRECTION REGARDING THE CONTINUATION OF THE ALPR PROGRAM**

Recommendation

It is recommended that the City Council review and discuss this informational report and presentation regarding the Flock Safety ALPR system and the proposed revised contract with Flock Safety ("Flock") and provide direction regarding next steps in relation to the ALPR program in South Pasadena.

Members of the public Anne Bagasao, Bill Kelly, Barbara Eisenstein, and Sam spoke to the item in person. Members of the public Alexander Aquino and Anthony Lai spoke to the item remotely.

Questions asked and answered of staff included who owns the collected data and how can it be used by Flock; does the ALPR data become the city's data versus Flock's data; how does that relate to Flock's claim that the data is not their responsibility once shared; is the anonymized data really anonymized, and is the city effectively paying Flock to use its data to monetize it to train AI models, and sell products to other government agencies and businesses; is the city's data part of the less than 1% of national data that is retained for training; is it known as to whether South Pasadena's data is actually being used that way; how is customer data defined in the contract, and what exactly does it show; have there been violations of state laws, such as SB 34 and SB 54, in other cities using Flock or similar systems; if other agencies access the city's data through Flock, who decides to allow that sharing and how is that access technically granted and controlled in the system; for outside agencies that pull the city's data, are they required to enter a case number as well as a code and should the city require that as a local policy before authorizing sharing; if federal or out-of-state agencies** ultimately misuse shared data, could the city be in violation of state law even if the city's police department followed its own policy; is there any way for the city to know that a violation has occurred once data leaves the city's control; given Flock's business model around data sharing and regional networks, how can the city realistically lock down access to comply with California sanctuary and privacy laws and ensure other agencies aren't using the city's data for prohibited purposes such as immigration enforcement; why won't Flock accept more protective contract language around the network and data-sharing and take on responsibility for the broader network infrastructure, rather than pushing all risk to the city; why are updates and safety/security provisions not built-in automatically, like most software-as-a-service arrangements; why were the contracts seemingly on autopilot renewals given how fast the technology and legal landscape are changing; what is the duration and flexibility of the current contracts; how long is the city committed; which contract includes termination for convenience, and which does not; if the city scales back or terminates are there grant funds or other monies that must be repaid; what are the financial implications of ending one contract versus the other; did the city actually purchase the hardware or is it effectively being leased; if the city cancels the contract, will the cameras need to be returned; is it required that the city keep Flock for a fixed number of years; what cost–benefit analysis was done to justify adding the second group of 14 cameras; what is the incremental benefit of those additional cameras beyond the first 13 at city entry/exit points; how does the city's hit counts and arrests compare to other agencies using Flock; what is the benchmark for effectiveness; would scaling back cameras reduce effectiveness in a way that is unacceptable to the Police Department; does the department believe the full complement of cameras is needed, or are there low-yield locations; when cities like South Pasadena added cameras beyond the first set, what analysis did they use to decide how many to deploy; what would a hybrid model look like in practice; are other large nearby cities also looking to move away from Flock and if so, what alternatives or strategies are they pursuing; what are the realistic options for scaling back; can the city reduce cameras or contracts now without leaving a gap in coverage while alternatives are studied; can Flock separate retention for hot-list/hit plates vs. non-hotlist

plates, so that non-hit data can be kept for a shorter period; given that some states have shorter statutory retention, can the city configure similar shorter retention periods; what exactly does the audit log show; does it show which officer searched which plate, for what case number, and when; are those fields required for third-party agencies as well as the city's own officers; what training and re-training do officers receive on appropriate use, potential misuse and discipline, and protecting civil liberties and privacy; how important is this tool relative to other tools to apprehend suspects and solve crimes; if the city removed or reduced this tool, how would that impact public safety and officer safety; and how does the city balance the clear safety and investigative benefits with the privacy and civil liberty concerns of residents who fear large-scale movement tracking.

Direction to staff to not terminate anything immediately; keep the ALPR system operating while staff develops options that better balance crime prevention/investigative benefits, and privacy, data-sharing, and civil liberties concerns. Staff is to develop and bring back a "hybrid" ALPR approach, which may include reducing reliance on Flock (e.g., fewer cameras and/or fewer contracts), exploring alternative ALPR vendors or internal/standalone systems, and keeping enough Flock presence to remain on the regional network. Staff to analyze both Flock contracts (the 2022 and 2024 agreements) and report back exact expiration dates, whether any grant funds would need to be repaid if a contract is not renewed or is terminated, differences in terms, especially which agreement has termination for convenience (noted as the 2022 contract), which is cheaper to keep short-term vs. long-term. Staff to present options in March with Option A to keep both contracts in place for now and Option B to move to one contract/reduced camera deployment as part of a transition to a hybrid model. City Attorney and staff to go back to Flock and seek clarity/possible changes on termination-for-convenience language, data-sharing controls, including blocking out-of-state and federal immigration uses in compliance with SB 34 and SB 54, national lookup /network effect restrictions, and how subpoenas and other legal process clauses work in practice. Staff to update departmental ALPR policies to reflect current best practices and state law, required case numbers and offense code for searches and data downloads, audit trails, training and re-training requirements for all officers with ALPR access, explicit limits on use for law-enforcement purposes only, no personal or immigration-enforcement use, clear procedures for data-sharing with other agencies, including verification/documentation of their policies. Staff to explore reducing the retention period, especially for non-hotlist plates, and report whether Flock can technically distinguish between "hit" and "non-hit" data for shorter retention (e.g., less than 30 days). Maintain regional collaboration but pursue or strengthen inter-agency agreements that explicitly prohibit use of South Pasadena data for immigration enforcement, require compliance with California sanctuary and privacy laws, and document who has access and under what conditions.

## 16. CONSIDERATION OF A REQUEST FOR THE WAIVER OF A SPECIAL EVENT FEE ASSOCIATED WITH THE ANNUAL PARTI GRAS EVENT

Recommendation

It is recommended that the City Council consider approving a waiver of the Special Event Fee in the amount of $5,000 for the use of the Arroyo Seco Golf Course for the South

Pasadena Educational Foundation's Annual Parti Gras event.

Member of the public Rob Clyde spoke to the item in person.

Questions asked and answered of staff included whether the three-day impact on the course could be reduced; could setup start later on Friday and teardown be accelerated so the course is available again sooner on Sunday; are there ways to condense the setup/teardown schedule without compromising the event; could SPEF use different or additional crews or other production companies to speed up setup/teardown and*reduce the number of dark days on the course; is there any flexibility in staffing or scheduling to make the process more efficient; why is it necessary to rent lights for the event when the facility already has existing lighting; is there a way to apply the money now spent on rental lights toward a more permanent or efficient lighting solution at the course; what is the amount of revenue generated on that weekend in a typical year, and how does that compare to the requested $5,000 fee waiver; could the school district stadium be used instead for city events such as Fourth of July, and would it be cleaner or more efficient to formalize mutual use provisions between the city and the school district; as the city negotiates new golf course development/management agreements, can the city ensure the contracts explicitly allow and encourage community-group use, so that past situations do not reoccur where lease terms unintentionally limited community access.

Motion by Councilmember Braun, seconded by Mayor Pro Tem Ferguson to approve the staff recommendation. The motion was approved by the following roll call vote:

| | |
|---|---|
| AYES: | Councilmembers Braun, Primuth, Cacciotti, Mayor Pro Tem Ferguson, Mayor Rossi |
| NOES: | None |
| ABSENT: | None |

**PUBLIC COMMENT CONTINUED**

**17. <u>CONTINUED PUBLIC COMMENT - GENERAL</u>**
***(only if we did not complete the initial round of speakers at beginning of the meeting)***

There was no continued public comment.

**COMMUNICATIONS**

**18. COUNCILMEMBER COMMUNICATIONS**

Mayor Rossi noted that she had submitted written reports from the Arroyo Verdugo Communities Joint Powers Authority (AVCJPA) meeting held in November 2025 and the Southern California Association of Governments (SCAG) Community Economic and Human Development Committee meeting from September 2025 and they are included in the agenda packet.

Councilmember Cacciotti presented photos of recent meetings he attended and provided updates from the Gold Line Construction Authority JPA meeting.

Councilmember Braun asked staff to research the costs for wayfinding signage around the city and to have further discussion in the context of budget discussions.

Mayor Pro Tem Omari Ferguson thanked staff and Council for being accommodating and supportive while he and his family were dealing with prolonged illnesses.

**19. CITY MANAGER COMMUNICATIONS**

There were no communications from the City Manager at this time.

**ADJOURNMENT**

On order of the Mayor, the City Council meeting adjourned at 10:10 p.m., without objection.

| | |
|---|---|
| ATTEST: | APPROVED: |
| Nikima S. Newsome<br>Chief City Clerk | Sheila Rossi<br>Mayor |

**CITY OF SOUTH PASADENA**
**CITY COUNCIL MINUTES**
**JANUARY 21, 2026**

**CALL TO ORDER:**

A special joint meeting of the South Pasadena City Council and Finance Commission was called to order by Mayor Rossi at 5:16 p.m., on Wednesday, January 21, 2026, at City Council Chambers, 1424 Mission Street, South Pasadena, California 91030 and in Mexico City, Mexico.

**ROLL CALL:**

| | | |
|---|---|---|
| **FINANCE COMMISSION** | | |
| **PRESENT** | Chair | Nevin Stanton-Trehan |
| | Vice Chair | Cynthia Quade |
| | Commissioner | Y-Lo Ho |
| | Commissioner | Renee Rubin |
| **ABSENT** | Commissioner | Peter Giulioni, Jr. |
| **CITY COUNCIL** | | |
| **PRESENT** | Mayor | Sheila Rossi |
| | Mayor Pro Tem | Omari Ferguson *(remotely)* |
| | Councilmember | Janet Braun |
| | Councilmember | Jon Primuth |
| | Councilmember | Michael Cacciotti |
| **ABSENT** | None | |
| **ALSO PRESENT** | City Manager Todd Hileman | |
| | City Attorney Roxanne | |
| | Chief City Clerk Nikima Newsome | |

## 1. PUBLIC COMMENT

No general public comment was heard as this was a special meeting.

## CONSENT CALENDER

## 2. CONSIDERATION TO APPROVE UPDATED FINANCIAL POLICIES AND PROCEDURES MANUAL FOR FY 2025-2026

Recommendation
It is recommended that the City Council adopt the City's Financial Policies and Procedures Manual for 2026 as presented.

No members of the public spoke to the item.

Motion by Councilmember Cacciotti, seconded by Councilmember Braun to approve the staff recommendation. The motion was approved by the following roll call vote:

**Finance Commission:**

| | |
|---|---|
| AYES: | Commissioners Rubin, Ho, Vice Chair Quade, Chair Stanton-Trehan |
| NOES: | None |
| ABSENT: | Commissioner Giulioni |

**City Council:**

| | |
|---|---|
| AYES: | Councilmembers Braun, Primuth, Cacciotti, Mayor Pro Tem Ferguson, Mayor Rossi |
| NOES: | None |
| ABSENT: | None |

## ACTION/DISCUSSION

## 3. CONSIDERATION TO RECEIVE AND FILE THE ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) FOR FISCAL YEAR ENDED JUNE 30, 2025

Recommendation
It is recommended that the City Council and Finance Commission receive and file the annual audit reports for the year ended June 30, 2025.

No members of the public spoke to the item.

Questions asked and answered of staff included how is the city addressing staffing shortages in Finance that have been noted in the last two audits, and what has changed in the past year; would City Council like to publicly adopt or formalize the structure the

Finance Commission has adopted of creating monthly themes tied to prior audit findings; would tracking and follow-through on those audit themes remain within the Finance Commission's purview; what is the city's plan to address the deficit fund balances in the special revenue funds cited in the audit; have the account issues with the former SLUR fund, now a special revenue fund, been addressed in accordance with the audit; what steps is the city taking to mitigate rising claims costs; is the city reviewing or adjusting its insurance arrangements; how the city is managing this risk going forward; how do rising claims and premiums interact with the budgeting process; how does the city plan to manage this fund's long-term health, particularly in light of recent large claims; what are the underlying process/policy issues, beyond just staffing, that need to be addressed; what specific changes were implemented to get bank reconciliations caught up and on a more timely schedule; what new policies, checklists, and internal coordination are now in place; how out-of-date was the city's prior version of Springbrook; how will the new cloud-based Springbrook upgrade improve financial reporting, workflows, and controls; what caused the approximately $1.3 million understatement on utility-related revenues and receivables; how will that problem be prevented in future year-end closings; concerns about the Capital Projects Fund and prior practice of moving monies from special revenue funds into a single capital fund (Fund 400), which made tracking source-to-project very difficult; clarification on how those practices contributed to audit findings and confusion, and what are the plans to restructure and re-budget projects back into their original funding sources to improve transparency and tracking; how should the city treat interest income in future budgeting; should it be budgeted more conservatively and treat higher-than-expected interest as a buffer, given the volatility of interest rates; and clarification that net position does not fully reflect deferred maintenance needs, and that as the city begins to complete more capital projects, net position numbers may change and should not be misinterpreted as a negative.

Discussion ensued on topics including but not limited to appreciation for staff and the auditors for completing June 30, 2024, and June 30, 2025, audits only four months apart and returning the city to timely, unmodified (clean) financial reporting; acknowledged remaining internal control issues, particularly around financial close, reporting, and prior delays in bank reconciliations, and emphasized that these reflect not only past staffing shortages but also the need for stronger processes and policies; deficit balances in special revenue funds and the need to secure grant reimbursements; restructure the Capital Projects Fund to track projects within their original funding sources, and manage rising claims and the health of the self-insurance fund; support for the ongoing rebuild of the Finance Department and the Springbrook system upgrade, integration of a budget module and OpenGov reporting, and the commitment to begin regular monthly budget/financial reports; and highlighted the importance of sustainable funding for OPEB, conservative budgeting for volatile interest income, clearer communication about net position versus deferred maintenance, and the Finance Commission's themed work plan (e.g., IT policies, OPEB/pensions) as a tool for continued oversight and transparency.

Motion by Councilmember Cacciotti, seconded by Councilmember Braun to approve the staff recommendation. The motion was approved by the following roll call vote:

**Finance Commission:**

| | |
|---|---|
| AYES: | Commissioners Rubin, Ho, Chair Stanton-Trehan |
| NOES: | None |
| ABSENT: | Commissioner Giulioni |
| ABSTAIN: | Vice Chair Quade |

**City Council:**

| | |
|---|---|
| AYES: | Councilmembers Braun, Primuth, Cacciotti, Mayor Pro Tem Ferguson, Mayor Rossi |
| NOES: | None |
| ABSENT: | None |

**ADJOURNMENT**

On order of the Mayor, the City Council adjourned at 7:03 p.m.

ATTEST: APPROVED:

Nikima S. Newsome
Chief City Clerk

Sheila Rossi
Mayor

**CITY OF SOUTH PASADENA**
**CITY COUNCIL MINUTES**
**FEBRUARY 25, 2026**

## CALL TO ORDER:

A special meeting of the South Pasadena City Council was called to order by Mayor Rossi at 6:05 p.m., on Wednesday, February 25, 2026, at the Community Room of the South Pasadena Public Library, 1115 El Centro Street, South Pasadena, California 91030.

## ROLL CALL:

| | | |
|---|---|---|
| **PRESENT** | Mayor | Sheila Rossi |
| | Mayor Pro Tem | Omari Ferguson |
| | Councilmember | Janet Braun |
| | Councilmember | Jon Primuth |
| | Councilmember | Michael Cacciotti |
| **ABSENT** | None | |
| **ALSO PRESENT** | City Manager Todd Hileman | |
| | Acting City Attorney Travis Kaya | |
| | Chief City Clerk Nikima Newsome | |

## ACTION/DISCUSSION

### 1. FISCAL YEAR 2026-2027 CITY COUNCIL PRIORITY-SETTING STUDY SESSION FOR REVIEW AND DIRECTION

Recommendation

It is recommended that the City Council:

1. Receive a presentation from staff regarding status of existing City Council priorities, current department work plans, major accomplishments to date, and community survey results.
2. Discuss new shared City Council priorities for FY 2026-2027; and
3. Provide direction, as appropriate.

Member of the public Benjamin Bascom spoke to the item remotely.

Council provided direction to staff to: (1) develop a more formal, data-driven framework for evaluating community service and recreation programs, including standardized data collection (usage, demographics, costs, and outcomes), clear evaluation metrics, and a more consistent reservation/licensing process for facilities, and to return with information on program hours, participation, and fee structures with recommendations for adjustments; (2) integrate traffic control devices and related safety measures explicitly into a broader multimodal mobility and traffic safety strategy, with particular attention to pedestrian and school-area safety, and reflect this in future mobility/traffic materials and work plans; and (3) enhance housing policy implementation and data tracking by improving the City's inventory and monitoring of housing stock and affordable housing covenants, identifying at-risk units, and bringing forward options to better implement the current housing element and position the City for future state housing requirements. Staff was further directed to use the Councilmembers' ranked priority selections and "Other" submissions from the prioritization exercise to refine draft Council priorities and incorporate these themes into upcoming budget and work plan proposals.

**ADJOURNMENT**

On order of the Mayor, the City Council meeting adjourned at 8:05 p.m., without objection.

ATTEST:

Nikima S. Newsome
Chief City Clerk

APPROVED:

Sheila Rossi
Mayor

# City Council Agenda Report

**ITEM NO. 6**

**DATE:** March 4, 2026

**FROM:** Todd Hileman, City Manager

**PREPARED BY:** Shannon Robledo, Police Lieutenant
Davit Ghazaryan, Management Analyst

**SUBJECT:** **CONSIDERATION TO APPROVE PURCHASE ORDERS WITH SIERRA AUTO GROUP, HOM COMMUNICATIONS AND MOTOROLA SOLUTIONS INC. FOR THE PURCHASE OF AND THE OUTFITTING OF ONE 2026 CHEVROLET SILVERADO EV AND TWO 2024 CHEVROLET BLAZER EV'S USING THE CALIFORNIA HIGHWAY PATROL'S CANNABIS TAX FUND GRANT PROGRAM**

## Recommendation

It is recommended that the City Council:
1. Award a contract to Sierra Auto Group for the purchase of two 2024 Chevrolet Blazer Police Pursuit Vehicle (PPV) EV's and one 2026 Chevrolet Silverado PPV EV using the Cannabis Tax Grant funds from the expense account number 244-4010-0004-8520-000 (Machinery and Equipment) with a total not to exceed $163,000.00.
2. Award a contract to Motorola Solutions, Inc. for the purchase of three APX8500 vehicle radio systems with the amount not to exceed $34,000.00.
3. Award a contract to Hom Communications for outfitting of two Chevy Blazer EV's and one Chevy Silverado EV with the amount not to exceed $86,000.00.

4. Adopt a Resolution (Attachment 6) appropriating $35,000.00 from fund 272 (COPS grant) to the expense account number 272-4010-4018-8540 (Auto Equipment - AB 3229 99) to fully fund the outfitting for three vehicles.
5. Approve and authorize the City Manager or designee to execute the appropriate Purchase Orders.

## Executive Summary

On April 16, 2025, the South Pasadena Police Department submitted a competitive application to the California Highway Patrol (CHP) Cannabis Tax Fund Grant Program (CTFGP), which provides supplemental funding to reduce impaired driving-related fatalities, injuries, and property damage. The Department received notification of award for $309,500 from CTFGP in June 2025 and the City Council formally accepted the grant and appropriated funds in September 2025. Of the total award, $246,980 is eligible for the acquisition and outfitting of DUI/DUID enforcement vehicles, with the remaining funds allocated to checkpoint materials, personnel overtime, and advanced training.

Consistent with the City's Fleet Replacement Policy and California Air Resources Board Advanced Clean Fleet requirements, the Department selected two 2024 Chevrolet Blazer EV pursuit vehicles and one Chevrolet Silverado EV pursuit-rated enforcement truck. Sierra Auto Group was the sole responsive bidder able to meet the grant's delivery timeline. The total cost for vehicle purchases is $162,394.39, with radio equipment and outfitting totaling $118,999.08, for a combined cost of $281,393.47. Because this amount exceeds the grant-eligible vehicle allocation by $34,413, staff is requesting a $35,000 appropriation from the Citizens Option for Public Safety (COPS) Fund to cover the difference. The grant requires no local match and will be reimbursed on a quarterly basis.

**Background**

On April 16, 2025, the South Pasadena Police Department (Department) submit an application to the California Highway Patrol (CHP) Cannabis Tax Fund Grant Program (CTFGP). The purpose of this grant funding is to purchase vehicles to assist the Department with reducing and mitigating the impacts of impaired driving in our community.

On June 13, 2025, the Department was notified of the conditional approval for the CTFGP funding in the amount of $309,500.00.

On September 17, 2025, the South Pasadena City Council adopted the Resolution No. 7935 (Attachment 1) approving the acceptance of CTFGP grant funds in the amount of $309,500.00 and authorized the appropriation of Revenues and Expenditures into the Grant Fund.

**Analysis**

The California Highway Patrol (CHP) is a state agency charged with appropriating grant money associated with the CTFGP. Each grant cycle is shaped by a variety of factors, with a focus on initiatives that help reduce fatalities, injuries, and property damage resulting from driving under the influence of drugs or alcohol.

The CTFGP is intended to serve as a supplementary funding source, enhancing existing programs without replacing them. In accordance with Title 13 of the California Code of Regulations (Sections 1890.05 to 1890.07), the CHP has designated funding for the City of South Pasadena. These grants, provided through the California State Controller's Office, are awarded based on a competitive application process.

CTFGP consists of multiple cost categories as shown on Schedule B of the attached Grant Agreement (Attachment 2), which breaks down the eligible costs. Out of $309,500.00, $246,980.00 is eligible to be spent on acquiring and outfitting Driving Under the Influence (DUI)/ Driving Under the Influence of Drugs (DUID) enforcement vehicles. The remaining funds are related to DUI Checkpoint Materials and Supplies, DUI Checkpoint Personnel costs and DUI/DUID advanced training related travel expenses. Those funds will also be allocated for personnel overtime to conduct DUI and drug enforcement operations aimed at reducing impaired driving in the City of South Pasadena. These enforcement efforts will include DUI roving patrols and DUI checkpoint operations intended to discourage and prevent impaired driving behavior.

When exploring vehicle options, the Department considered and analyzed multiple criteria

such as vehicle price, availability, operational capacities and efficiency. Although this analysis was conducted prior to the adoption of the recent Fleet Replacement Policy, the evaluation criteria provided through the new policy were considered prior to making the recommendation. Even though CTFGP does not include any limitations whether vehicles purchased should be electric or gas-powered, the Department requested electric vehicles in its application to ensure compliance and consistency with current regulations, policies and practices. Specifically, SPPD took into consideration that the City of South Pasadena is subject to the California Air Resources Board (CARB) Advanced Clean Fleet (ACF) regulation, which establishes mandatory zero-emission vehicle (ZEV) purchase requirements for State and local government fleets. The analysis is included as Attachment No. 7.

The Chevrolet Blazer EV was selected as the primary platform as it is purpose-built to meet the rigorous performance and durability standards required for law enforcement pursuit duties. Specifically, the Blazer EV's PPV designation ensures it meets stringent testing for high-speed handling and braking. In evaluating vehicle options, the Department prioritized the features that ensure reliability, extended range, and rapid deployment capability during major incidents. The Blazer EV's have been vetted and adopted by peer law enforcement agencies, demonstrating operational suitability for patrol duties as well as an interior designed for duty gear. It is also officially designated to be pursuit capable, meaning it meets defined testing for pursuit performance and durability.

Based on current production times provided by the factory, the standard wait time for the two 2026 Chevrolet Blazer EV's is 21 weeks, which makes ordering the 2026 Blazer EV's not a feasible option due to the project performance period of the grant, which ends on 06/30/2026. Thus, the current availability of these vehicles and models was a key factor in determining the Department's choice and therefore we are recommending purchase of the 2024 model.

As part of the CTFGP grant the Department has also been approved to purchase one DUI/DUID Enforcement truck and as such, Chevrolet Silverado EV was chosen, considering the above-mentioned factors of the vehicle being police pursuit rated and it being engineered specifically for law enforcement needs. The Silverado EV PPV blends Chevrolet's police-specific engineering with the benefits of an electric truck platform, offering performance, utility, lower emissions, and cost advantages that make it an attractive police fleet choice. It is also the most cost-effective pursuit rated truck considering the fact that it's almost $10,000.00 cheaper than the Ford F-150 Lightning EV, it's the closest competitor.

Staff conducted a competitive solicitation; however, Sierra Auto Group was the sole responsive bidder capable of meeting the grant's strict delivery timeline and work with staff to obtain the most realistic quotes based on vehicle availability. Other dealerships either refused to provide quotes (Chevrolet of Glendale) or failed to respond to multiple requests for quotes (Chevrolet of Burbank).

The Department was quoted $54,282.93 for each of the 2024 Chevy Blazer EV's and $53,828.53 for the 2026 Chevrolet Silverado EV by Sierra Auto Group. Both quotes (Attachment 3) are for police pursuit packages. Thus, the total price for three vehicles will be $162,394.39.

The radio equipment for vehicles, which consists of a total of three APX8500 digital radios, will be purchased from Motorola Solutions Inc., a sole-source provider (Attachment 4). Vehicle upfitting will be completed by Hom Communications, an existing Police Department vendor

selected through a prior three-bid process (Attachment 5). The total cost of three radio systems and outfitting for three vehicles was quoted to be $118,999.08. The combination of costs for the vehicle purchases and full outfitting, including radios, which was is not covered by the grant, equals $281,393.47, which is $34,413.47 more than the approved grant amount eligible for vehicle and outfitting expenses.

**Fiscal Impact**
CTFGP is a reimbursement-based grant, and the City of South Pasadena will receive a grant in the amount of $309,500.00 from the FY 25/26 CTFGP Law Enforcement Grant Program, of which $246,980 is eligible to be spent on purchase and outfitting of law enforcement vehicles. No local matching funds are required for grant funds to be received. CTFGP funds will be made available as soon as reimbursement requests are submitted on a quarterly basis.

The difference between the quoted price for the vehicle purchases and outfitting versus awarded grant amount is $34,413. The Police Department is requesting an appropriation of $35,0000 from the Citizens Option for Public Safety (COPS) Fund - 272 to cover the difference.

**Commission Review and Recommendation**

This item was not reviewed by the Public Safety Commission.

Attachment:
Attachment No. 1 - Resolution_No. 7935
Attachment No. 2 - FY25-26 CTFGP Grant_Agreement
Attachment No. 3 - Vehicle Quotes
Attachment No. 4 - Motorola Sole_Source Letter and Quote
Attachment No. 5 - Outfitting Quotes
Attachment No. 6 - Resolution
Attachment No. 7 - CTFGP Vehicle Analysis

Attachment No. 1

**CITY OF SOUTH PASADENA**
**RESOLUTION NO. 7935**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH PASADENA, CALIFORNIA ACCEPTING GRANT FUNDS IN THE AMOUNT OF $309,500 AND THE EXECUTION OF A GRANT AGREEMENT, AND ANY AMENDMENTS THERETO FROM THE CALIFORNIA HIGHWAY PATROL THROUGH THE CANNABIS TAX FUND GRANT PROGRAM**

**WHEREAS,** the State of California, Department of California Highway Patrol (CHP), has awarded grant funding from its Cannabis Tax Grant Program ("Grant"); and

**WHEREAS,** the City Council of the City of South Pasadena desires to accept the grant funds for the education, prevention, and enforcement of laws related to driving under the influence of alcohol and other drugs, including cannabis; and

**WHEREAS,** the CHP Cannabis Tax Grant Program has awarded grant funding in the amount of $309,500 to cover costs for enforcement vehicles, checkpoint supplies, personnel costs associated with enforcement, and training expenses associated with driving under the influence enforcement; and

**WHEREAS,** the City Council finds and determines that acceptance of the grant funds from the State of California, CHP Cannabis Tax Grant Program could provide a benefit to the safety of the residents of South Pasadena.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SOUTH PASADENA, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:**

**SECTION 1.** . The City Council of the City of South Pasadena hereby approves the acceptance of the grant funds from the State of California, CHP Cannabis Tax Grant Program in the amount of $309,500 for the reimbursement to the City's General Fund for vehicles to be used in the enforcement of laws related to driving under the influence of alcohol and other drugs, including cannabis, checkpoint costs, related materials, and personnel costs related to training for enforcement of driving under the influence.

**SECTION 2.** The City Council of the City of South Pasadena authorizes the City Manager, or designee, to enter into, execute, and deliver the grant agreement, and any
and all subsequent amendments thereto, with the State of California for the purposes of the Grant.

**SECTION 3.** The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the Office of the City Clerk.

**PASSED, APPROVED AND ADOPTED** on this 17th day of September, 2025.

Janet Braun, Mayor

**ATTEST:**

Mark Perez, Acting Chief City Clerk

**APPROVED AS TO FORM:**

Roxanne Diaz, City Attorney

**I HEREBY CERTIFY** the foregoing resolution was duly adopted by the City Council of the City of South Pasadena, California, at a regular meeting held on the 17th day of September, by the following vote:

**AYES:** Cacciotti, Ferguson, Primuth, Rossi, Mayor Braun

**NOES:** None.

**ABSENT:** None.

**ABSTAINED:** None.

Mark Perez, Acting Chief City Clerk

**State of California**
**DEPARTMENT OF CALIFORNIA HIGHWAY PATROL**
**GRANT AGREEMENT - Page 1**

**Award Number**
**23391**

**1. GRANT TITLE**
FY25/26 CTFGP Law Enforcement - South Pasadena Police Department

**2. NAME OF ORGANIZATION/AGENCY**
South Pasadena Police Department

**3. ORGANIZATION/AGENCY SECTION TO ADMINISTER GRANT**
South Pasadena Police Department Traffic Bureau

**4. PROJECT PERFORMANCE PERIOD**
From: 07/01/2025 To: 06/30/2026

**5. PURCHASE ORDER NUMBER**

**6. GRANT OPPORTUNITY INFORMATION DESCRIPTION**
Law Enforcement grants provide financial assistance to allied agencies for the education, prevention, and the enforcement of laws related to driving under the influence of alcohol and other drugs, including cannabis and cannabis products.

The intent of the program is to educate the public regarding the dangers of impaired driving, enforce impaired driving laws on the roadway, and improve the Organization/Agency's effectiveness through training and development of new strategies.

**7. FUNDS ALLOCATED UNDER THIS GRANT AGREEMENT SHALL NOT EXCEED $309,500.00**

**8. TERMS AND CONDITIONS**
The Grantee agrees to complete the Project, as described in the Project Description. The Grantee's Grant Application, and the California Code of Regulations, Title 13, Division 2, Chapter 13, Sections 1890.00-1890.27, are hereby incorporated into this Grant Agreement by reference.

The parties hereto agree to comply with the Terms and Conditions of the following attachments:

- Schedule A – Project Description, Problem Statement, Goals and Objectives, and Method of Procedure
- Schedule B – Detailed Budget Estimate
- Schedule B-1 – Budget Narrative

We, the officials named below, hereby swear, under penalty of perjury under the laws of the State of California, that we are duly authorized to legally bind the Grant recipient to the above-described Grant Terms and Conditions.

IN WITNESS WHEREOF, this Grant Agreement is executed by the parties hereto.

**9. APPROVAL SIGNATURES**

**A. AUTHORIZED OFFICIAL OF ORGANIZATION/AGENCY**
Name: Brian Solinsky
Title: Chief of Police
Phone: (626) 403-7270

Address: 1422 Mission Street
South Pasadena, CA 91030

E-Mail: bsolinsky@southpasadenaca.gov

Brian Solinsky — Digitally signed by Brian Solinsky Date: 2025.06.25 08:27:40 -07'00' — *(Signature)*

06/25/2025 — *(Date)*

**B. AUTHORIZED OFFICIAL OF CHP**
Name: Andrew Beasley Phone: (916) 843-4360
Title: Captain Fax: (916) 322-3169

Address: 601 North 7th Street
Sacramento, CA 95811

E-Mail: ABeasley@chp.ca.gov

Andrew Beasley — Digitally signed by Andrew Beasley Date: 2025.09.09 15:54:46 -07'00' — *(Signature)*

09/09/2025 — *(Date)*

**C. ACCOUNTING OFFICER OF CHP**
Name: M. V. Fojas Phone: (916) 843-3531
Title: Commander Fax: (916) 322-3159

Address: 601 North 7th Street
Sacramento, CA 95811

E-Mail: Michelle.Fojas@chp.ca.gov

Michelle V. Fojas — Digitally signed by Michelle V. Fojas Date: 2025.09.10 12:53:22 -07'00' — *(Signature)*

09/10/2025 — *(Date)*

**10. AUTHORIZED FINANCIAL CONTACT TO RECEIVE REIMBURSEMENT PAYMENTS**

Name: William Castrillon
Title: Budget and Purchasing Manager
Phone: (626) 403-7270

Address: 1422 Mission Street
South Pasadena, CA 91030

# TERMS AND CONDITIONS

Grantee shall comply with the California Code of Regulations, Title 13, Division 2, Chapter 13 Section 1890, et seq. and all other Terms and Conditions noted in this Grant Agreement. Failure by the Grantee to comply may result in the termination of this Grant Agreement by the California Highway Patrol (hereafter referred to as State). The State will have no obligation to reimburse the Grantee for any additional costs once the Grant Agreement has been terminated.

A. EXECUTION

1. The State (the California Highway Patrol) hereby awards, to the Grantee, the sum of money stated on page one of this Grant Agreement. This funding is awarded to the Grantee to carry out the Project set forth in the Project Description and the terms and conditions set forth in this Grant Agreement.

2. The funding for this Grant Agreement is allocated pursuant to California Revenue and Taxation Code Section 34019(f)(3)(B). The Grantee agrees that the State's obligation to pay any sum under this Grant Agreement is contingent upon availability of funds disbursed from the California Cannabis Tax Fund to the State. If there is insufficient funding, the State shall have the option to either: 1) terminate this Grant Agreement; whereby, no party shall have any further obligations or liabilities under this Grant Agreement, or 2) negotiate a Grant Agreement Amendment to reduce the grant award and scope of work to be provided under this Grant Agreement.

3. The Grantee is not to commence or proceed with any work in advance of receiving notice that the Grant Agreement is approved. Any work performed by the Grantee in advance of the date of approval by the State shall be deemed volunteer work and will not be reimbursed by the State.

4. The Grantee agrees to provide any additional funding, beyond what the State has agreed to provide, pursuant to this Grant Agreement, and necessary to complete or carry out the Project, as described in this Grant Agreement. Any modification or alteration of this Grant Agreement, as set forth in the Grant Application submitted by the Grantee and on file with the State, must be submitted in writing thirty (30) calendar days in advance to the State for approval.

5. The Grantee agrees to complete the Project within the timeframe indicated in the Project Performance Period, which is on page one of this Grant Agreement.

B. PROJECT ADMINISTRATION

1. The Grantee shall submit all reimbursements, progress, performance, and/or other required reports concerning the status of work performed in furtherance of this Grant Agreement on a quarterly basis, or as requested by the State.

2. The Grantee shall provide the State with a final report showing all Project expenditures, which includes all State and any other Project funding expended, within sixty (60) calendar days after completion of this Grant Agreement.

3. The Grantee shall ensure all equipment which is purchased, maintained, operated, and/or developed is available for inspection by the State.

4. Equipment purchased through this Grant Agreement shall be used for the education, prevention, and enforcement of impaired driving laws, unless the Grantee is funding a portion of the purchased price not dedicated to impaired driving and that portion is not part of the Project costs. Equipment purchased under this Grant Agreement must only be used for approved Project-related purposes, unless otherwise approved by the State in writing.

5. Prior to disposition of equipment acquired under this Grant Agreement, the Grantee shall notify the State via e-mail, and by telephone, by calling the California Highway Patrol, Impaired Driving Section, Cannabis Grants Unit at (916) 843-4360.

C. PROJECT TERMINATION

1. Grantee or the State may terminate this Grant Agreement at any time prior to the commencement of the Project. Once the Project has commenced, this Grant Agreement may only be terminated if the party withdrawing provides thirty (30) calendar days written notice of their intent to withdraw.

    a. If by reason of force majeure the performance hereunder is delayed or prevented, then the term end date may be extended by mutual consent for the same amount of time of such delay or prevention. The term “force majeure” shall mean any fire, flood, earthquake, or public disaster, strike, labor dispute or unrest, embargo, riot, war, insurrection or civil unrest, any act of God, any act of legally constituted authority, or any other cause beyond the Grantee’s control which would excuse the Grantee’s performance as a matter of law.

    b. Grantee agrees to provide written notice of an event of force majeure under this Grant Agreement within ten (10) calendar days of the commencement of such event, and within ten (10) calendar days after the termination of such event, unless the force majeure prohibits Grantee from reasonably giving notice within this period. Grantee will give such notice at the earliest possible time following the event of force majeure.

2. Any violations of law committed by the Grantee, misrepresentations of Project information by the Grantee to the State, submission of falsified documents by the Grantee to the State, or failure to provide records by the Grantee to the State when requested for audit or site visit purposes may be cause for termination. If the Project is terminated for the reasons described in this paragraph, the State will have no obligation to reimburse the Grantee for any additional costs once the Grant Agreement has been terminated.

3. The State may terminate this Grant Agreement and be relieved of any payments should the Grantee fail to perform the requirements of this Grant Agreement at the time and in the manner herein provided. Furthermore, the Grantee, upon termination, shall return grant funds not expended by the Grantee as of the date of termination.

4. If this Grant Agreement is terminated, the State may choose to exclude the Grantee from future Grant Opportunities.

D. FINANCIAL RECORDS

1. The Grantee agrees the State, or their designated representative, shall have the right to review and to copy all records and supporting documentation pertaining to the performance of this Grant Agreement. Grantee agrees to maintain such records for possible audit for a minimum of five (5) years after final payment, unless a longer period of records retention is stipulated or required by law. Grantee agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Furthermore, the Grantee agrees to include a similar right for the State to audit all records and interview staff in any subcontract related to performance of this Grant Agreement.

E. HOLD HARMLESS

1. The Grantee agrees to indemnify, defend, and save harmless the State, its officials, agents and employees from any and all claims and losses accruing or resulting to any and all Grantee’s staff, contractors, subcontractors, suppliers, and other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Grant Agreement, and from any and all claims and losses accruing or resulting to any person, agency, firm, corporation who may be injured or damaged by the Grantee in performance of this Grant Agreement.

F. NONDISCRIMINATION

1. The Grantee agrees to comply with State and federal laws outlawing discrimination, including, but not limited to, those prohibiting discrimination because of sex, race, color, ancestry, religion, creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (including cancer or genetic characteristics), sexual orientation, political affiliation, position in a labor dispute, age, marital status, and denial of statutorily-required employment-related leave. (GC 12990 [a-f] and CCR, Title 2, Section 8103.)

G. AMERICANS WITH DISABILITIES ACT

1. The Grantee assures the State it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)

H. DRUG-FREE WORKPLACE

1. The Grantee shall comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

    a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.

    b. Establish a Drug-Free Awareness Program to inform employees about:

        i. The dangers of drug abuse in the workplace.

        ii. The person's or Organization/Agency's policy of maintaining a drug-free workplace.

        iii. Any available counseling, rehabilitation, and employee assistance programs.

        iv. Penalties that may be imposed upon employees for drug abuse violations.

    c. Every employee who works on the Project will:

        i. Receive a copy of the company's drug-free workplace policy statement.

        ii. Agree to abide by the terms of the company's statement as a condition of employment on the Grant Agreement.

2. Failure to comply with these requirements may result in suspension of payments under this Grant Agreement, or termination of this Grant Agreement, or both, and Grantee may be ineligible for award of any future Grant Agreements if the department determines that any of the following has occurred:

    a. The Grantee has made false certification or violated the certification by failing to carry out the requirements, as noted above. (GC 8350 et seq.)

I. LAW ENFORCEMENT AGENCIES

1. All law enforcement Organization/Agency/Agency Grantees shall comply with California law regarding racial profiling. Specifically, law enforcement Organization/Agency/Agency Grantees shall not engage in the act of racial profiling, as defined in California Penal Code Section 13519.4.

J. LABOR CODE/WORKERS' COMPENSATION

1. The Grantee is advised and made aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and Grantee affirms to comply with such provisions before commencing the performance of the work of this Grant Agreement, (refer to Labor Code Section 3700).

K. GRANT APPLICATION INCORPORATION

1. The Grantee agrees the Grant Application and any subsequent changes or additions approved or required by the State is hereby incorporated into this Grant Agreement.

L. STATE LOBBYING

1. The Grantee is advised that none of the funds provided under this Grant Agreement may be used for any activity specifically designed to urge or influence a state or local legislator to favor or oppose the adoption of any specific legislative proposal pending before any state or local legislative body. Such activities include both direct and indirect (e.g., “grassroots”) lobbying activities, with one exception. This does not preclude a state official, whose salary is supported by this Grant Agreement, from engaging in direct communications with the state or local legislative officials, in accordance with customary state and/or local practice.

M. REPRESENTATION AND WARRANTIES

1. The Grantee represents and warrants that:

    a. It is validly existing and in good standing under the laws of the State of California, has, or will have the requisite power, authority, licenses, permits, and the like necessary to carry on its business as it is now being conducted and as contemplated in this Grant Agreement, and will, at all times, lawfully conduct its business in compliance with all applicable federal, state, and local laws, regulations, and rules.

    b. It is not a party to any Grant Agreement, written or oral, creating obligations that would prevent it from entering into this Grant Agreement or satisfying the terms herein.

    c. If the Grantee is a Nonprofit Organization/Agency, it will maintain its “Active” status with the California Secretary of State, maintain its “Current” status with the California Attorney General’s Registry of Charitable Trusts, and maintain its federal and State of California tax-exempt status. If the Grantee subcontracts with a Nonprofit as part of this Grant Agreement, the Grantee shall ensure the Nonprofit will maintain its “Active” status with the California Secretary of State, maintain its “Current” status with the California Attorney General’s Registry of Charitable Trusts, and maintain its federal and State of California tax-exempt status.

    d. All of the information in its Grant Application and all materials submitted are true and accurate.

N. AIR OR WATER POLLUTION VIOLATION

1. Under the state laws, the Grantee shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

## TERMS AND CONDITIONS

O. GRANTEE NAME CHANGE

1. Grantee agrees to immediately inform the State, in writing, of any changes to the name of the person within the Organization/Agency/Agency with delegated signing authority.

2. An Amendment is required to change the Grantee's name, as listed on this Grant Agreement. Upon receipt of legal documentation of the name change, the State will process the Amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said Amendment.

P. RESOLUTION

1. A county, city, district, or other local public body shall provide the State with a copy of a resolution, order, motion, or ordinance of the local governing body, which by law, has authority to enter into a Grant Agreement, authorizing execution of the Grant Agreement.

Q. PAYEE DATA RECORD FORM STD. 204

1. This form shall be completed by all non-governmental Grantees.

R. FINANCIAL INFORMATION SYSTEM FOR CALIFORNIA GOVERNMENT AGENCY TAXPAYER ID FORM

1. This form shall be completed by all Grantees.

S. CONFLICT OF INTEREST

1. This section serves to make the Grantee aware of specific provisions related to current or former state employees. If Grantee has any questions regarding the status of any person rendering services or involved with the Grant Agreement, the Grantee shall contact the State (California Highway Patrol, Impaired Driving Section, Cannabis Grants Unit) immediately for clarification.

2. Current State Employees:

    a. No officer or employee shall engage in any employment, activity, or enterprise, from which the officer or employee receives compensation or has a financial interest, and which is sponsored or funded by any state agency, unless the employment, activity, or enterprise is required, as a condition of regular state employment.

    b. No officer or employee shall contract on their own behalf, as an independent Grantee, with any state agency to provide goods or services.

3. Former State Employees:

    a. For the two-year period from the date they left state employment, no former state officer or employee may enter into a contract in which they engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant to this Grant Agreement while employed in any capacity by any state agency.

    b. For the 12-month period from the date they left state employment, no former state officer or employee may enter into a contract with any state agency if they were employed by that state agency in a policy-making position in the same general subject area as the proposed Grant Agreement within the 12-month period prior to their leaving state service.

4. The authorized representative of the Grantee Organization/Agency, named within this Grant Agreement, warrants their Organization/Agency and its employees have no personal or financial interest and no present or past employment or activity, which would be incompatible with

participating in any activity related to this Grant Agreement. For the duration of this Grant Agreement, the Organization/Agency and its employees will not accept any gift, benefit, gratuity or consideration, or begin a personal or financial interest in a party who is associated with this Grant Agreement.

5. The Grantee Organization/Agency and its employees shall not disclose any financial, statistical, personal, technical, media-related, and/or other information or data derived from this Grant Agreement, made available for use by the State, for the purposes of providing services to the State, in conjunction with this Grant Agreement, except as otherwise required by law or explicitly permitted by the State in writing. The Grantee shall immediately advise the State of any person(s) who has access to confidential Project information and intends to disclose that information in violation of this Grant Agreement.

6. The Grantee will not enter into any Grant Agreement or discussions with third parties concerning materials described in paragraph five (5) prior to receiving written confirmation from the State that such third party has a Grant Agreement with the State, similar in nature to this one.

7. The Grantee warrants that only those employees who are authorized and required to use the materials described in paragraph 5 will have access to them.

8. If the Grantee violates any provisions in the above paragraphs, such action by the Grantee shall render this Grant Agreement void.

T. EQUIPMENT-USE TERMS

1. The Grantee agrees any equipment purchased under this Grant Agreement shall be used for impaired driving efforts.

2. Law Enforcement Projects:

   a. Oral Fluid Drug Screening Devices and Cannabis/Marijuana Breath Testing Equipment - The Grantee agrees to ensure all personnel using road-side drug testing equipment, including oral fluid drug testing devices and/or cannabis/marijuana breath testing devices, purchased with grant funds from this Grant Agreement, are trained to recognize alcohol and drug impairment. At a minimum, personnel using these devices should receive Standardized Field Sobriety Testing training. These personnel are also encouraged to attend Advanced Roadside Impaired Driving Enforcement and Drug Recognition Evaluator training. Prior to using these devices, the Grantee agrees to obtain permission from their local prosecutor's office, establish a policy ensuring appropriate use, and require the staff using these devices to receive appropriate training, which may include training from the manufacturer. This will help ensure the equipment is used appropriately. The Grantee shall advise the State (California Highway Patrol, Impaired Driving Section, Cannabis Grants Unit) of any legal challenges or other items of significance that may affect the use or legal acceptance of these devices. Additionally, the State may request additional information about the performance of these devices, including information about their use, accuracy, and feedback from personnel using the devices.

   b. Law Enforcement Vehicles – The Grantee agrees any law enforcement vehicles purchased with Grant funds, from this Grant Agreement, will be primarily used for the enforcement of driving under the influence laws and/or providing public education, related to the dangers of driving under the influence. Additionally, any vehicle purchased using funds from this Grant Agreement shall comply with all California Vehicle Code and California Code of Regulation requirements. The State may require the Grantee to mark these vehicles with a decal and/or emblem, indicating the vehicle is used for driving under the influence enforcement.

# Schedule A

**South Pasadena Police Department**

**All grant awards, including any adjustments to requested funding, were made by the Cannabis Grants Unit based on the merits of the Grant Application, scale of operation, and in accordance with the Request for Application (RFA) requirements and associated regulations. As a result, not all Project activities and items detailed in Schedule A are applicable. Refer to Schedule B - Detailed Budget Estimate for approved Budget line items and Project activities. Project activities and items that are not clearly identified/specified in the Grant Agreement must be submitted to and approved by CGU prior to purchase.**

**Project Description**

The Project will provide training to officers to help them recognize and identify DUI/DUID drivers, public education to increase awareness on the dangers of driving under the influence, and increased enforcement activities to help combat the increase of DUI/DUID cases in our local community. Enforcement activities will increase visible police presence in an effort to reduce impaired driving injuries and deaths.

**Problem Statement & Proposed Solution**

**Problem Statement:**

The City of South Pasadena is located in the west San Gabriel Valley in Los Angeles County. The City encompasses 3.4 square miles and is home to approximately 25,600 residents. Though predominately a residential city, South Pasadena lies in between several major freeway systems, including Highway 134, Highway 60, 110 Parkway, and the 210, 710, and 10 freeways. There are multiple major surface arterial streets that bisect the city and connect these freeway systems together, increasing the volume of commuter traffic. A 2014 traffic flow study conducted by Minagar and Associates showed that the daytime population increased to approximately 138,000, a population increase of over 112,000 members.

Between 2022 and 2024, there was an average of one fatal traffic crash a year and one pedestrian killed. In 2022, there was one fatal crash between a vehicle and a pedestrian, and one person was killed in a traffic crash. In 2023, there were two fatal crashes, both of which involved impaired driving. In 2024, there were no crashes that resulted in fatalities. As of 2024, 115 persons were injured in 83 crashes, with speed being the most frequent primary collision factor. Checkpoints have historically been conducted when staffing permits and staffing shortages have become all too common in law enforcement. Additionally, as officers have been trained in ARIDE and SFST, DUI arrests have increased substantially. Officers made 58 DUI arrests in 2022, 101 DUI arrests in 2023, and 88 DUI arrests in 2024.

The South Pasadena Police Department intends to educate commuters through enforcement within the geographic areas and time frames with the highest reported incidents. The City hopes to reduce alcohol related injury crashes and increase driver safety awareness by focusing on these areas. In 2024, the South Pasadena Police Department handled 28,669 calls for service. Our average staffing levels at the time consisted of three patrol officers and one supervisor.

The South Pasadena Police Department is a small law enforcement agency with limited budget and limited patrol vehicles that can be dedicated to DUI/DUID saturation patrols. The truck we use to transport our DUI checkpoint supplies is past its service life and may be put out of service if there is a mechanical issue that requires major repair, as the City no longer supports gas-powered vehicles (as major funds were spent by the City to provide infrastructure to charge electric vehicles).

The South Pasadena Police Department embraces its role in traffic safety to advance equity and prioritize its traffic safety efforts toward all city areas, all community members, and all community guests who visit the city. Traffic enforcement and traffic education are data-driven and geared to provide all vehicle traffic, bicycle traffic, and pedestrian traffic safety. The South Pasadena Police Department is sensitive to community desires and needs and strives to include the voice of every community member and community visitor. The South Pasadena Police Department is committed to taking a comprehensive, inclusive, and equitable approach to delivering education, enforcement, and outreach programs to educate the public and save lives on all of its roadways for all types of roadway users (transit, bicycle, vehicle, shared mobility, pedestrian, etc.).

# Schedule A

**Proposed Solution:**
The City's proposed solution to the problem is to send officers to specialized law enforcement training in DUI/DUID (to include SFST/ARIDE), educate the public on the danger ofDUI/DUID, and support DUI enforcement with equipment. Providing officers specialized training in DUI/DUID investigations will provide the officers that patrol the City with the critical ability to identify, locate and apprehend DUI/DUID drivers (during day and night shifts) thus reducing DUI/DUID related incidents. Out of the 24 sworn officers assigned to patrol, only 17 have been to certified SFST/ARIDE training. The department sends all officers to the Cavanaugh and Associates DUI Seminar in Laguna Woods, CA in order to provide them with certified SFST/ARIDE training that also includes training on symptomology. toxicology, driving cues, report preparation, and courtroom testimony.

The proposed solution includes conducting 10 (8-hour) directed DUI/DUID saturation details during the fiscal grant year. Four (4) SFST/ARIDE trained officers will work together in pairs of two to locate and carry out DUI/DUID enforcement within the city limits of South Pasadena to reduce the amount of DUI/DUID incidents.

Officers will utilize two (2) dedicated DUI enforcement vehicles obtained through grant project funding to facilitate the DUI/DUID saturation details. The dedicated DUI traffic enforcement vehicles will be fully equipped with emergency lighting, a siren, a public address system, a police radio, prisoner transport equipment, and police graphics to convey to the public the purpose of the vehicles.

The South Pasadena Police Department conducts most of our DUI/DUID public education during DUI/DUID checkpoints. Every driver that passes through the checkpoint is given resources that highlight the dangers and consequences of DUI/DUID. The proposed solution includes conducting two (2) DUI Checkpoints during the fiscal grant year to educate the public on the dangers and consequences of DUI/DUID and to reduce the amount of DUI/DUID related incidents. A truck to transport checkpoint supplies from the station to the checkpoint location is desperately needed to continue conducting DUI/DUID checkpoints. In addition, the department is in need of lights that do not require to be plugged into a generator, as the current generator is past its serviceable life.

To accomplish the proposed solution, the following budget items are requested:

- Training:
  a. Four(4) Police officers will be trained in SFST/ARIDE at the Cavanaugh and Associates DUI Seminar in Laguna Woods, CA.
- Enforcement Overtime Salary:
  a. Ten (10) DUI Saturation Patrols - 8-hour details (Comprised of four officers paired into two-person enforcement teams).
- Equipment:
  a. Two (2) DUI Enforcement Vehicles
  b. One (1) DUI Checkpoint pickup truck
  c. Four (4) chargeable/wireless lights for DUI checkpoints

**Performance Measures/Scope of Work**
10 DUI Saturation Patrols (Q1 = 2, Q2 = 2, Q3 = 3, Q4 = 3): Aim to reduce DUI/DUID injury and fatal collisions between 2100-0400 hours by 10%, which will improve roadway safety in the community. The patrols will be funded on an overtime basis.

4 officers trained in SFST/ARIDE (Q1 = 2, Q2 = 2): Send officers to Cavanaugh and Associates DUI Seminar to increase the amount of officers that can work DUI saturation patrols. This DUI seminar combines SFST and ARIDE curriculum into a one-week course and also includes an alcohol workshop, DUI report writing, effects of drugs and alcohol combinations, and court testimony training. This seminar is only held three times a year in Laguna Woods, CA.

2 DUI Checkpoints ( Q3 = 1, Q4 = 1): Aim to educate 1000 drivers contacted of the dangers/consequences of DUI/DUID, which will reduce the number of impaired drivers in the community.

4 portable/chargeable/wireless lights ( Q1 = purchase, Q2 = receive, Q3-Q4 = Use to complete DUI checkpoints and education): the lights will be utilized during DUI checkpoints to maximize driver/officer safety and comply with Title XVII regulations.

## Schedule A

2 DUI/DUID Enforcement vehicles (Q1 = purchase, Q2 = receive and outfit, Q3-Q4 = Use to complete DUI/DUID saturation patrols): The vehicles will supplement the limited number of patrol vehicles and will be dedicated to DUI/DUID saturation patrols.

1 DUI checkpoint pickup truck (Q1 = purchase, Q2 = receive and outfit, Q3-Q4 = Use to complete DUI checkpoints): The truck will be used to carry equipment to and from DUI checkpoint locations and will be a high visibility notification to the public of DUI checkpoint education/enforcement.

**Project Performance Evaluation**

The South Pasadena Police Department will utilize data compiled during the grant term to complete a final evaluation in the fourth/final quarter of the project. The final evaluation will provide a summary of the grant's accomplishments, challenges, and significant activities. The final evaluation will also include whether the goals and objectives were met, or exceeded, or an explanation of why objectives were not complete.

The South Pasadena Police Department already tracks traffic collision and DUI/DUID data for internal and external stakeholders. Gathered data will be utilized to compare data obtained during the grant year and years prior to track increases or decreases. This data will provide information on the success of the grant performance measures. The South Pasadena Police Department will compile statistics on DUI, DUI traffic collisions, DUI injury traffic collisions, and DUI traffic fatalities for quarterly evaluations.

**Program Sustainability**

Obtaining specialized equipment through this grant project, including dedicated DUI/DUID Enforcement Vehicles, a dedicated DUI Checkpoint truck, checkpoint lighting equipment, and advance DUI/DUID training is crucial to the success of the project. The dedicated DUI/DUID vehicles, DUI Checkpoint truck, and checkpoint lighting equipment will be utilized to assist the City's efforts to deter, identify, and prosecute DUI/DUID cases for many years after the grant has ended. Once the backlog of officers that are lacking advanced DUI/DUID investigation trainings is cleared, the City will be able to send officers to advanced training as they are hired and complete field training (the backlog caused by training cancelation for years due to the enduring COVID-19 pandemic). The City would not need to replace this equipment for many years, and has a track record of using equipment past the estimated serviceable life.

**Administrative Support**

The South Pasadena Police Department Traffic Bureau Supervisor, Cpl. Sanchez, has successfully managed four OTS STEP grants. Records are maintained and statistics are regularly updated by Corporal Sanchez, who will also be the grant coordinator and administrative contact for this grant. Statistical records are compiled by Corporal Sanchez for accurate reporting. The City of South Pasadena Finance Department handles the processing/bookkeeping of grant funds for OTS grant billing/reimbursement. The South Pasadena Police Department is adequately staffed and motivated to meet the grant performance measures and scope of work.

# Schedule B

## Detailed Budget Estimate

| Award Number | Organization/Agency | Total Amount |
|---|---|---|
| 23391 | South Pasadena Police Department | $309,500.00 |

| Cost Category | Line Item Name | Total Cost to Grant |
|---|---|---|
| **Other Direct Costs** | | |
| | DUI Checkpoint Material and Supplies | $12,800.00 |
| | DUI/DUID Vehicle (Mustang) - Outfitting | $33,700.00 |
| | DUI/DUID Vehicle (Truck) - Outfitting | $16,850.00 |
| | DUI/DUID Vehicle (Mustang) - Decals/Graphics | $3,300.00 |
| | DUI/DUID Vehicle (Truck) - Decals/Graphics | $1,650.00 |
| | Cavanaugh & Associates - Registration Fees | $2,480.00 |
| **Category Sub-Total** | | **$70,780.00** |
| **Personnel** | | |
| | DUI Checkpoint | $15,000.00 |
| | DUI Saturation Patrol | $30,000.00 |
| **Category Sub-Total** | | **$45,000.00** |
| **Travel** | | |
| | DUI/DUID Advanced Training | $4,720.00 |
| **Category Sub-Total** | | **$4,720.00** |
| **Equipment** | | |
| | DUI/DUID Vehicle (Mustang) | $107,000.00 |
| | DUI/DUID Enforcement Vehicles (Truck) | $82,000.00 |
| **Category Sub-Total** | | **$189,000.00** |

| | |
|---|---|
| **Grant Total** | **$309,500.00** |

# Schedule B-1
# Budget Narrative

**South Pasadena Police Department**

Prior to engaging in grant-funded Saturation Patrols, DUI Checkpoints, or other enforcement activities in areas where the grantee does not have primary traffic jurisdiction, the grantee should consult with the agency having primary traffic jurisdiction.

**Other Direct Costs**

**DUI/DUID Vehicle (Mustang) - Outfitting**
$33,700.00
2 in-vehicle police radios at $10,000 each
2 DUI/DUID vehicle outfitting at $6,850 each (this is the total price of outfitting the vehicle with a prisoner compartment, overhead light bar, spotlights, emergency lighting, PA system, and siren; the installer only provided the total cost of outfitting including parts and labor)

**DUI/DUID Vehicle (Truck) - Outfitting**
$16,850.00
1 in-vehicle police radio at $10,000
1 vehicle outfitting at $6,850 (this is the total price of outfitting the vehicle with a push bar, overhead light bar, spotlights, emergency lighting, PA system, and siren; the installer only provided the total cost of outfitting including parts and labor)

**DUI/DUID Vehicle (Mustang) - Decals/Graphics**
$3,300.00
2 DUI/DUID enforcement vehicle wraps and reflective decals at $1,650 each

**DUI/DUID Vehicle (Truck) - Decals/Graphics**
$1,650.00
DUI/DUID enforcement vehicle wrap and reflective decals at $1,650

**Cavanaugh & Associates - Registration Fees**
$2,480.00
Registration fees for Cavanaugh & Associates DUI Seminar (DUI/DUID Advanced Training) for 4 officers at $620 each

**DUI Checkpoint Material and Supplies**
$12,800.00
4 Fox Fury portable/chargeable/wireless scene lights @ $2,400 each.
4 Fox Fury scene lights protective carrying cases @ $800 each.

**Personnel**

**DUI Saturation Patrol**
$30,000.00
10 DUI Saturation Patrols = $3,000 4 officers per patrol / Officer = OT $83.33 average per hour / 9 hours per patrol

**DUI Checkpoint**
$15,000.00
2 DUI Checkpoints = $7,500 10 officers per checkpoint / Officer = OT $83.33 average per hour / 9 hours per checkpoint

# Schedule B-1
# Budget Narrative

**South Pasadena Police Department**

Prior to engaging in grant-funded Saturation Patrols, DUI Checkpoints, or other enforcement activities in areas where the grantee does not have primary traffic jurisdiction, the grantee should consult with the agency having primary traffic jurisdiction.

**Travel**

**DUI/DUID Advanced Training**
$4,720.00
4 Officers to attend Cavanaugh and Associates DUI Seminar in Laguna Woods, CA at an average cost of $1,180 each to include lodging, mileage, and per diem (meals) at allowable state rates.
This DUI seminar combines SFST and ARIDE curriculum into a one-week course and also includes an alcohol workshop, DUI report writing, effects of drugs and alcohol combinations, and court testimony training. This seminar is only held three times a year in Laguna Woods, CA.

**Equipment**

**DUI/DUID Enforcement Vehicles (Truck)**
$82,000.00
1 DUI Checkpoint truck (Ford F-150 Lighting XLT, base cost of $82,000 including tax, title, and processing fees)

**DUI/DUID Vehicle (Mustang)**
$107,000.00
2 DUI/DUID Enforcement vehicles (Ford Mustang Mach-E Select, base cost of $53,500 each including tax, title and processing fees)

| BUYER | CO-BUYER | Deal #: | 17981 |
|---|---|---|---|
| CITY OF SOUTH PASADENA<br>1422 MISSION ST<br>SOUTH PASADENA, CA 91030-3214<br>**Cell #:** (626) 403-7273<br>**Email:** dghazaryan@southpasadenaca.gov | | **Deal Type:** | Retail |
| | | **Deal Date:** | 01/29/2026 |
| | | **Print Time:** | 10:01am |
| | **Salesperson:** | DOUGLAS SIEVERTSON | |

**VEHICLE**

| | | | | |
|---|---|---|---|---|
| **New** ☑ | **Stock #:** | **Description:** | **VIN:** | **Mileage:** |
| **Used** ☐ | | 2024 CHEVROLET TRUCK BLAZER EV PPV | | |
| **Demo** ☐ | | | | |

**TRADE**

| | | |
|---|---|---|
| MSRP: | $ | 61,296.00 |
| Discount: | $ | 12,296.00 |
| **Net Cost:** | **$** | **49,000.00** |
| Service Agreement: | $ | 0.00 |
| Total Trade Allowance: | $ | 0.00 |
| **Trade Difference:** | **$** | **49,000.00** |
| Doc Fee: | $ | 85.00 |
| State & Local Taxes: | $ | 5,153.93 |
| Total License and Fees: | $ | 44.00 |
| **Total Cash Price:** | **$** | **54,282.93** |
| Total Trade Payoff: | $ | 0.00 |
| **Delivered Price:** | **$** | **54,282.93** |
| Cash Down Payment + Deposit: | $ | 0.00 |
| **Sub Total:** | **$** | **54,282.93** |
| Maintenance Agreement: | $ | 0.00 |
| GAP Insurance: | $ | 0.00 |
| Credit Life, Accident & Health: | $ | 0.00 |
| **Amount Financed:** | **$** | **54,282.93** |

Rate:
Amount Financed: $ 54,282.93

| BUYER | CO-BUYER | Deal #: | 17980 |
|---|---|---|---|
| CITY OF SOUTH PASADENA<br>1422 MISSION ST<br>SOUTH PASADENA, CA 91030-3214<br>**Cell #:** (626) 403-7273<br>**Email:** dghazaryan@southpasadenaca.gov | | **Deal Type:** | Retail |
| | | **Deal Date:** | 02/05/2026 |
| | | **Print Time:** | 05:03pm |
| | | **Salesperson:** | DOUGLAS SIEVERTSON |

## VEHICLE

| New | Used | Demo | Stock # | Description | VIN | Mileage |
|---|---|---|---|---|---|---|
| ☑ | ☐ | ☐ | | 2026 CHEVROLET TRUCK SILVERADO EV | 4WT | |

## TRADE

| | | |
|---|---|---|
| MSRP: | $ | 55,924.00 |
| Discount: | $ | 7,335.00 |
| **Net Cost:** | **$** | **48,589.00** |
| Service Agreement: | $ | 0.00 |
| Total Trade Allowance: | $ | 0.00 |
| **Trade Difference:** | **$** | **48,589.00** |
| Doc Fee: | $ | 85.00 |
| State & Local Taxes: | $ | 5,110.78 |
| Total License and Fees: | $ | 43.75 |
| **Total Cash Price:** | **$** | **53,828.53** |
| Total Trade Payoff: | $ | 0.00 |
| **Delivered Price:** | **$** | **53,828.53** |
| Cash Down Payment + Deposit: | $ | 0.00 |
| **Sub Total:** | **$** | **53,828.53** |
| Maintenance Agreement: | $ | 0.00 |
| GAP Insurance: | $ | 0.00 |
| Credit Life, Accident & Health: | $ | 0.00 |
| **Amount Financed:** | **$** | **53,828.53** |

Rate:
Amount Financed: $ 53,828.53

Motorola Solutions, Inc
415 E Exchange Pkwy
Allen, TX 75002-2616

October 13, 2025

Subject: Motorola Solutions – ASTRO25 APX RADIO EQUIPMENT

Dear South Pasadena Police Department,

Motorola Solutions, Inc. (“Motorola”) is the market leader in radio communications systems and products for the U.S. Government and Public Safety Market and is pleased to have the city of South Pasadena , CA as a valued customer. The ASTRO25 radio subscribers we design and manufacture contain proprietary hardware and software components which are not commercially available except through Motorola and its channel partners.

The Motorola Radio Equipment and Options that will be purchased by the city of South Pasadena Police Department can be used on their existing Motorola ASTRO P25 Trunked System that ICI Member agencies currently operate. These radios will operate on P25 Trunked equipment that has proprietary features operating on Motorola Solutions core equipment located at the Glendale Master Site.

Furthermore, authorized warranty, maintenance and support services for Motorola systems and hardware and software products are provided by Motorola and its network of authorizedand trained service providers. Motorola maintains a parts and accessories inventory sufficient to support its warranty, maintenance and support services obligations. These parts and accessories
are manufactured either by Motorola or for Motorola subject to Motorola’s specifications and other
requirements.

If you have any question regarding our radio equipment, please contact your Account Executive, Brett Cox

Sincerely,
Motorola Solutions Inc,
Brett Cox
Account Executive

MOTOROLA SOLUTIONS

QUOTE-3468379
(3) APX8500 single 07 CH

Billing Address:
SOUTH PASADENA POLICE DEPT
1414 MISSION ST
CITY OF SOUTH PASADENA
ATTN FINANCE DEPARTMENT
SOUTH PASADENA, CA 91030
US

Shipping Address:
SOUTH PASADENA, CITY OF
817 MOUND AVE
SOUTH PASADENA, CA 91030
US

Quote Date:01/21/2026
Expiration Date:03/22/2026
Quote Created By:
Dianne Kiehne
Dianne.Kiehne@motorolasolutions.com

End Customer:
SOUTH PASADENA POLICE DEPT
Davit Ghazaryan
dghazaryan@southpasadenaca.gov
(626) 319-1975

Contract: 18105 - LA COUNTY , CA MA-IS-2240228
Freight Terms:FREIGHT PREPAID
Payment Terms:30 NET

| Line # | Item Number | Description | Qty | List Price | Sale Price | Ext. Sale Price |
|---|---|---|---|---|---|---|
| | APX™ 8500 | | | | | |
| 1 | M37TSS9PW1AN | MOBILE RADIO APX8500 ALL BAND MP | 3 | $6,558.00 | $4,787.34 | $14,362.02 |
| 1a | G851AG | ADD: AES/DES-XL/DES-OFB ENCRYP APX AND ADP | 3 | $941.00 | $686.93 | $2,060.79 |
| 1b | GA00250AA | ADD: GNSS/BT-WIFI THRU MNT ANT, 17FT LOW LOSS PFP-100A/240, QMA | 3 | $118.00 | $86.14 | $258.42 |
| 1c | G996AS | SOFTWARE LICENSE ENH: OVER THE AIR PROVISIONING | 3 | $118.00 | $86.14 | $258.42 |
| 1d | GA00580AA | ADD: TDMA OPERATION | 3 | $530.00 | $386.90 | $1,160.70 |
| 1e | GA01513AB | ADD: ALL BAND MOBILE ANTENNA (7/8/V/U) | 3 | $112.00 | $81.76 | $245.28 |
| 1f | G51AT | SOFTWARE LICENSE ENH:SMARTZONE | 3 | $1,766.00 | $1,289.18 | $3,867.54 |
| 1g | G78AT | ENH: 3 YEAR ESSENTIAL SVC | 3 | $288.00 | $288.00 | $864.00 |
| 1h | GA09001AA | ADD: WI-FI CAPABILITY | 3 | $353.00 | $257.69 | $773.07 |
| 1i | G298AS | SOFTWARE LICENSE ENH: ASTRO 25 OTAR W/ MULTIKEY | 3 | $871.00 | $635.83 | $1,907.49 |
| 1j | B18CR | ADD: AUXILIARY SPKR 7.5 WATT APX | 3 | $71.00 | $51.83 | $155.49 |

Any sales transaction following Motorola's quote is based on and subject to the terms and conditions of the valid and executed written contract between Customer and Motorola (the ""Underlying Agreement"") that authorizes Customer to purchase equipment and/or services or license software (collectively ""Products""). If no Underlying Agreement exists between Motorola and Customer, then Motorola's Standard Terms of Use and Motorola's Standard Terms and Conditions of Sales and Supply shall govern the purchase of the Products.
Motorola Solutions, Inc.: 500 West Monroe, United States - 60661 ~ #: 36-1115800

| Line # | Item Number | Description | Qty | List Price | Sale Price | Ext. Sale Price |
|---|---|---|---|---|---|---|
| 1k | G444AH | ADD: APX CONTROL HEAD SOFTWARE | 3 | $0.00 | $0.00 | $0.00 |
| 1l | GA01517AA | DEL: NO J600 ADAPTER CABLE NEEDED | 3 | $0.00 | $0.00 | $0.00 |
| 1m | G806BL | SOFTWARE LICENSE ENH: ASTRO DIGITAL CAI OP APX | 3 | $607.00 | $443.11 | $1,329.33 |
| 1n | W22BA | ADD: STD PALM MICROPHONE APX | 3 | $85.00 | $62.05 | $186.15 |
| 1o | G361AH | SOFTWARE LICENSE ENH: P25 TRUNKING SOFTWARE APX | 3 | $353.00 | $257.69 | $773.07 |
| 1p | G67DG | ADD: REMOTE MOUNT 07 MP | 3 | $350.00 | $255.50 | $766.50 |
| 1q | GA00805AA | ADD: APX O7 CONTROL HEAD (STANDARD KEYPAD) | 3 | $744.00 | $543.12 | $1,629.36 |
| 1r | QA09113AB | ADD: BASELINE RELEASE SW | 3 | $0.00 | $0.00 | $0.00 |

Subtotal $30,597.63

Estimated Tax $3,122.03

Grand Total $33,719.66(USD)

Notes:

Any sales transaction following Motorola's quote is based on and subject to the terms and conditions of the valid and executed written contract between Customer and Motorola (the ""Underlying Agreement"") that authorizes Customer to purchase equipment and/or services or license software (collectively ""Products""). If no Underlying Agreement exists between Motorola and Customer, then Motorola's Standard Terms of Use and Motorola's Standard Terms and Conditions of Sales and Supply shall govern the purchase of the Products.

Motorola Solutions, Inc.: 500 West Monroe, United States - 60661 ~ #: 36-1115800

## Hom Communications 2044 N. Chandler Dr , Cedar City UT 84721 (323) 228-1911

| | | | |
|---|---|---|---|
| **DATE:** | 1/22/2026 Estimate | **SALES REP:** | Regan Hom |

| ***BILL TO:*** | | ***SHIP TO:*** | |
|---|---|---|---|
| **COMPANY:** | South Pasadena Police Dept | **COMPANY:** | Hom Communications |
| **ATTENTION:** | Shannon Robeledo | **ATTENTION:** | Regan Hom |
| **ADDRESS** | 1422 Mission St | **ADDRESS:** | 2044 N. Chandler Dr |
| **CITY/ST/ZIP:** | South Pasadena CA 91030 | **CITY/ST/ZIP:** | Cedar City, UT 84721 |
| **PHONE:** | (626) 403-7270 | **PHONE:** | (323) 228-1911 |
| **EMAIL:** | | **EMAIL:** | homcomm@gmail.com |

***2026 Chevy Silverado Truck EV***

| *QTY* | *MODEL/PART #* | *DESCRIPTION* | *UNIT COST* | *EXT COST* |
|---|---|---|---|---|
| | | | | |
| | | **2026 Chevy Silverado EV Truck** | | $ - |
| | | | | $ - |
| | | | | $ - |
| | | | | |
| **1** | C399HWLR/HWLRB28 | Whelen Low Frequency Howler w/spk Silverado EV Bracket | $ 845.00 | $ 845.00 |
| **1** | BK2020CHT221500 | Setina Front Pushbumper w/ION Leds | $ 1,425.00 | $ 1,425.00 |
| **1** | FK0402CHT221500 | Setina Pushbumper wraparound fender | $ 680.00 | $ 680.00 |
| **1** | C-VSW-0824-SIW | Havis Front Console Slope Chevy Silverado Wide Body | $ 995.00 | $ 995.00 |
| **1** | PKG-PSM-3025 | Havis Premium Package Laptop Passenger floor mount w/keyboard swivel | $ 1,010.00 | $ 1,010.00 |
| **1** | DS-GTC-1402 | Havis Docking Station Pass-Through w/Lind Power supply | $ 1,400.00 | $ 1,400.00 |
| **1** | 1K0576CHT191500WDRW | Setina Front Partition 10XL Expanded Metal Partition | $ 1,145.00 | $ 1,145.00 |
| **1** | TK11339CHT191500 | Setina Cargo Deck w/Drawer Single Prison Seat w/Divider Equip Tray | $ 3,200.00 | $ 3,200.00 |
| **1** | ETSA | Soundoff signal Rear Tail Flasher | $ 120.00 | $ 120.00 |
| 1 | C399/CCTL7 | Whelen WecanX Siren Amplifier 21 Keypad Controller | $ 1,600.00 | $ 1,600.00 |
| 1 | EB2DEDE | Whelen 54" Legacy Lightbar Duo color w/strap kit Traffic Advisor | $ 2,900.00 | $ 2,900.00 |
| 2 | SA315P | Dual Whelen Siren Speaker | $ 295.00 | $ 590.00 |
| 1 | GK0068E-T | Setina S T-Rail Trunk Tray Mount Blac-Rack AR | $ 845.00 | $ 845.00 |
| 1 | TLI2K | Whelen Tail Gate Duo Color R/A Leds | $ 155.00 | $ 155.00 |
| 1 | TLI2M | Whelen Tail Gate Duo Color B/A Leds | $ 155.00 | $ 155.00 |
| 1 | I2D | Whelen Rear Side Lighting Duo Color R/W Leds | $ 170.00 | $ 170.00 |
| 1 | I2E | Whelen Rear Side Lighting Duo Color B/W Leds | $ 170.00 | $ 170.00 |
| 2 | IONK1B | Whelen mounting side bracket | $ 50.00 | $ 100.00 |
| 1 | CG-X | Havis Timer Equipment (1hr) | $ 110.00 | $ 110.00 |
| 1 | ROCKER | Rocker Panel Drv/Pass Red/White Blue/White 61" Undercarriage Leds | $ 1,150.00 | $ 1,150.00 |
| 2 | MMSU1 | Magnectic Mount for Radio/PA Mic | $ 58.00 | $ 116.00 |
| 1 | 5032 | Bluesea Dual Circuit Fuse Panel | $ 95.00 | $ 95.00 |
| 1 | Misc | Parts & material: loom, connectors, circuit breaker, brackets, zip ties | $ 250.00 | $ 250.00 |
| 1 | 60CREGCS | Whelen 6" Dome Lighting Rear Trunk lid R/W Leds | $ 175.00 | $ 175.00 |
| 1 | PWAT-119-GPSB-US | Panorama Roof Shark Fin Antenna WIFI/GPS/Cell Motorola Radio Antenna | $ 425.00 | $ 425.00 |
| 1 | Visaton | Visaton roof speaker & grill 2-way radio external | $ 95.00 | $ 95.00 |
| 1 | DK0598CHT191500 | Setina Door Panel TPO | $ 420.00 | $ 420.00 |
| 1 | WK0514BLE24 | Setina Metal Window Guard Horizontal | $ 420.00 | $ 420.00 |
| | Labor | Installation charge 2026 Chevy Silverado EV Truck | $ 3,850.00 | $ - |
| | | | | $ - |
| | | | Sub-Total | $ 20,761.00 |
| | | **This quote is valid for 30 days** | Tax (10.50%) | $ 2,179.91 |
| | | | Freight | $ 800.00 |
| | | | Labor | $ 3,850.00 |
| | | | **GRAND TOTAL** | **$ 27,590.91** |

| SPECIAL NOTES: | Customer Approval Signature | PO # | Date |
|---|---|---|---|
| | | | |

## Hom Communications 2044 N. Chandler Drive, Cedar City UT 84721 (323) 228-1911

| | | | |
|---|---|---|---|
| **DATE:** | 1/22/2026 Estimate | **SALES REP:** | Regan Hom |

| *BILL TO:* | | *SHIP TO:* | |
|---|---|---|---|
| **COMPANY:** | South Pasadena Police Dept | **COMPANY:** | Hom Communications |
| **ATTENTION:** | Shannon Robeledo | **ATTENTION:** | Regan Hom |
| **ADDRESS** | 1422 Mission St | **ADDRESS:** | 2044 N. Chandler Dr |
| **CITY/ST/ZIP:** | South Pasadena CA 91030 | **CITY/ST/ZIP:** | Cedar City, UT 84721 |
| **PHONE:** | (626) 403-7270 | **PHONE:** | (323) 228-1911 |
| **EMAIL:** | | **EMAIL:** | homcomm@gmail.com |

***2026 Chevy Blazer EV Police Package***

| *QTY* | *MODEL/PART #* | *DESCRIPTION* | *UNIT COST* | *EXT COST* |
|---|---|---|---|---|
| | | | | |
| | | **(2) 2025 Chevy Blazer EV Police Package** | | $ - |
| | | | | $ - |
| | | | | $ - |
| | | | | |
| **2** | C399HWLR/HWLRB37 | Whelen Low Frequency Howler w/spk Blazer EV Bracket | $ 845.00 | $ 1,690.00 |
| **2** | PB4504L | Setina Front Pushbumper w/ION Leds | $ 1,425.00 | $ 2,850.00 |
| **2** | PB500 | Setina Pushbumper wraparound fender | $ 680.00 | $ 1,360.00 |
| **2** | C-VS-0820-BLZR-EV | Havis Front Console Slope | $ 990.00 | $ 1,980.00 |
| **2** | PKG-PSM-3026 | Havis Premium Package Laptop Passenger floor mount w/keyboard swivel | $ 1,010.00 | $ 2,020.00 |
| **2** | DS-GTC-1402 | Havis Docking Station Pass-Through w/Lind Power supply | $ 1,400.00 | $ 2,800.00 |
| **2** | PK1130BLE24 | Setina Front Partition 10XL Coated Poly | $ 1,145.00 | $ 2,290.00 |
| **2** | QK1224BLE24 | Setina Full Transport Replacement Seat 2nd Partiton | $ 2,625.00 | $ 5,250.00 |
| **2** | TK0126BLE24 | Setina Single Drawer w/Ezlift Cargo Tray | $ 925.00 | $ 1,850.00 |
| **2** | ETSA | Soundoff signal Rear Tail Flasher | $ 120.00 | $ 240.00 |
| 2 | C399/CCTL7 | Whelen WecanX Siren Amplifier 21 Keypad Controller | $ 1,600.00 | $ 3,200.00 |
| 2 | EB2DEDE | Whelen 50" Legacy Lightbar Duo color w/strap kit Traffic Advisor | $ 2,900.00 | $ 5,800.00 |
| 4 | SA315P | Dual Whelen Siren Speaker | $ 295.00 | $ 1,180.00 |
| 2 | GK1121B1U | Setina Dual Rack AR/Rifle standalone Gun Release | $ 845.00 | $ 1,690.00 |
| 2 | TLI2K | Whelen Rear Trunk Lid Duo Color R/A Leds | $ 155.00 | $ 310.00 |
| 2 | TLI2M | Whelen Rear Trunk Lid Duo Color B/A Leds | $ 155.00 | $ 310.00 |
| 2 | TLI2K | Whelen Under Trunk Lid Duo Color R/A Leds | $ 155.00 | $ 310.00 |
| 2 | TLI2M | Whelen Under Trunk Lid Duo Color B/A Leds | $ 155.00 | $ 310.00 |
| 2 | I2D | Whelen Rear Side Lighting Duo Color R/W Leds | $ 170.00 | $ 340.00 |
| 2 | I2E | Whelen Rear Side Lighting Duo Color B/W Leds | $ 170.00 | $ 340.00 |
| 4 | IONK1B | Whelen mounting side bracket | $ 50.00 | $ 200.00 |
| 2 | CG-X | Havis Timer Equipment (1hr) | $ 110.00 | $ 220.00 |
| 2 | OEWS59 | Whelen Rear Visor Red/Blue/Amber Leds w/Traffic Advisor | $ 1,750.00 | $ 3,500.00 |
| 4 | MMSU1 | Magnectic Mount for Radio/PA Mic | $ 58.00 | $ 232.00 |
| 2 | 5032 | Bluesea Dual Circuit Fuse Panel | $ 110.00 | $ 220.00 |
| 2 | Misc | Parts & material: loom, connectors, circuit breaker, brackets, zip ties | $ 250.00 | $ 500.00 |
| 2 | 60CREGCS | Whelen 6" Dome Lighting Rear Trunk lid R/W Leds | $ 175.00 | $ 350.00 |
| 2 | PWAT-119-GPSB-US | Panorama Roof Shark Fin Antenna WIFI/GPS/Cell Motorola Radio Antenna | $ 425.00 | $ 850.00 |
| 2 | Visaton | Visaton roof speaker & grill 2-way radio external | $ 95.00 | $ 190.00 |
| 2 | DK0100BLE24 | Setina Door Panel TPO | $ 420.00 | $ 840.00 |
| 2 | WK0514BLE24 | Setina Metal Window Guard Horizontal | $ 420.00 | $ 840.00 |
| | Labor | (2) Installation charge 2025 Chevy Blazer EV | $ 3,850.00 | $ - |
| | | | | $ - |
| | | | Sub-Total | $ 44,062.00 |
| | | **This quote is valid for 30 days** | Tax (10.50%) | $ 4,626.51 |
| | | | Freight | $ 1,300.00 |
| | | | Labor | $ 7,700.00 |
| | | | **GRAND TOTAL** | **$ 57,688.51** |

| SPECIAL NOTES: | Customer Approval Signature | PO # | Date |
|---|---|---|---|
| | | | |

## AE Mobile Systems 3174 Tevis Ave Long Beach CA

| | | | |
|---|---|---|---|
| **DATE:** | 9/26/2025 Quote | **SALES REP:** | R Abarkan |

| ***BILL TO:*** | | ***SHIP TO:*** | |
|---|---|---|---|
| **COMPANY:** | South Pasadena Police Dept | **COMPANY:** | Same |
| **ATTENTION:** | Shannon Robeledo | **ATTENTION:** | |
| **ADDRESS** | 1422 Mission St | **ADDRESS:** | |
| **CITY/ST/ZIP:** | South Pasadena CA 91030 | **CITY/ST/ZIP:** | |
| **PHONE:** | (626) 403-7265 | **PHONE:** | |
| **EMAIL:** | srobledo@southpasadenaca.gov | **EMAIL:** | |

***2025 Chevy Tahoe Police Package***

| *QTY* | *MODEL/PART #* | *DESCRIPTION* | *UNIT COST* | *EXT COST* |
|---|---|---|---|---|
| | | | | |
| | | **(2) Chevy Blazer EV Police Package** | | $ - |
| | | | | $ - |
| **2** | C399HWLR/HWLRB37 | Whelen Low Frequency Howler w/spk Blazer EV Bracket | $ 805.00 | $ 1,610.00 |
| **2** | PB4504L | Setina Front Pushbumper w/ION Leds | $ 1,345.00 | $ 2,690.00 |
| **2** | PB500 | Setina Pushbumper wraparound fender | $ 575.00 | $ 1,150.00 |
| **2** | C-VS-0820-BLZR-EV | Havis Front Console Slope | $ 1,025.00 | $ 2,050.00 |
| **2** | PKG-PSM-3026 | Havis Premium Package Laptop Passenger floor mount w/keyboard swivel | $ 985.00 | $ 1,970.00 |
| **2** | DS-GTC-1402 | Havis Docking Station Pass-Through w/Lind Power supply | $ 1,345.00 | $ 2,690.00 |
| **2** | PK1130BLE24 | Setina Front Partition 10XL Coated Poly | $ 1,125.00 | $ 2,250.00 |
| **2** | QK1224BLE24 | Setina Full Transport Replacement Seat 2nd Partiton | $ 2,500.00 | $ 5,000.00 |
| **2** | TK0126BLE24 | Setina Single Drawer w/Ezlift Cargo Tray | $ 1,800.00 | $ 3,600.00 |
| **2** | ETSA | Soundoff signal Rear Tail Flasher | $ 120.00 | $ 240.00 |
| 2 | C399/CCTL7 | Whelen WecanX Siren Amplifier 21 Keypad Controller | $ 1,620.00 | $ 3,240.00 |
| 2 | EB2DEDE | Whelen 54" Legacy Lightbar Duo color w/strap kit Traffic Advisor | $ 2,800.00 | $ 5,600.00 |
| 4 | SA315P | Dual Whelen Siren Speaker | $ 285.00 | $ 1,140.00 |
| 2 | GK1121B1U | Setina Dual Rack AR/Rifle standalone Gun Release | $ 775.00 | $ 1,550.00 |
| 2 | TLI2K | Whelen Rear Trunk Lid Duo Color R/A Leds | $ 155.00 | $ 310.00 |
| 2 | TLI2M | Whelen Rear Trunk Lid Duo Color B/A Leds | $ 155.00 | $ 310.00 |
| 2 | TLI2K | Whelen Under Trunk Lid Duo Color R/A Leds | $ 155.00 | $ 310.00 |
| 2 | TLI2M | Whelen Under Trunk Lid Duo Color B/A Leds | $ 155.00 | $ 310.00 |
| 2 | I2D | Whelen Rear Side Lighting Duo Color R/W Leds | $ 155.00 | $ 310.00 |
| 2 | I2E | Whelen Rear Side Lighting Duo Color B/W Leds | $ 155.00 | $ 310.00 |
| 4 | IONK1B | Whelen mounting side bracket | $ 69.00 | $ 276.00 |
| 2 | CG-X | Havis Timer Equipment (1hr) | $ 120.00 | $ 240.00 |
| 2 | OEWS59 | Whelen Rear Visor Red/Blue/Amber Leds w/Traffic Advisor | $ 1,770.00 | $ 3,540.00 |
| 4 | MMSU1 | Magnectic Mount for Radio/PA Mic | $ 58.00 | $ 232.00 |
| 2 | 5032 | Bluesea Dual Circuit Fuse Panel | $ 95.00 | $ 190.00 |
| 2 | Misc | Parts & material: loom, connectors, circuit breaker, brackets, zip ties | $ 225.00 | $ 450.00 |
| 2 | 60CREGCS | Whelen 6" Dome Lighting Rear Trunk lid R/W Leds | $ 175.00 | $ 350.00 |
| 2 | PWAT-119-GPSB-US | Panorama Roof Shark Fin Antenna WIFI/GPS/Cell Motorola Radio Antenna | $ 425.00 | $ 850.00 |
| 2 | Visaton | Visaton roof speaker & grill 2-way radio external | $ 95.00 | $ 190.00 |
| 2 | DK0100BLE24 | Setina Door Panel TPO | $ 339.00 | $ 678.00 |
| 2 | WK0514BLE24 | Setina Metal Window Guard Horizontal | $ 329.00 | $ 658.00 |
| | Labor | **Labor charge for installation of equipment** | 3,950.00 | $ - |
| | | | | $ - |
| | | | Sub Total | $ 44,294.00 |
| | | **This quote is valid for 30 days** | Tax (10.50%) | $ 4,650.87 |
| | | | Freight | $ 1,350.00 |
| | | | Labor | $ 7,900.00 |
| | | | **GRAND TOTAL** | **$ 58,852.87** |

| SPECIAL NOTES: | Customer Approval Signature | PO # | Date |
|---|---|---|---|
| | | | |

## AE Mobile Systems 3174 Tevis Ave Long Beach CA

| | | | |
|---|---|---|---|
| **DATE:** | 9/26/2025 Quote | **SALES REP:** | R Abarkan |

| ***BILL TO:*** | | ***SHIP TO:*** | |
|---|---|---|---|
| **COMPANY:** | South Pasadena Police Dept | **COMPANY:** | Same |
| **ATTENTION:** | Shannon Robeledo | **ATTENTION:** | |
| **ADDRESS** | 1422 Mission St | **ADDRESS:** | |
| **CITY/ST/ZIP:** | South Pasadena CA 91030 | **CITY/ST/ZIP:** | |
| **PHONE:** | (626) 403-7265 | **PHONE:** | |
| **EMAIL:** | srobledo@southpasadenaca.gov | **EMAIL:** | |

***2025 Chevy Silverado EV Truck***

| *QTY* | *MODEL/PART #* | *DESCRIPTION* | *UNIT COST* | *EXT COST* |
|---|---|---|---|---|
| | | **2025 Chevy Silverado EV Truck Lighting** | | $ - |
| **1** | C399HWLR/HWLRB28 | Whelen Low Frequency Howler w/spk Silverado EV Bracket | $ 950.00 | $ 950.00 |
| **1** | BK2020CHT221500 | Setina Front Pushbumper w/ION Leds | $ 1,450.00 | $ 1,450.00 |
| **1** | FK0402CHT221500 | Setina Pushbumper wraparound fender | $ 645.00 | $ 645.00 |
| **1** | C-VSW-0824-SIW | Havis Front Console Slope Chevy Silverado Wide Body | $ 1,005.00 | $ 1,005.00 |
| **1** | PKG-PSM-3025 | Havis Premium Package Laptop Passenger floor mount | $ 1,000.00 | $ 1,000.00 |
| **1** | DS-GTC-1402 | Havis Docking Station Pass-Through w/Lind Power supply | $ 1,425.00 | $ 1,425.00 |
| **1** | 1K0576CHT191500WDRW | Setina Front Partition 10XL Expanded Metal Partition | $ 1,168.00 | $ 1,168.00 |
| **1** | TK11339CHT191500 | Setina Cargo Deck w/Drawer Single Prison Seat w/Divider Equip | $ 3,450.00 | $ 3,450.00 |
| **1** | ETSA | Soundoff signal Rear Tail Flasher | $ 145.00 | $ 145.00 |
| 1 | C399/CCTL7 | Whelen WecanX Siren Amplifier 21 Keypad Controller | $ 1,600.00 | $ 1,600.00 |
| 1 | EB2DEDE | Whelen Legacy Lightbar 54" Red/Blue Leds TA | $ 2,850.00 | $ 2,850.00 |
| 2 | SA315P | Dual Whelen Siren Speaker | $ 300.00 | $ 600.00 |
| 1 | GK0068E-T | Setina S T-Rail Trunk Tray Mount Blac-Rack AR | $ 825.00 | $ 825.00 |
| 1 | TLI2K | Whelen Tail Gate Duo Color R/A Leds | $ 160.00 | $ 160.00 |
| 1 | TLI2M | Whelen Tail Gate Duo Color B/A Leds | $ 160.00 | $ 160.00 |
| 1 | I2D | Whelen Rear Side Lighting Duo Color R/W Leds | $ 165.00 | $ 165.00 |
| 1 | I2E | Whelen Rear Side Lighting Duo Color B/W Leds | $ 165.00 | $ 165.00 |
| 2 | IONK1B | Whelen mounting side bracket | $ 60.00 | $ 120.00 |
| 1 | CG-X | Havis Timer Equipment (1hr) | $ 120.00 | $ 120.00 |
| 1 | ROCKER | Rocker Panel Drv/Pass Red/White Blue/White 61" Undercarriage Leds | $ 1,200.00 | $ 1,200.00 |
| 2 | MMSU1 | Magnectic Mount for Radio/PA Mic | $ 65.00 | $ 130.00 |
| 1 | 5032 | Bluesea Dual Circuit Fuse Panel | $ 105.00 | $ 105.00 |
| 1 | Misc | Parts & material: loom, connectors, circuit breaker, brackets, zip ties | $ 235.00 | $ 235.00 |
| 1 | 60CREGCS | Whelen 6" Dome Lighting Rear Trunk lid R/W Leds | $ 190.00 | $ 190.00 |
| 1 | PWAT-119-GPSB-US | Panorma Antenna Shrk Style Cell/GPS 2-way antenna | $ 450.00 | $ 450.00 |
| 1 | Visaton | Visaton roof speaker & grill 2-way radio external | $ 108.00 | $ 108.00 |
| 1 | DK0598CHT191500 | Setina Door Panel TPO | $ 350.00 | $ 350.00 |
| 1 | WK0514BLE24 | Setina Metal Window Guard Horizontal | $ 400.00 | $ 400.00 |
| | Labor | Installation charge 2025 Chevy Silverado EV Truck | $ 4,250.00 | $ - |
| | | | | $ - |
| | | | | $ - |
| | | | | $ - |
| | | | | $ - |
| | | | | $ - |
| | | | Sub Total | $ 21,171.00 |
| | | **This quote is valid for 30 days** | Tax (10.50%) | $ 2,222.96 |
| | | | Freight | $ 975.00 |
| | | | Labor | $ 4,250.00 |
| | | | **GRAND TOTAL** | **$ 28,618.96** |

| SPECIAL NOTES: | Customer Approval Signature | PO # | Date |
|---|---|---|---|
| | | | |

Ota Communications,LLC
2973 Harbor Blvd #337
Costa Mesa ,Ca 92626

## *REQUEST FOR QUOTE*

| | | | |
|---|---|---|---|
| **DATE:** | 9/25/2025 Estimate | **SALES REP:** | B Ota |

| ***BILL TO:*** | | ***SHIP TO:*** | |
|---|---|---|---|
| **COMPANY:** | South Pasadena Police Dept | **COMPANY:** | Same |
| **ATTENTION:** | Shannon R. | **ATTENTION:** | |
| **ADDRESS:** | 1422 Mission St | **ADDRESS:** | |
| **CITY/ST/ZIP:** | South Pas Calif 91030 | **CITY/ST/ZIP:** | |
| **PHONE:** | (626) 403-7265 | **PHONE:** | |
| **EMAIL:** | | **EMAIL:** | |

***2025 Chevy Blazer EV***

| *QTY* | *MODEL/PART #* | *DESCRIPTION* | *UNIT COST* | *EXT COST* |
|---|---|---|---|---|
| | | | | |
| | | **(2) Chevy Blazer EV Police Package** | | |
| **2** | C399HWLR/HWLRB37 | Whelen Low Frequency Howler w/spk Blazer EV Bracket | $ 925.00 | $ 1,850.00 |
| **2** | PB4504L | Setina Front Pushbumper w/ION Leds | $ 1,355.00 | $ 2,710.00 |
| **2** | PB500 | Setina Pushbumper wraparound fender | $ 625.00 | $ 1,250.00 |
| **2** | C-VS-0820-BLZR-EV | Havis Front Console Slope | $ 1,050.00 | $ 2,100.00 |
| **2** | PKG-PSM-3026 | Havis Premium Package Laptop Passenger floor mount | $ 985.00 | $ 1,970.00 |
| **2** | DS-GTC-1402 | Havis Docking Station Pass-Through w/Lind Power supply | $ 1,345.00 | $ 2,690.00 |
| **2** | PK1130BLE24 | Setina Front Partition 10XL Coated Poly | $ 1,125.00 | $ 2,250.00 |
| **2** | QK1224BLE24 | Setina Full Transport Replacement Seat 2nd Partiton | $ 2,500.00 | $ 5,000.00 |
| **2** | TK0126BLE24 | Setina Single Drawer w/Ezlift Cargo Tray | $ 1,800.00 | $ 3,600.00 |
| **2** | ETSA | Soundoff signal Rear Tail Flasher | $ 120.00 | $ 240.00 |
| 2 | C399/CCTL7 | Whelen WecanX Siren Amplifier 21 Keypad Controller | $ 1,620.00 | $ 3,240.00 |
| 2 | EB2DEDE | Whelen Legacy 54" Lightbar Red/Blue Leds TA | $ 2,800.00 | $ 5,600.00 |
| 4 | SA315P | Dual Whelen Siren Speaker | $ 285.00 | $ 1,140.00 |
| 2 | GK1121B1U | Setina Dual Rack AR/Rifle standalone Gun Release | $ 775.00 | $ 1,550.00 |
| 2 | TLI2K | Whelen Rear Trunk Lid Duo Color R/A Leds | $ 165.00 | $ 330.00 |
| 2 | TLI2M | Whelen Rear Trunk Lid Duo Color B/A Leds | $ 165.00 | $ 330.00 |
| 2 | TLI2K | Whelen Under Trunk Lid Duo Color R/A Leds | $ 165.00 | $ 330.00 |
| 2 | TLI2M | Whelen Under Trunk Lid Duo Color B/A Leds | $ 165.00 | $ 330.00 |
| 2 | I2D | Whelen Rear Side Lighting Duo Color R/W Leds | $ 165.00 | $ 330.00 |
| 2 | I2E | Whelen Rear Side Lighting Duo Color B/W Leds | $ 165.00 | $ 330.00 |
| 4 | IONK1B | Whelen mounting side bracket | $ 78.00 | $ 312.00 |
| 2 | CG-X | Havis Timer Equipment (1hr) | $ 120.00 | $ 240.00 |
| 2 | OEWS59 | Whelen Rear Visor Red/Blue/Amber Leds w/Traffic Advisor | $ 1,770.00 | $ 3,540.00 |
| 4 | MMSU1 | Magnectic Mount for Radio/PA Mic | $ 70.00 | $ 280.00 |
| 2 | 5032 | Bluesea Dual Circuit Fuse Panel | $ 95.00 | $ 190.00 |
| 2 | Misc | Parts & material: loom, connectors, circuit breaker, brackets, zip | $ 225.00 | $ 450.00 |
| 2 | 60CREGCS | Whelen 6" Dome Lighting Rear Trunk lid R/W Leds | $ 175.00 | $ 350.00 |
| 2 | PWAT-119-GPSB-US | Panorama Antenna Shark Style Cell/GPS 2-way radio | $ 475.00 | $ 950.00 |
| 2 | Visaton | Visaton roof speaker & grill 2-way radio external | $ 95.00 | $ 190.00 |
| 2 | DK0100BLE24 | Setina Door Panel TPO | $ 339.00 | $ 678.00 |
| 2 | WK0514BLE24 | Setina Metal Window Guard Horizontal | $ 329.00 | $ 658.00 |
| | Labor | **Labor charge for installation of equipment** | 4,075.00 | $ - |
| | | | | $ - |
| | | | | $ - |
| | | | Sub-Total | $ 45,008.00 |
| | | **Quote good for 30 days** | Tax (10.50%) | $ 4,725.84 |
| | | | Freight | $ 1,050.00 |
| | | | Labor | $ 8,150.00 |
| | | | **GRAND TOTAL** | **$ 58,933.84** |

| SPECIAL NOTES: | Customer Approval Signature | PO # | Date |
|---|---|---|---|
| 20% restocking fee will apply to returns and/or canceled purchase orders. | | | |

Ota Communications,LLC
2973 Harbor Blvd #337
Costa Mesa ,Ca 92626

## REQUEST FOR QUOTE

| | | | |
|---|---|---|---|
| **DATE:** | 9/25/2025 Estimate | **SALES REP:** | B Ota |

| **BILL TO:** | | **SHIP TO:** | |
|---|---|---|---|
| **COMPANY:** | South Pasadena Police Dept | **COMPANY:** | Same |
| **ATTENTION:** | Shannon R. | **ATTENTION:** | |
| **ADDRESS:** | 1422 Mission St | **ADDRESS:** | |
| **CITY/ST/ZIP:** | South Pas Calif 91030 | **CITY/ST/ZIP:** | |
| **PHONE:** | (626) 403-7265 | **PHONE:** | |
| **EMAIL:** | | **EMAIL:** | |

***2025 Chevy Silverado EV Truck Lighting***

| QTY | MODEL/PART # | DESCRIPTION | UNIT COST | EXT COST |
|---|---|---|---|---|
| | | **2025 Chevy Silverado EV Police Package** | | |
| **1** | C399HWLR/HWLRB28 | Whelen Low Frequency Howler w/spk Silverado EV Bracket | $ 925.00 | $ 925.00 |
| **1** | BK2020CHT221500 | Setina Front Pushbumper w/ION Leds | $ 1,350.00 | $ 1,350.00 |
| **1** | FK0402CHT221500 | Setina Pushbumper wraparound fender | $ 645.00 | $ 645.00 |
| **1** | C-VSW-0824-SIW | Havis Front Console Slope Chevy Silverado Wide Body | $ 1,005.00 | $ 1,005.00 |
| **1** | PKG-PSM-3025 | Havis Premium Package Laptop Passenger floor mount | $ 1,000.00 | $ 1,000.00 |
| **1** | DS-GTC-1402 | Havis Docking Station Pass-Through w/Lind Power supply | $ 1,425.00 | $ 1,425.00 |
| **1** | 1K0576CHT191500WDRW | Setina Front Partition 10XL Expanded Metal Partition | $ 1,168.00 | $ 1,168.00 |
| **1** | TK11339CHT191500 | Setina Cargo Deck w/Drawer Single Prison Seat w/Divider Equip | $ 3,450.00 | $ 3,450.00 |
| **1** | ETSA | Soundoff signal Rear Tail Flasher | $ 145.00 | $ 145.00 |
| 1 | C399/CCTL7 | Whelen WecanX Siren Amplifier 21 Keypad Controller | $ 1,600.00 | $ 1,600.00 |
| 1 | EB2DEDE | Whelen Legacy Lightbar 54" Red/Blue Leds TA | $ 2,850.00 | $ 2,850.00 |
| 2 | SA315P | Dual Whelen Siren Speaker | $ 300.00 | $ 600.00 |
| 1 | GK0068E-T | Setina S T-Rail Trunk Tray Mount Blac-Rack AR | $ 825.00 | $ 825.00 |
| 1 | TLI2K | Whelen Tail Gate Duo Color R/A Leds | $ 160.00 | $ 160.00 |
| 1 | TLI2M | Whelen Tail Gate Duo Color B/A Leds | $ 160.00 | $ 160.00 |
| 1 | I2D | Whelen Rear Side Lighting Duo Color R/W Leds | $ 165.00 | $ 165.00 |
| 1 | I2E | Whelen Rear Side Lighting Duo Color B/W Leds | $ 165.00 | $ 165.00 |
| 2 | IONK1B | Whelen mounting side bracket | $ 60.00 | $ 120.00 |
| 1 | CG-X | Havis Timer Equipment (1hr) | $ 120.00 | $ 120.00 |
| 1 | ROCKER | Rocker Panel Drv/Pass Red/White Blue/White 61" | $ 1,200.00 | $ 1,200.00 |
| 2 | MMSU1 | Magnectic Mount for Radio/PA Mic | $ 65.00 | $ 130.00 |
| 1 | 5032 | Bluesea Dual Circuit Fuse Panel | $ 105.00 | $ 105.00 |
| 1 | Misc | Parts & material: loom, connectors, circuit breaker, brackets, zip | $ 235.00 | $ 235.00 |
| 1 | 60CREGCS | Whelen 6" Dome Lighting Rear Trunk lid R/W Leds | $ 190.00 | $ 190.00 |
| 1 | PWAT-119-GPSB-US | Panorma Antenna Shrk Style Cell/GPS 2-way antenna | $ 450.00 | $ 450.00 |
| 1 | Visaton | Visaton roof speaker & grill 2-way radio external | $ 108.00 | $ 108.00 |
| 1 | DK0598CHT191500 | Setina Door Panel TPO | $ 350.00 | $ 350.00 |
| 1 | WK0514BLE24 | Setina Metal Window Guard Horizontal | $ 375.00 | $ 375.00 |
| | Labor | Installation charge 2025 Chevy Silverado EV Truck | $ 4,200.00 | $ - |
| | | | | $ - |
| | | | | $ - |
| | | | | $ - |
| | | | | $ - |
| | | | | $ - |
| | | | Sub-Total | $ 21,021.00 |
| | | **Quote good for 30 days** | Tax (10.50%) | $ 2,207.21 |
| | | | Freight | $ 950.00 |
| | | | Labor | $ 4,200.00 |
| | | | **GRAND TOTAL** | **$ 28,378.21** |

| SPECIAL NOTES: | Customer Approval Signature | PO # | Date |
|---|---|---|---|
| 20% restocking fee will apply to returns and/or canceled purchase orders. | | | |

**RESOLUTION NO. 7982**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH PASADENA AMENDING THE FISCAL YEAR 2025-2026 ADOPTED BUDGET**

**WHEREAS**, the City Council of the City of South Pasadena adopted the Fiscal Year 2025-2026 Budget on August 20, 2025, establishing the City's financial plan for the fiscal year beginning July 1, 2025 and ending June 30, 2026; and

**WHEREAS**, subsequent to adoption, the City has identified a need to amend the budget to allocate grant funds awarded to the South Pasadena Police Department by the Citizens Option for Public Safety (COPS) grant program to be spent on the outfitting of three police pursuit vehicles.; and

**WHEREAS**, the proposed amendments are necessary to ensure the continued delivery of essential services, maintain fiscal responsibility, and align City resources with City Council priorities; and

**WHEREAS**, the City Council has reviewed the proposed amendments and finds them to be in the best interest of the City and its residents.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SOUTH PASADENA, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:**

**Section 1.** The above recitals are hereby declared to be true and correct and are incorporated herein as if set forth in full.

**Section 2.** The Fiscal Year 2025-2026 Adopted Budget is hereby amended as set forth in the table below:

| Expenditure Account No. | Description | Amount |
|---|---|---|
| 272-4010-4018-8540-000 (Auto Equipment – AB 3329 99) | Outfitting of three Police Pursuit Vehicles | $35,000 |
| | | |
| | | |
| **TOTAL:** | | **$35,000** |

**Section 3.** The City Manager, or their designee, is authorized and directed to implement the budget amendments, including transfers, appropriations, and related accounting entries, in accordance with this resolution.

**Section 4.** The City Manager is further authorized to make minor adjustments and technical corrections consistent with the intent of this resolution.

**Section 5.** The City Clerk shall certify to the adoption of this resolution.

**PASSED, APPROVED AND ADOPTED** this 4th day of March, 2026.

_____
Sheila Rossi, Mayor

ATTEST:

_____
Nikima S. Newsome, Chief City Clerk

APPROVED AS TO FORM:

_____
Roxanne Diaz, City Attorney

I, Nikima S. Newsome, Chief City Clerk of the City of South Pasadena, do hereby certify the foregoing Resolution No. 7982 was duly passed and adopted by the City Council of the City of South Pasadena, at a regular adjourned meeting held on the 4th day of March, 2026, by the following roll call vote:

AYES:
NAYES:
ABSENT:
ABSTAIN:

_____
Nikima S. Newsome, Chief City Clerk

City of South Pasadena Police Department

# Memo

**Date:** 03/04/2026

**To:** Todd Hileman, City Manager

**From:** Derek Elmore, Chief of Police
Shannon Robledo, Police Lieutenant
Davit Ghazaryan, Management Analyst

**Re:** Cannabis Tax Fund Grant Program: Vehicle Analysis

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On June 13, 2025, the South Pasadena Police Department (Department) was notified of the conditional approval for the Cannabis Tax Fund Grant Program (CTFGP) funding in the amount of $309,500.00. The purpose of this grant funding is to help the Department reduce and mitigate the impacts of impaired driving in our community.

A large portion of the grant, $246,980.00, is eligible to be spent on acquiring and outfitting Driving Under the Influence (DUI)/Driving Under the Influence of Drugs (DUID) enforcement vehicles. Taking into consideration the fact that he City of South Pasadena is subject to the California Air Resources Board (CARB) Advanced Clean Fleet (ACF) regulation, which establishes mandatory zero-emission vehicle (ZEV) purchase requirements for State and local government fleets, as well as the built-in infrastructure of electric vehicle chargers, the Department requested electric vehicles in its application, which was approved by California Highway Patrol, the grantor agency. After a thorough analysis of available police pursuit rated electric vehicles on the market, the Department chose the Chevy Blazer EV, which is widely recognized as the first purpose-built pursuit rated electric vehicle and Chevy Silverado EV as the option for a police DUI/DUID patrol truck, as required by the grant.

The Department's vehicle choices also took into consideration operational feasibilities of the above-mentioned vehicles, as well as their safety features, reviews and feedback from other law-enforcement agencies, the total cost of ownership (TCO) of vehicles and potential maintenance costs.

EVs benefit from significantly lower "fuel" cost per mile compared with gasoline, even in heavy-duty police use, especially if charging infrastructure is managed internally and they generally require fewer scheduled services (no oil changes, fewer cooling system components), lowering operational costs.

Below is a brief TCO comparative analysis between the suggested electric vehicle options and their gas-powered alternatives

| Vehicle | Estimated 5-yr TCO | Key Cost Drivers |
|---|---|---|
| **2024 Blazer EV PPV** (electric SUV) | **~$50k–$65k (fleet adjusted est.)** | Lower fuel & maintenance; higher upfront & insurance; incentives impact |
| **Gas Midsize SUV PPV** (e.g., Tahoe/Interceptor) | **~$60k–$75k+** | Higher fuel & maintenance; lower EV incentives |
| **2026 Silverado EV PPV** (electric pickup) | **~$80k–$95k (civilian baseline)** + pursuit adjustments | High initial cost; savings on fuel & maintenance |
| **Gas Silverado 1500 PPV** (pickup) | **~$75k–$90k+** | Higher fuel cost; more frequent service |

Due to factors including CTFGP's budget limitations, the availability of pursuit-rated police vehicles, operational and safety requirements, existing infrastructure, and TCO, the Department's concluded the 2024 Chevrolet Blazer EV PPV and the 2026 Chevrolet Silverado EV PPV best meet the Department's needs.

# City Council Agenda Report

**ITEM NO. 7**

**DATE:** March 4, 2026

**FROM:** Todd Hileman, City Manager

**PREPARED BY:** Nick Kimball, Assistant City Manager/CFO
Mark Siegfried, Accounting Manager/Controller

**SUBJECT:** **CONSIDERATION TO APPROVE A PROFESSIONAL SERVICES AGREEMENT TO RETAIN PACIFIC CREDIT SERVICES FOR THE COLLECTION OF THE CITY'S OUTSTANDING ACCOUNTS RECEIVABLES**

## Recommendation

It is recommended that the City Council:

1. Approve a professional services agreement with Pacific Credit Services (Attachment 1) to recover delinquent accounts receivable over 90 days past due; and
2. Authorize the City Manager to execute the agreement, and all related documents, in a form approved by the City Attorney.

## Executive Summary

The City has a significant number of outstanding accounts receivable, including a substantial portion more than 365 days past due which strain cash flow and may be beyond staff capacity to collect. In addition to internal collection efforts, Staff proposes engaging a licensed and bonded collection agency on a contingency fee basis to collect delinquent accounts after other efforts have been exhausted. Engaging a professional collections agency should improve recovery rates and reduce administrative burden with no upfront costs. The recommended agency is required to comply with all applicable laws, provide regular reporting, and remit recovered funds appropriately. Alternatives such as continuing internal efforts, writing off accounts, or pursuing individual legal action are considered less effective or more costly.

## Background

On November 19, 2025, staff presented a study session item to City Council regarding the status of water and sewer utility billing delinquencies, programs available to low-income rate payers, and collection efforts to date. City Council directed staff to move forward with updating the municipal code and residential shut-off policy to comply with SB 998, while also notifying customers by January 31, 2026, that they may be subject to service disruption if their delinquent account balance is not addressed.

On January 21, 2026, City Council introduced for first reading Ordinance No. 2411 to amend Section 35.13 (Discontinuance of Service—For Failure to Pay Bill) of Chapter 35 (Water) of

the South Pasadena Municipal Code to implement the Discontinuation of Residential Water Service Policy. The second reading was approved on February 4, 2026 and the Ordinance will become effective on March 6, 2026.

In February 2026, Public Works staff began placing door hangers at locations with significant delinquencies and staff has been updating internal policies in compliance with the new Ordinance and related Residential Shut-off Policy. Delinquent active accounts will now be followed up on by City staff and the City's utility billing processor, MuniBilling, by issuing delinquency notices, assessing late fees, and executing disconnections for nonpayment to ensure consistent, timely, and accurate handling of late payments and service interruptions based on the updated Policy.

Although customers are now working to bring their account current, many accounts remain unpaid despite internal collection efforts on inactive accounts—including reminder notices, phone calls, and final demand letters.

**Analysis**

Engaging a professional collection agency for significantly delinquent accounts improves recovery of funds that the organization has been unable to collect through the normal billing and reminder process. When accounts become seriously past due, internal staff time and resources are often better focused on current operations rather than extended follow-up efforts. A collections agency specializes in locating debtors, making persistent contact, negotiating payment plans, and encouraging resolution, which can increase the likelihood of recovering some or all of the outstanding balance.

Additional benefits may include:

- Improving cash flow by recovering funds that might otherwise be written off.
- Reducing internal administrative burden so staff can focus on core responsibilities.
- Creating accountability and deterrence, signaling that unpaid obligations will be pursued.
- Provide structured payment options as collection agencies often have systems in place to manage installment plans.
- Establishing documentation and compliance, particularly important for public agencies that must demonstrate due diligence in collecting public funds.

City staff requested proposals from three collection agencies based on references of other local government agencies. The three collection agencies that were contacted were Pacific Credit Services, Financial Credit Network and Professional Credit. Per the City's purchasing policy, professional services are not required to obtain 3 formal bids but City staff wanted to contract with an agency that provides the best rates and has relevant government experience. Two provided formal bids while a third noted that the City's amount of uncollectible balances is below their normal threshold and declined to bid on the services.

Based on review of the two proposals that were received, staff recommends Pacific Credit Services as they had the lowest contingency fee basis but also has experience in collecting debts in thirty other municipal agencies.

<u>Pacific Credit Services</u>

Pacific Credit Services has been in service for more than seventy years of which thirty have been working with municipalities and utilities throughout California. Pacific Credit Services is

based out of West Sacramento, California and more information about the firm may be found at Attachment Number 2.

**Alternatives**

1. Continue internal collection efforts (limited effectiveness and increased staff workload).
2. Write off delinquent accounts (loss of potential revenue).
3. Pursue legal action individually (higher legal costs and staff time).

**Fiscal Impact**

The proposed collection agency operates on a contingency fee basis of approximately 20% of amounts recovered. There are no upfront costs to the City. Recovered funds will be deposited into the appropriate utility revenue accounts.

Attachment:
Attachment 1 - Professional Services Agreement Template
Attachment 2 -Pacific Credit-Collection Information

# PROFESSIONAL SERVICES AGREEMENT
# FOR CONSULTANT SERVICES

**City of South Pasadena /_____**

## 1. IDENTIFICATION

This PROFESSIONAL SERVICES AGREEMENT ("Agreement") is entered into as of _____ by and between the City of South Pasadena, a California municipal corporation ("City"), and _____("Consultant").

## 2. RECITALS

2.1. City has determined that it requires the following professional services from a consultant: _____.

2.2. Consultant represents that it is fully qualified to perform such professional services by virtue of its experience and the training, education and expertise of its principals and employees. Consultant further represents that it is willing to accept responsibility for performing such services in accordance with the terms and conditions set forth in this Agreement.

2.3. Consultant represents that it has no known relationships with third parties, City Council members, or employees of City which would (1) present a conflict of interest with the rendering of services under this Agreement under Government Code Section 1090, the Political Reform Act (Government Code Section 81000 *et seq.*), or other applicable law, (2) prevent Consultant from performing the terms of this Agreement, or (3) present a significant opportunity for the disclosure of confidential information.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions herein contained, City and Consultant agree as follows:

## 3. DEFINITIONS

3.1. "Scope of Services": [ADD SCOPE HERE]; attached herein as Exhibit A. **Make sure your item is marked as Exhibit A.**

3.2. "Agreement Administrator": The Agreement Administrator for this project is [NAME and TITLE]. The Agreement Administrator shall be the principal point of contact at the City for this project. All services under this Agreement shall be performed at the request of the Agreement Administrator. The Agreement Administrator will establish the timetable for completion of services and any interim milestones. City reserves the right to change this designation upon written notice to Consultant

3.3. "Approved Fee Schedule": Consultant's compensation rates are set forth in the fee schedule attached hereto as Exhibit A/B **(use A if provided as part of the proposal,**

**or B if a separate document)** and incorporated herein by this reference. This fee schedule shall remain in effect for the duration of this Agreement unless modified in writing by mutual agreement of the parties.

3.4. "Maximum Amount": The highest total compensation and costs payable to Consultant by City under this Agreement. The Maximum Amount under this Agreement is _____ Dollars ($_____).

3.5. "Commencement Date": [DATE].

3.6. "Termination Date": [DATE

## 4. TERM

The term of this Agreement shall commence at 12:00 a.m. on the Commencement Date and shall expire at 11:59 p.m. on the Termination Date unless extended by written agreement of the parties or terminated earlier under Section 16 ("Termination") below. Consultant may request extensions of time to perform the services required hereunder. Such extensions shall be effective if authorized in advance by City in writing and incorporated in written amendments to this Agreement.

## 5. CONSULTANT'S DUTIES

5.1. **Services**. Consultant shall perform the services identified in the Scope of Services. City shall have the right to request, in writing, changes in the Scope of Services. Any such changes mutually agreed upon by the parties, and any corresponding increase or decrease in compensation, shall be incorporated by written amendment to this Agreement.

5.2. **Coordination with City**. In performing services under this Agreement, Consultant shall coordinate all contact with City through its Agreement Administrator.

5.3. **Budgetary Notification**. Consultant shall notify the Agreement Administrator, in writing, when fees and expenses incurred under this Agreement have reached eighty percent (80%) of the Maximum Amount. Consultant shall concurrently inform the Agreement Administrator, in writing, of Consultant's estimate of total expenditure required to complete its current assignments before proceeding, when the remaining work on such assignments would exceed the Maximum Amount.

5.4. **Business License.** Consultant shall obtain and maintain in force a City business license for the duration of this Agreement.

5.5. **Professional Standards.** Consultant shall perform all work to the standards of Consultant's profession and in a manner reasonably satisfactory to City. Consultant shall keep itself fully informed of and in compliance with all local, state, and federal laws, rules, and regulations in any manner affecting the performance of this Agreement,

including all Cal/OSHA requirements, the conflict-of-interest provisions of Government Code § 1090 and the Political Reform Act (Government Code § 81000 et seq.).

5.6. **Avoid Conflicts.** During the term of this Agreement, Consultant shall not perform any work for another person or entity for whom Consultant was not working at the Commencement Date if such work would present a conflict interfering with performance under this Agreement. However, City may consent in writing to Consultant's performance of such work.

5.7. **Appropriate Personnel.** Consultant has, or will secure at its own expense, all personnel required to perform the services identified in the Scope of Services. All such services shall be performed by Consultant or under its supervision, and all personnel engaged in the work shall be qualified to perform such services. [CONSULTANT] shall be Consultant's project administrator and shall have direct responsibility for management of Consultant's performance under this Agreement. No change shall be made in Consultant's project administrator without City's prior written consent.

5.8. **Substitution of Personnel.** Any persons named in the proposal or Scope of Services constitutes a promise to the City that those persons will perform and coordinate their respective services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence upon written approval of City. If City and Consultant cannot agree as to the substitution of key personnel, City may terminate this Agreement for cause.

5.9. **Permits and Approvals.** Consultant shall obtain, at its sole cost and expense, all permits and regulatory approvals necessary for Consultant's performance of this Agreement. This includes, but shall not be limited to, professional licenses, encroachment permits and building and safety permits and inspections.

5.10. **Notification of Organizational Changes.** Consultant shall notify the Agreement Administrator, in writing, of any change in name, ownership or control of Consultant's firm or of any subcontractor. Change of ownership or control of Consultant's firm may require an amendment to this Agreement.

5.11. **Records.** Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to City under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to Consultant under this Agreement. All such documents shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of City. In addition, pursuant to Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds ten thousand dollars, all such documents and this Agreement shall be subject to the examination and audit of the State Auditor, at the request of City or

as part of any audit of City, for a period of three (3) years after final payment under this Agreement.

## 6. SUBCONTRACTING

6.1. **General Prohibition.** This Agreement covers professional services of a specific and unique nature. Except as otherwise provided herein, Consultant shall not assign or transfer its interest in this Agreement or subcontract any services to be performed without amending this Agreement.

6.2. **Consultant Responsible.** Consultant shall be responsible to City for all services to be performed under this Agreement.

6.3. **Identification in Fee Schedule.** All subcontractors shall be specifically listed and their billing rates identified in the Approved Fee Schedule, Exhibit A/B. Any changes must be approved by the Agreement Administrator in writing as an amendment to this Agreement.

6.4. **Compensation for Subcontractors.** City shall pay Consultant for work performed by its subcontractors, if any, only at Consultant's actual cost plus an approved mark-up as set forth in the Approved Fee Schedule, Exhibit A/B. Consultant shall be liable and accountable for any and all payments, compensation, and federal and state taxes to all subcontractors performing services under this Agreement. City shall not be liable for any payment, compensation, or federal and state taxes for any subcontractors.

## 7. COMPENSATION

7.1. **General.** City agrees to compensate Consultant for the services provided under this Agreement, and Consultant agrees to accept payment in accordance with the Fee Schedule in full satisfaction for such services. Compensation shall not exceed the Maximum Amount. Consultant shall not be reimbursed for any expenses unless provided for in this Agreement or authorized in writing by City in advance.

7.2. **Invoices.** Consultant shall submit to City an invoice, on a monthly basis or as otherwise agreed to by the Agreement Administrator, for services performed pursuant to this Agreement. Each invoice shall identify the services rendered during the billing period, the amount due for the invoice, and the total amount previously invoiced. All labor charges shall be itemized by employee name and classification/position with the firm, the corresponding hourly rate, the hours worked, a description of each labor charge, and the total amount due for labor charges.

7.3. **Taxes.** City shall not withhold applicable taxes or other payroll deductions from payments made to Consultant except as otherwise required by law. Consultant shall be solely responsible for calculating, withholding, and paying all taxes.

7.4. **Disputes.** The parties agree to meet and confer at mutually agreeable times to resolve any disputed amounts contained in an invoice submitted by Consultant.

7.5. **Additional Work.** Consultant shall not be reimbursed for any expenses incurred for work performed outside the Scope of Services unless prior written approval is given by the City through a fully executed written amendment. Consultant shall not undertake any such work without prior written approval of the City.

7.6. **City Satisfaction as Precondition to Payment.** Notwithstanding any other terms of this Agreement, no payments shall be made to Consultant until City is satisfied that the services are satisfactory.

7.7. **Right to Withhold Payments.** If Consultant fails to provide a deposit or promptly satisfy an indemnity obligation described in Section 11, City shall have the right to withhold payments under this Agreement to offset that amount.

## 8. PREVAILING WAGES

Consultant is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. Consultant shall defend, indemnify, and hold the City, tis elected officials, officers, employees, and agents free and harmless form any claim or liability arising out of any failure or alleged failure of Consultant to comply with the Prevailing Wage Laws.

## 9. OWNERSHIP OF WRITTEN PRODUCTS

All reports, documents or other written material ("written products" herein) developed by Consultant in the performance of this Agreement shall be and remain the property of City without restriction or limitation upon its use or dissemination by City except as provided by law. Consultant may take and retain copies of such written products as desired, but no such written products shall be the subject of a copyright application by Consultant.

## 10. RELATIONSHIP OF PARTIES

10.1. **General.** Consultant is, and shall at all times remain as to City, a wholly independent contractor.

10.2. **No Agent Authority.** Consultant shall have no power to incur any debt, obligation, or liability on behalf of City or otherwise to act on behalf of City as an agent. Neither City nor any of its agents shall have control over the conduct of Consultant or any of Consultant's employees, except as set forth in this Agreement. Consultant shall not

represent that it is, or that any of its agents or employees are, in any manner employees of City.

10.3. **Independent Contractor Status.** Under no circumstances shall Consultant or its employees look to the City as an employer. Consultant shall not be entitled to any benefits. City makes no representation as to the effect of this independent contractor relationship on Consultant's previously earned California Public Employees Retirement System ("CalPERS") retirement benefits, if any, and Consultant specifically assumes the responsibility for making such a determination. Consultant shall be responsible for all reports and obligations including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation, and other applicable federal and state taxes.

10.4. **Indemnification of CalPERS Determination.** In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement claims or is determined by a court of competent jurisdiction or CalPERS to be eligible for enrollment in CalPERS as an employee of the City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for CalPERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

## 11. INDEMNIFICATION

11.1 **Definitions.** For purposes of this Section 11, "Consultant" shall include Consultant, its officers, employees, servants, agents, or subcontractors, or anyone directly or indirectly employed by either Consultant or its subcontractors, in the performance of this Agreement. "City" shall include City, its officers, agents, employees and volunteers.

11.2 **Consultant to Indemnify City.** To the fullest extent permitted by law, Consultant shall indemnify, hold harmless, and defend City from and against any and all claims, losses, costs or expenses for any personal injury or property damage arising out of or in connection with Consultant's alleged negligence, recklessness or willful misconduct or other wrongful acts, errors or omissions of Consultant or failure to comply with any provision in this Agreement.

11.3 **Scope of Indemnity.** Personal injury shall include injury or damage due to death or injury to any person, whether physical, emotional, consequential or otherwise, Property damage shall include injury to any personal or real property. Consultant shall not be required to indemnify City for such loss or damage as is caused by the sole active negligence or willful misconduct of the City.

11.4 **Attorneys Fees.** Such costs and expenses shall include reasonable attorneys' fees for counsel of City's choice, expert fees and all other costs and fees of litigation. Consultant shall not be entitled to any refund of attorneys' fees, defense costs or expenses in the event that it is adjudicated to have been non-negligent.

11.5 **Defense Deposit.** The City may request a deposit for defense costs from Consultant with respect to a claim. If the City requests a defense deposit, Consultant shall provide it within 15 days of the request.

11.6 **Waiver of Statutory Immunity.** The obligations of Consultant under this Section 11 are not limited by the provisions of any workers' compensation act or similar act. Consultant expressly waives its statutory immunity under such statutes or laws as to City.

11.7 **Indemnification by Subcontractors.** Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this Section 11 from each and every subcontractor or any other person or entity involved in the performance of this Agreement on Consultant's behalf.

11.8 **Insurance Not a Substitute.** City does not waive any indemnity rights by accepting any insurance policy or certificate required pursuant to this Agreement. Consultant's indemnification obligations apply regardless of whether or not any insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost or expense.

## 12. INSURANCE

12.1. **Insurance Required.** Consultant shall maintain insurance as described in this section and shall require all of its subcontractors, consultants, and other agents to do the same. Approval of the insurance by the City shall not relieve or decrease any liability of Consultant Any requirement for insurance to be maintained after completion of the work shall survive this Agreement.

12.2. **Documentation of Insurance.** City will not execute this agreement until it has received a complete set of all required documentation of insurance coverage. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. Consultant shall file with City:

- Certificate of Insurance, indicating companies acceptable to City, with a Best's Rating of no less than A:VII showing. The Certificate of Insurance must include the following reference: (Matter/what is this contract for?)
- Documentation of Best's rating is acceptable to the City.
- Original endorsements effecting coverage for all policies required by this Agreement.
- City reserves the right to obtain a full certified copy of any Insurance policy and endorsements. Failure to exercise this right shall not constitute a waiver of the right to exercise later.

12.3. **Coverage Amounts.** Insurance coverage shall be at least in the following minimum amounts:

- Professional Liability Insurance: $2,000,000 per occurrence,

$2,000,000 aggregate

- General Liability:
  - General Aggregate: $2,000,000
  - Products Comp/Op Aggregate $2,000,000
  - Personal & Advertising Injury $2,000,000
  - Each Occurrence $2,000,000
  - Fire Damage (any one fire) $ 100,000
  - Medical Expense (any 1 person) $ 10,000

- Workers' Compensation:
  - Workers' Compensation Statutory Limits
  - EL Each Accident $1,000,000
  - EL Disease - Policy Limit $1,000,000
  - EL Disease - Each Employee $1,000,000

- Automobile Liability
  - Any vehicle, combined single limit $1,000,000

Any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements or limits shall be available to the additional insured. Furthermore, the requirements for coverage and limits shall be the greater of (1) the minimum coverage and limits specified in this Agreement, or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured

12.4. **General Liability Insurance.** Commercial General Liability Insurance shall be no less broad than ISO form CG 00 01. Coverage must be on a standard Occurrence form. Claims-Made, modified, limited or restricted Occurrence forms are not acceptable.

12.5. **Worker's Compensation Insurance.** Consultant is aware of the provisions of Section 3700 of the Labor Code which requires every employer to carry Workers' Compensation (or to undertake equivalent self-insurance), and Consultant will comply with such provisions before commencing the performance of the work of this Agreement. If such insurance is underwritten by any agency other than the State Compensation Fund, such agency shall be a company authorized to do business in the State of California.

12.6. **Automobile Liability Insurance.** Covered vehicles shall include owned if any, non-owned, and hired automobiles and trucks.

12.7. P**rofessional Liability Insurance or Errors & Omissions Coverage.** The deductible or self-insured retention may not exceed $50,000. If the insurance is on a Claims-Made basis, the retroactive date shall be no later than the commencement of the work. Coverage shall be continued for two years after the completion of the work by one of

the following: (1) renewal of the existing policy; (2) an extended reporting period endorsement; or (3) replacement insurance with a retroactive date no later than the commencement of the work under this Agreement.

12.8. **Claims-Made Policies.** If any of the required policies provide coverage on a claims-made basis the Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work. Claims-Made Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work. If coverage is canceled or non-renewed and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.

12.9. **Additional Insured Endorsements.** The City, its City Council, Commissions, officers, and employees of South Pasadena must be endorsed as an additional insured for each policy required herein, other than Professional Errors and Omissions and Worker's Compensation, for liability arising out of ongoing and completed operations by or on behalf of the Consultant. Consultant's insurance policies shall be primary as respects any claims related to or as the result of the Consultant's work. Any insurance, pooled coverage or self-insurance maintained by the City, its elected or appointed officials, directors, officers, agents, employees, volunteers, or consultants shall be non-contributory. All endorsements shall be signed by a person authorized by the insurer to bind coverage on its behalf. General liability coverage can be provided using an endorsement to the Consultant's insurance at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10 and CG 20 37.

12.10. **Failure to Maintain Coverage.** In the event any policy is canceled prior to the completion of the project, and the Consultant does not furnish a new certificate of insurance prior to cancellation, City has the right, but not the duty, to obtain the required insurance and deduct the premium(s) from any amounts due the Consultant under this Agreement. Failure of the Consultant to maintain the insurance required by this Agreement, or to comply with any of the requirements of this section, shall constitute a material breach of this Agreement.

12.11. **Notices.** Contractor shall provide immediate written notice if (1) any of the required insurance policies is terminated; (2) the limits of any of the required policies are reduced; (3) or the deductible or self-insured retention is increased. Consultant shall provide no less than 30 days' notice of any cancellation or material change to policies required by this Agreement. Consultant shall provide proof that cancelled or expired insurance policies have been renewed or replaced with other policies providing at least the same coverage. Such proof will be furnished at least two weeks prior to the expiration of the coverage. The name and address for Additional Insured Endorsements, Certificates of Insurance and Notices of Cancellation is: City of South Pasadena, Attn: Office of the City Clerk, South Pasadena, CA 91030.

12.12. **Consultant's Insurance Primary.** The insurance provided by Consultant, including all endorsements, shall be primary to any coverage available to City. Any insurance or self-insurance maintained by City and/or its officers, employees, agents or volunteers, shall be in excess of Consultant's insurance and shall not contribute with it.

12.13. **Waiver of Subrogation.** Consultant hereby waives all rights of subrogation against the City. Consultant shall additionally waive such rights either by endorsement to each policy or provide proof of such waiver in the policy itself.

12.14. **Report of Claims to City.** Consultant shall report to the City, in addition to the Consultant's insurer, any and all insurance claims submitted to Consultant's insurer in connection with the services under this Agreement.

12.15. **Premium Payments and Deductibles.** Consultant must disclose all deductibles and self-insured retention amounts to the City. The City may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within retention amounts. Ultimately, City must approve all such amounts prior to execution of this Agreement.

City has no obligation to pay any premiums, assessments, or deductibles under any policy required in this Agreement. Consultant shall be responsible for all premiums and deductibles in all of Consultant's insurance policies. The amount of deductibles for insurance coverage required herein are subject to City's approval.

12.16. **Duty to Defend and Indemnify.** Consultant's duties to defend and indemnify City under this Agreement shall not be limited by the foregoing insurance requirements and shall survive the expiration of this Agreement.

## 13. MUTUAL COOPERATION

13.1. **City Cooperation in Performance.** City shall provide Consultant with all pertinent data, documents and other requested information as is reasonably available for the proper performance of Consultant's services under this Agreement.

13.2. **Consultant Cooperation in Defense of Claims.** If any claim or action is brought against City relating to Consultant's performance in connection with this Agreement, Consultant shall render any reasonable assistance that City may require in the defense of that claim or action.

## 14. NOTICES

Any notices, bills, invoices, or reports required by this Agreement shall be deemed received on: (i) the day of delivery if delivered by hand, facsimile or overnight courier service during Consultant's and City's regular business hours; or (ii) on the third business day following deposit in the United States mail if delivered by mail, postage

prepaid, to the addresses listed below (or to such other addresses as the parties may, from time to time, designate in writing).

If to City

Todd Hileman, City Manager
City of South Pasadena
1414 Mission Street
South Pasadena, CA 91030
Phone: 626 403-7212
Fax: 626 403-7241

With courtesy copy to:

Roxanne M. Diaz
South Pasadena City Attorney
Richards, Watson & Gershon
350 S. Grand Ave, 37th Floor
Los Angeles, CA 90071
Phone: 213-626-8484
Fax: 213-626-0078

If to Consultant
Add Consultant Info

## 15. SURVIVING COVENANTS

The parties agree that the covenants contained in paragraph 5.11 (Records), paragraph 10.4 (Indemnification of CalPERS Determination), Section 11 (Indemnity), paragraph 12.8 (Claims-Made Policies), paragraph 13.2 (Consultant Cooperation in Defense of Claims), and paragraph 18.1 (Confidentiality) of this Agreement shall survive the expiration or termination of this Agreement, subject to the provisions and limitations of this Agreement and all otherwise applicable statutes of limitations and repose.

## 16. TERMINATION

16.1. **City Termination.** City may terminate this Agreement for any reason on five calendar days' written notice to Consultant. Consultant agrees to cease all work under this Agreement on or before the effective date of any notice of termination. All City data, documents, objects, materials or other tangible things shall be returned to City upon the termination or expiration of this Agreement.

16.2. **Consultant Termination.** Consultant may terminate this Agreement for a material breach of this Agreement upon 30 days' notice.

16.3. **Compensation Following Termination.** Upon termination, Consultant shall be paid based on the work satisfactorily performed at the time of termination. In no event shall Consultant be entitled to receive more than the amount that would be paid to Consultant

for the full performance of the services required by this Agreement. The City shall have the benefit of such work as may have been completed up to the time of such termination.

16.4. **Remedies.** City retains any and all available legal and equitable remedies for Consultant's breach of this Agreement.

## 17. INTERPRETATION OF AGREEMENT

17.1. **Governing Law.** This Agreement shall be governed and construed in accordance with the laws of the State of California.

17.2. **Integration of Exhibits.** All documents referenced as exhibits in this Agreement are hereby incorporated into this Agreement. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of any document incorporated herein by reference, the provisions of this Agreement shall prevail. This instrument contains the entire Agreement between City and Consultant with respect to the transactions contemplated herein. No other prior oral or written agreements are binding upon the parties. Amendments hereto or deviations here from shall be effective and binding only if made in writing and executed on by City and Consultant.

17.3. **Headings.** The headings and captions appearing at the commencement of the sections hereof, and in any paragraph thereof, are descriptive only and for convenience in reference to this Agreement. Should there be any conflict between such heading, and the section or paragraph thereof at the head of which it appears, the language of the section or paragraph shall control and govern in the construction of this Agreement.

17.4. **Pronouns.** Masculine or feminine pronouns shall be substituted for the neuter form and vice versa, and the plural shall be substituted for the singular form and vice versa, in any place or places herein in which the context requires such substitution(s).

17.5. **Severability.** If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, then such term or provision shall be amended to, and solely to the extent necessary to, cure such invalidity or unenforceability, and shall be enforceable in its amended form. In such event, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

17.6. **No Presumption Against Drafter.** Each party had an opportunity to consult with an attorney in reviewing and drafting this agreement. Any uncertainty or ambiguity shall not be construed for or against any party based on attribution of drafting to any party.

## 18. GENERAL PROVISIONS

18.1. **Confidentiality.** All data, documents, discussion, or other information developed or received by Consultant for performance of this Agreement are deemed confidential and Consultant shall not disclose it without prior written consent by City. City shall grant such consent if disclosure is legally required. All City data shall be returned to City upon the termination or expiration of this Agreement.

18.2. **Conflicts of Interest.** Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. Consultant further agrees to file, or shall cause its employees or subcontractor to file, a Statement of Economic Interest with the City's Filing Officer if required under state law in the performance of the services. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer, or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

18.3. **Non-assignment.** Consultant shall not delegate, transfer, subcontract or assign its duties or rights hereunder, either in whole or in part, without City's prior written consent, and any attempt to do so shall be void and of no effect. City shall not be obligated or liable under this Agreement to any party other than Consultant.

18.4. **Binding on Successors.** This Agreement shall be binding on the successors and assigns of the parties.

18.5. **No Third-Party Beneficiaries.** Except as expressly stated herein, there is no intended third-party beneficiary of any right or obligation assumed by the parties.

18.6. **Time of the Essence.** Time is of the essence for each and every provision of this Agreement.

18.7. **Non-Discrimination.** Consultant shall not discriminate against any employee or applicant for employment because of race, sex (including pregnancy, childbirth, or related medical condition), creed, national origin, color, disability as defined by law, disabled veteran status, Vietnam veteran status, religion, age (40 and above), medical condition (cancer-related), marital status, ancestry, or sexual orientation. Employment actions to which this provision applies shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; or in terms, conditions or privileges of employment, and selection for training. Consultant agrees to post in conspicuous places available to employees and applicants for employment, the provisions of this nondiscrimination clause.

18.8. **Waiver.** No provision, covenant, or condition of this Agreement shall be deemed to have been waived by City or Consultant unless in writing signed by one authorized to bind the party asserted to have consented to the waiver. The waiver by City or Consultant of any breach of any provision, covenant, or condition of this Agreement shall not be deemed to be a waiver of any subsequent breach of the same or any other provision, covenant, or condition.

18.9. **Excused Failure to Perform.** Consultant shall not be liable for any failure to perform if Consultant presents acceptable evidence, in City's sole judgment, that such failure was due to causes beyond the control and without the fault or negligence of Consultant.

18.10. **Remedies Non-Exclusive.** Each right, power and remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise shall be cumulative and shall be in addition to every other right, power, or remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise. The exercise, the commencement of the exercise, or the forbearance from the exercise by any party of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by such party of any or all of such other rights, powers or remedies.

18.11. **Attorneys' Fees.** If legal action shall be necessary to enforce any term, covenant or condition contained in this Agreement, the prevailing party shall be entitled to an award of reasonable attorneys' fees and costs expended in the action.

18.12. **Venue.** The venue for any litigation shall be Los Angeles County, California and Consultant hereby consents to jurisdiction in Los Angeles County for purposes of resolving any dispute or enforcing any obligation arising under this Agreement.

**TO EFFECTUATE THIS AGREEMENT,** the parties have caused their duly authorized representatives to execute this Agreement on the dates set forth below.

| | |
|---|---|
| City of South Pasadena | "Consultant" |
| By:_____ | By:_____ |
| Todd Hileman<br>City Manager | |

**Attest:**

By:_____
Nikima S. Newsome
Chief City Clerk

**Approved as to form:**

By:_____
Roxanne Diaz, City Attorney

PACIFIC CREDIT SERVICES

December 9, 2025

City of South Pasadena

Pacific Credit Services (PCS) is pleased to submit the requested information regarding our collection services. We appreciate the opportunity to demonstrate how our agency can support the City in recovering outstanding accounts while maintaining the highest standards of professionalism and respect for your community members.

For more than 30 years, PCS has partnered with municipalities, utilities, and community service districts throughout California. We understand the importance of balancing effective collections with protecting your City's reputation. Our approach emphasizes compliance, transparency, and customer service, ensuring that every interaction reflects positively on the City.

Attached to this letter, you will find:

- **Overview of Our Management Team** – A summary of our experienced leadership and staff who will directly support your accounts.
- **Client References** – A list of municipalities and agencies we currently serve who can speak to our performance, professionalism, and results.

Thank you for the opportunity to share our rates and service capabilities with the City of South Pasadena. We welcome the chance to earn your trust and demonstrate how Pacific Credit Services can support your office with efficient, compliant, and consumer-focused recovery services.

If you need any additional information or have questions as you finalize next steps, please don't hesitate to contact me directly at 707-301-6095 or kelly@pacificcreditservices.com.

PCS currently serves over 30 City/Government clients. Our longstanding relationships working with finance department throughout the State of California provides with the first-hand knowledge on best practices when attempting to recover municipal/government debt.

1. City of Pittsburg
   650 Civic Avenue, Pittsburg, CA 94565
   Deana Cardona, Utility Billing Supervisor
   dcardona@ci.pittsburg.ca.us | 925-252-4953
   Services: Utility, bad checks, cost recovery, housing
   City of Pittsburg has been a client of PCS since 2007

2. City of Antioch
   PO Box 5007, Antioch, CA 94531
   Rashila Chaudhary, Finance Manager
   rchaudhary@antiochca.gov | 925-779-7060
   Services: Utilities, business licenses, recreation billing
   City of Antioch has been a client of PCS since 2019

3. City of Vacaville
   650 Merchant Street, Vacaville, CA 95688
   Heather Cornelison, Finance Supervisor
   heather.cornelison@cityofvacaville.com | 707-449-5302
   Services: Utilities, bad checks, false alarms, business licenses, ambulance
   City of Vacaville has been a client of PCS since 1987

4. Jurupa Community Services District
   11201 Harrel Street, Jurupa Valley, CA 91752
   April Sturge, Customer Services District
   asturge@jcsd.us | 951-685-7434 ext. 106
   Services: Utilities
   Jurupa Community Services District has been a client of PCS since 2017

## Meet the Management Team

### Kelly Parsons-O'Brien – President



Kelly is a third-generation debt collection professional with over 30 years of experience, specializing in serving city, county, and special district clients throughout California. As President of Pacific Credit Services, she oversees all aspects of operations, compliance, and client relations, ensuring our municipal partners receive responsive service and strong recovery results. Kelly has extensive hands-on experience training staff on respectful and effective collection practices, and developing processes that align with the unique requirements of government agencies. She currently serves as the Legislative Chair for the California Association of Collectors and is a Past President of the association, advocating on behalf of the industry and the industries our agency serves.

### Justin Cullum – Vice President / CFO



With over 29 years in the debt collection industry, Justin oversees the Accounting, HR, Reception, and Legal Department. His background includes managing legal collections and partnering with attorneys on complex municipal accounts. Justin ensures that workflows remain efficient and compliant, providing valuable oversight for public sector recoveries that require elevated legal and operational coordination.

### Makenzie Jones – Compliance Manager



Makenzie has 8 years of experience in collections and compliance, with deep expertise in regulatory standards including FDCPA, FCRA, TCPA, and HIPAA. She leads compliance initiatives that support municipal contracts, ensuring our agency operates with integrity and transparency. Makenzie's leadership in training, auditing, and communication helps build effective and respectful recovery strategies tailored to the public sector.

### Monica Sacluti – Client Service Support



Monica brings over 20 years of experience in debt collection, including key leadership roles managing legal and collection departments. Her deep knowledge of compliance, state and federal regulations, and client service standards ensures municipal clients receive consistent, professional support. Monica's ability to train staff, resolve complex account issues, and communicate effectively makes her a vital partner in meeting the unique needs of government agencies.

### Rita-Michelle Alesi – Legal Manager



With over 15 years at Pacific Credit Services, Michelle has grown from front office support to leading the legal department. She ensures compliance with local, state, and federal laws, and supports municipal clients with litigation processes when needed. Her detailed knowledge of legal workflows and commitment to training and customer service help our government clients navigate complex collection scenarios with professionalism and care.

# Fee Proposal

Pacific Credit Services (PCS) operates on a contingency-based fee model, meaning we only earn a fee when funds are successfully collected. This aligns our priorities with the City's objectives and ensures we are fully incentivized to maximize recoveries while maintaining the highest standards of compliance, customer service, and professionalism. PCS proposes an all-inclusive contingency fee structure with no upfront costs to the City; all outreach, skip tracing, call center activity, notices, and reporting are fully included in the contingency rate.

**Proposed Contingency Fees**

| SERVICE CATEGORY | CONTINGENCY FEE (PERCENT OF AMOUNT COLLECTED) |
|---|---|
| Standard Collections | **20%** |
| Legal Action (City-authorized accounts only) | **22%** |

*Legal Action Notes:*

- *Legal action is never initiated without written authorization from the City.*
- *PCS advances all court costs and attorney fees.*
- *The City has no financial responsibility for legal expenses unless recovery is made*.

**Additional Account Types We Can Support**

Beyond the Water Utility billing accounts, PCS is equipped to assist with other receivables commonly managed by municipalities, including:

- Administrative citations
- Business license delinquencies
- False alarm fees
- Parking and code enforcement fines
- Miscellaneous receivables
- Ambulance/EMS accounts (if applicable)

These accounts would follow the same 20% standard rate unless otherwise negotiated.

# City Council Agenda Report

**ITEM NO. 8**

**DATE:** March 4, 2026

**FROM:** Todd Hileman, City Manager

**PREPARED BY:** Julian Lee, Director of Public Works
Michael Vartanians, City Engineer
Bassam AL-Beitawi, Transportation Program Manager

**SUBJECT:** **CONSIDERATION OF APPROVAL OF A TASK ORDER WITH HDR ENGINEERING INC. FOR ENGINEERING DESIGN SERVICES RELATED TO THE MERIDIAN, GREVELIA AND EL CENTRO PEDESTRIAN CROSSING DEVICES PROJECT FOR A NOT TO EXCEED AMOUNT OF $112,342**

## Recommendation

It is recommended that the City Council:

1. Approve the Task Order (Attachment No. 1) with HDR Engineering Inc. (HDR) to provide engineering design services for the Meridian, Grevelia and El Centro Pedestrian Crossing Devices Project (Project) in an amount not-to-exceed $112,342; and
2. Authorize the City Manager, or designee, to execute all related documents.

## Executive Summary

This is a task order for engineering design services to complete the design of Rectangular Rapid Flashing Beacon (RRFB) systems at the intersections of Grevelia Street at Park Avenue, Meridian Avenue at Bank Street, and El Centro Street at Cawston Street.

## Background

The City's Public Works Department is responsible for developing and implementing the City's Capital Improvement Program (CIP), including improvements of the city's street, water and sewer infrastructure. City Council recently received a presentation from the Public Works Department outlines the Fiscal Years 2025-2026 CIP budget. The Meridian, Grevelia and El Centro Pedestrian Crossing Devices Project was included in this presentation.

On January 18, 2023, the LA Metro Board approved programming of an additional $3,537,374 within the capacity of Measure M Multi-Year Subregional Program (MSP) - Modal Connectivity and Complete Streets Projects, which included $322,624 in funding for Pedestrian Crossing Devices in the City of South Pasadena.

## Analysis

Rectangular Rapid Flashing Beacons (RRFB) are signal devices that flash when activated by pedestrians to enhance their visibility and heighten motorists' awareness of the presence of pedestrians in the crosswalk. The RRFB devices are installed at uncontrolled crosswalks;

uncontrolled crosswalks are pedestrian crossing locations that lack traffic signals, stop signs or yield signs to stop vehicular traffic.

The City's Public Works Department is recommending the installation of RRFB devices, at three intersection locations in the City:

- Grevelia Street at Park Avenue
- Meridian Avenue at Bank Street
- El Centro Street at Cawston.

The three (3) locations were selected based on the heavy demand of street crossing by pedestrians. While the intersections of Meridian Avenue at Bank Street, and El Centro Street at Cawston Street are located within two school zones, South Pasadena High School and Arroyo Vista Elementaery School, respectively, the intersection of Grevelia Street at Park Avenue is located near Garfield Park, one of the City's busiest parks, and is surrounded by multi-family housing, which generate heavy pedestrian traffic.

**Fiscal Impact**
The adopted FY 2025-2026 Capital Improvement Program (CIP) allocates $322,624 in Measure M MSP funds to the Meridian, Grevelia, and El Centro Pedestrian Crossing Devices Project (Account No. 400-9000-9010-9350-240). Staff recommends approving this task order to initiate the preparation of plans, specifications, and construction estimates. Upon completion of the design phase, staff will advertise the project for bids and return to City Council with a recommendation to award a construction contract.

**Key Performance Indicators and Strategic Plan**
This item is related to street improvement goals in the City Council's 2025 compilation of priorities.

**Commission Review and Recommendation**
The Project has been discussed at multiple meetings of the former Mobility and Transportation Infrastructure Commission, the former Public Works Commission and at the Public Works Infrastructure Commission.

**Public Notification**
The public was made aware that this item was to be considered this evening by virtue of its inclusion on the publicly noticed agenda and posting of the same agenda and reports on the City's website.

**Environmental Analysis**
The proposed action is not a project within the meaning of the California Environmental Quality Act Guidelines, Section 21065 as it does not cause a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

Attachment:
Attachment No. 1 - Proposed HDR Task Order

**TASK ORDER NO. HDRE 6011-003**

**TO MASTER PROFESSIONAL SERVICES AGREEMENT (2024-193)**

This Task Order No. **HDRE6011-003** ("Task Order") is made and entered into on **March 5, 2026** by and between the City of South Pasadena, a municipal corporation ("City"), and **HDR Engineering, Inc.** ("Consultant").

RECITAL

**A.** City and Consultant entered into an agreement entitled Master On-Call Professional Services Agreement ("Agreement") dated **February 5, 2024** by which the Consultant agreed to perform **Civil Design Engineering Services, Structural Design Engineering Services, Landscape and Irrigation Design Services, Sustainability, Electrical, Solar, and Energy Design and Assessment Services, Seismic and Structural Examination Services, and Stormwater, Flood Plain, and Hydrogeological Engineering Services** in accordance with Task Orders issued by the City.

**NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:**

1. **INCORPORATION BY REFERENCE.** This Task Order hereby incorporates by reference all terms and conditions set forth in the Agreement.

2. **SCOPE OF TASK ORDER.** Consultant shall perform the services for the **Intersection RRFB Design's for Grevelia Street at Park Avenue, Meridian Avenue at Bank Street and El Centro Street at Cawson Street** as described in the Scope of Work set forth in Exhibit A to this Task Order in accordance with the terms and conditions of the Agreement.

3. **TASK ORDER ADMINISTRATOR.** Consultant shall designate a principal point of contact for this task order:

   **Wayne Richardson, PE**
   **HDR Engineering, Inc.**
   **350 S. Grand Avenue, Suite 2900**
   **Los Angeles, CA 90071**
   **Telephone: (714) 227-8028**

4. **SCHEDULE.** Consultant shall complete the Task Order by the date listed below, or, if specified, in accordance with the required schedule of milestones listed below:
   **Tasks 1-4 listed in this task order shall be completed within 5 months from the execution of this task order and upon receiving requested information from the City. Tasks 5-6 shall be completed during construction and at the discretion of the Public Works Director.**

5. **PAYMENT.** For services performed by Consultant in accordance with this Task Order, City will compensate Consultant in accordance with the terms and conditions of the Agreement based on the Fee Schedule set forth below. The total cost of this project is to be no more than

**one hundred twelve thousand and three hundred forty-two dollars ($112,342)**, based on the rates in the Fee Schedule set forth below.

**Invoices shall be submitted electronically to PWAP@southpasadenaca.gov**

| Table 1 of 3: HDR Task Order 3 Costs | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Task** | **Project Manager $350/hr** | **Sr. Traffic Engineer $215.76/hr** | **Highway Engineer ll $166.55/hr** | **Traffic/ Highway Engineer l $101.43/hr** | **CADD Designer $138.30/hr** | **Project Coordination $106.90/hr** | **Subcontractor & Other Direct Costs (See Tables 2 and 3)** | **Task Fee** |
| 1 | 4 hrs $1,400 | 8 hrs $1,726.08 | - | - | - | 24 hrs $2,565.60 | | **36 hrs $5,691.68** |
| 2 | 2 hrs $700 | 2 hrs $431.52 | 4 hrs $666.20 | 8 hrs $811.44 | - | - | | **16 hrs $2,609.16** |
| 3 | - | - | - | - | - | - | $35,977 | **$35,977** |
| 4.1 | 4 hrs $1,400 | 16 hrs $3,452.16 | 52 hrs $8,660.60 | 52 hrs $5,274.36 | 22 hrs $3,042.60 | - | | **146 hrs $21,829.72** |
| 4.2 | 6 hrs $2,100 | 28 hrs $6,041.28 | 28 hrs $4,663.40 | 12 hrs $1,217.16 | 10 hrs $1,383 | - | | **84 hrs $15,404.84** |
| 4.3 | 16 hrs $5,600 | 16 hrs $3,452.16 | 16 hrs $2,664.80 | 8 hrs $811.44 | - | - | | **56 hrs $12,528.40** |
| 5 | 4 hrs $1,400 | 16 hrs $3,452.16 | - | 36 hrs $3,651.48 | 16 hrs $2,212.80 | - | | **72 hrs $10,716.44** |
| 6 | 8 hrs $2,800 | 16 hrs $3,452.16 | 8 hrs $1,332.40 | - | - | - | | **32 hrs $7,584.56** |
| **Total** | **44 hrs $15,400** | **102 hrs $22,007.52** | **108 hrs $17,987.40** | **116 hrs $11,765.88** | **48 hrs $6,638.40** | **24 hrs $2,566** | **$35,977** | **442 hrs $112,341.80** |

| Table 2 of 3: Subcontractor Costs (Wager Engineering, Inc.) | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Task** | **Principal Engineer/ Surveyor $330/hr** | **Surveyor Manager $248/hr** | **Deputy Survey Manager $220/hr** | **Survey Technician III $157/hr** | **2-Person Survey Party $395/hr** | **Mileage $.725/mile** | **Fee Subtotal** |
| 3 | 9 hrs<br>$2,970 | 9 hrs<br>$2,232 | 18 hrs<br>$3,960 | 48 hrs<br>$7,536 | 48 hrs<br>$18,960 | 336 miles<br>$244 | 132 hrs<br>$35,902 |
| **Total** | **9 hrs<br>$2,970** | **9 hrs<br>$2,232** | **18 hrs<br>$3,960** | **48 hrs<br>$7,536** | **48 hrs<br>$18,960** | **336 miles<br>$244** | **132 hrs<br>$35,902** |

| Table 3 of 3: HDR Other Direct Costs | | | |
|---|---|---|---|
| **Task** | **Mileage $0.70/hr** | **Reproduction $0.10/ct** | **Fee Subtotal** |
| | 100 miles<br>$70 | **50 ct<br>$5** | **$75** |
| **Total** | **$70** | **$5** | **$75** |

6. **EXHIBITS**. All documents referenced as exhibits are hereby incorporated in this Task Order. In the event of any material discrepancy between the express provisions of this Task Order and Agreement and the provisions of any document incorporated herein by reference, the provisions of this Task Order and Agreement shall prevail.

7. **SIGNATURES.** The individuals executing this Task Order represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Task Order on behalf of the respective legal entities of the Consultant and the City.

**IN WITNESS WHEREOF,** the City and Consultant do hereby agree to the full performance of the terms set forth herein.

| "City" | "Consultant" |
|---|---|
| City of South Pasadena | **HDR Engineering, Inc.** |
| By:_____ | By:_____ |
| *Signature* | *Signature* |
| Printed:_____ | Printed:_____ |
| Title:_____ | Title:_____ |

**Attest:**

By:_____
Nikima Newsome, Chief City Clerk

**Approved as to form:**

By:_____
Roxanne Diaz, City Attorney

**EXHIBIT A**

**SCOPE OF WORK**

2/10/2026

Bassam AL-Beitawi
Transportation Program Manager
City of South Pasadena
Public Works Department
1414 Mission Street
South Pasadena, California 91030

**Subject**: Letter Proposal for Agreement to Master Professional Services Agreement (2024-139) to Provide Traffic Design Services for Task Order Number 3 - Intersection RRFB Design's for Grevelia Street at Park Avenue, Meridian Avenue at Bank Street and El Centro Street at Cawston Street.

Dear Mr. AL-Beitawi,

HDR Engineering Inc. (HDR) is pleased to submit this letter agreement to prepare the design of the pedestrian enhancements at the three intersections of Grevelia Street at Park Avenue, Meridian Avenue at Bank Street and El Centro Street at Cawston Street. As part of the enhancements, these intersection locations will undergo construction modifications with installations of Rectangular Rapid Flashing Beacon (RRFB) devices and ADA curb ramp upgrades. This letter agreement is based upon the proposal and background information provided to us by the City dated May 2, 2024, August 21, 2024, June 20, 2025, October 6, 2025 and February 3, 2026 . Our understanding of the project, scope of services, and fee are provided below. The services to be rendered will follow the guidelines shown in Master Professional Services Agreement No. 2024-139 to provide the tasks and deliverables as shown below.

## PROJECT BACKGROUND

Project Background - RRFB stands for Rectangular Rapid Flashing Beacon, a signal device that flashes when activated by pedestrians to enhance their visibility and driver yielding at uncontrolled crosswalks. As California MUTCD points out, a marked crosswalk or pedestrian warning sign can improve safety for pedestrians crossing the road, but at times may not be sufficient for drivers to visibly locate crossing locations and yield to pedestrians. To enhance pedestrian conspicuity and increase driver awareness at uncontrolled, marked crosswalks, transportation agencies can install a pedestrian actuated Rectangular Rapid Flashing Beacon (RRFB) to accompany a pedestrian warning sign. RRFBs consist of two, rectangular-shaped yellow indications, each with a light-emitting diode (LED)-array-based light source. RRFBs flash with an alternating high frequency when activated to enhance conspicuity of pedestrians at the crossing to drivers. The City of South Pasadena has requested that HDR provide a Scope of Services to design the three subject locations.

The intersection of Grevelia Street at Park Avenue is a one-way stop-controlled T-intersection at Park Avenue. Grevelia Street, which runs east-west and forms the top of the T-intersection and contains a ladder-type crosswalk on the westbound approach. Both eastbound and westbound approaches of Grevelia Street have yield arrow pavement markings. Park Avenue, the south leg of the intersection, is STOP-controlled and contains a ladder-type crosswalk at its approach. Both roadways are comprised of 2-lane undivided roadways with curbside parking and series of driveways available on both sides of each roadway. ADA ramps are also present at corners where marked crosswalks can be used to accommodate

pedestrians.

The intersection of Meridian Avenue at Bank Street is of the same configuration as the previous intersection, with north-south running Meridian Avenue as the top of the T. The east side of Meridian Avenue is adjacent to South Pasadena High School and hence, there's a yellow ladder-type crosswalk located across the south leg. Bank Street, the west leg of the intersection, is STOP-controlled. Both roadways are comprised of 2-lane undivided roadways with curbside parking available on both sides of each roadway. ADA ramps are also present at corners where the marked crosswalk can be used to accommodate pedestrians.

El Centro Street at Cawston Street is also a T-intersection street with the east-west roadway of El Centro Street forming the top of the T. The intersection is immediately north of Arroyo Vista Elementary School such that the pedestrian crosswalk across the west and south legs are yellow ladder-type crosswalks. The south leg is STOP-controlled. El Centro Street is a 2-lane undivided roadway, with buffered Class II bike lanes along both the north and south sides of the roadway and on-street parking available along the same. The north-south roadway of Cawston Street is also a 2-lane undivided roadway with on-street parking also available on both sides; no centerline is present along Cawston Street.

## SCOPE OF SERVICES

Consultant will provide all necessary labor, materials, and equipment to prepare plans for the Project. The scope of services to be performed will include the completion of traffic plans and drawings at the three stated locations of Grevelia Street at Park Avenue, Meridian Avenue at Bank Street and El Centro Street at Cawston Street, including completion of signal plans, signing and striping plans, ADA ramp and sidewalk reconstruction, and construction details.

### *TASK 1: PROJECT MANAGEMENT, COORDINATION AND MEETINGS*

Consultant will prepare a Project Management Plan (PMP) for this task order. The PMP will incorporate five key components: Operations, Communication, Quality Management, Production, and Risk Management. Specific to the Operations Plan, it will include assignment of the appropriate key staff and provide a clear description of their responsibilities, well defined deliverables and a full outline of the scope, process, schedule, budget, and priorities. Consultant will maintain internal Quality Control/Quality Assurance (QC/QA) standards and procedures.

Consultant will attend three meetings (Kick-off, First submittal, Final submittal) during this project. Consultant will be responsible for developing Meeting Minutes for each meeting and submitting them to The kick-off meeting will be held prior to commencing the design process to establish clear goals and overall project understanding. Consultant will schedule meetings, develop meeting agendas, and prepare and distribute meeting notes for each meeting attended. Depending on the nature of the meeting, meetings will either be held at the City's headquarters or virtually, using Microsoft Teams.

Also included in this task are the Project administration duties such as the submittal of monthly progress reports with each invoice. Progress reports will cover progress achieved during the reporting period, activities performed, problems encountered and their disposition, work products completed and distributed, and meetings held.

***Deliverables***

- *Total of 3 Meetings, Meeting agendas, summary notes, progress reports and invoices.*

***TASK 2: FIELD REVIEWS AND INVENTORIES***

Consultant will perform a site visit with City personnel and complete a field review to evaluate the locations identified to identify opportunities and constraints, noting the existing conditions including pedestrian facilities. Consultant will use record drawings and note the field conditions as they relate to the proposed improvements. It is understood that the City does not have existing as-built drawings, map or aerial photographs, readily available for use as a base for the design effort.

***Deliverables:*** *Field Memo documenting results of field evaluation efforts.*

***TASK 3: FIELD SURVEY (WAGNER)***

**Field Survey Control:**

Wagner Engineering & Survey, Inc (WES) will establish survey project controls within the vicinity using GPS. The basis of survey for this project is the North American Datum of 1983 (NAD 83) (Epoch 2017.50), State Plane Coordinates, California Coordinate System 1983, Zone 5, for horizontal, and North American Vertical Datum of 1988 (NAVD 88) for vertical using City of South Pasadena Benchmarks as reference. Secondary control monuments to be used for the topographic survey will be set. WES will survey street centerline monuments and develop street right-of-way alignment on the project streets/intersections.

**Detailed Survey:**

1. Grevelia Street and Park Avenue Intersection:
   WES will capture 25 ft. cross-sections and grid points for surface elements in the project area. The survey limit shall be 75 ft. past the curb returns on either side of the intersection. Surface elements include back of walk, top of curb, flowline, edge of gutter, edge of concrete, driveways, curb ramps, catch basins concrete pads, break lines, utilities (manholes, water valves, handholes, vaults, poles, pull-boxes, cabinets), utility markings, walls, gates, fences, barriers and trees 4" diameter or larger.

2. Meridian Avenue and Bank Street intersection:
   WES will capture 25 ft. cross-sections and grid points for surface elements in the project area. The survey limit shall be 75 ft. past the curb returns on either side of the intersection. Surface elements include back of walk, top of curb, flowline, edge of gutter, edge of concrete, driveways, curb ramps, catch basins concrete pads, break lines, utilities (manholes, water valves, handholes, vaults, poles, pull-boxes, cabinets), utility markings, walls, gates, fences, barriers and trees 4" diameter or larger.

3. Meridian Avenue and Bank Street intersection:
   WES will capture 25 ft. cross-sections and grid points for surface elements in the project area. The survey limit shall be 75 ft. past the curb returns on either side of the intersection. Surface elements include back of walk, top of curb, flowline, edge of gutter, edge of concrete, driveways, curb ramps, catch basins concrete pads, break lines, utilities (manholes, water valves, handholes, vaults, poles, pull-boxes, cabinets), utility markings, walls, gates, fences, barriers and trees 4" diameter or larger.

**Exclusions and Assumptions:**

- Street Improvement Plans (As-Builts) may be provided by the City for use as base map for the subject intersections, if available.
- Right-of-Way Acquisitions is not included on this proposal.
- Setting of monuments is not included on this proposal.

- Filing of Record of Survey/Corner Records is not included on this proposal.
- Aerial Mapping is not included in this proposal.
- Potholing will based on potential RRFB equipment locations to verify potential underground utility conflicts.
- Dipping of manholes is not included in this proposal.

***Deliverables:***

- Field topographic survey file deliverable in AutoCAD Civil 3D (.dwg) format with surveyed features on separate layers.
- Topographic survey DTM surface file.

***TASK 4: TRAFFIC AND ROADWAY IMPROVEMENT PLANS, SPECIFICATIONS AND ESTIMATES (PS&E)***

This task order includes 30%, 60%, 90% and 100% review submittals as follows:

**4.1 Thirty and Sixty Percent (30% and 60%) Traffic and Roadway Design Phase**

Following field walk and discussions with City, Consultant will prepare design plans for modified crosswalk traffic design. These plans will be prepared using AutoCad (latest version) software. Consultant will utilize the field survey base map prepared under Task 3 and City-provided Title block in Autocad to prepare the design plans. Right-of-way, utilities, roadway features, and improvements relevant to the design will be layered to reflect "existing" and "proposed" conditions as applicable. The following sheets will be prepared:

- Title/Notes Sheet – Assume 1 Title Sheet, not to scale. All notes should be included on each Improvement sheet.
- Survey Control Plan - Assume 1 for each intersection (min. 3 sheets) at 1"=20'.
- Intersection Plans - Assume 1 for each intersection to show Traffic and Roadway Improvements (min. 3 sheets) at 1"=20'.
- Traffic Signing and Striping Modification Plan Sheets – (min. 3 sheets) at 1"=40'.
- Ramp Details – Assume ADA Ramp Detail Plans for (3) curb ramp installation details at each intersection (min. 3 sheets) at 1" = 5' scale (*as-needed).*

Consultant will develop detailed plans at a scale of 1"=20' for the locations that include signing and striping, RRFB's and ADA ramp installations. Consultant will verify (photography and measure) underground and overhead utilities and the location of existing service points. Consultant will also verify limits of existing right-of-way. The 30% Progress and 60% Submittal plans will include all design details and develop design plans in AutoCad to conform to City standards and format. Consultant will share the conceptual plans at approximately 30% development with the City for concurrence, and will formally submit a plan set at 60% submittal stage with construction cost opinion. Consultant will address one round of consolidated set of comments at the 60% submittal to prepare the 90% plans.

**Specifications**

Greenbook, Caltrans, and City standard specifications will be relied upon to the extent practical. Technical Specifications, including special project elements and manufacturer's equipment specifications, will be provided as required. It is assumed the City will incorporate The Technical Specifications provided by Consultant into their Bid Documents (City's Special Provisions and General Conditions.

**Cost Opinion**
Consultant will prepare a Preliminary Opinion of Probable Construction Costs (POPCC) for all the items of work separately for each intersection.

***Deliverables:***

- *30% Traffic and Roadway Plans (4 sheets) to City for review and comment. This includes 2 Street Improvement Concept Plans + 2 Signing and Striping Concept Plans = 4 sheets in Portable Document Format (PDF)*
- *60% Traffic and Roadway Plans (8 sheets) to City for review and comment. This includes 1 Title sheet + 3 Survey Control Plans + 3 Street Improvement Plans + 3 Signing and Striping Plans + 3 Ramp Details = 13 sheets in Portable Document Format (PDF).*
- *Technical Specifications outline*
- *Preliminary Opinion of Probable Construction Costs (POPCC)*

***Key Assumptions:***

- Plans will be prepared on 24" x 36" sheets using the City's format using a current version of Autocad as applicable. PDF files will be provided to the City as part of submittals.
- Underground utilities will be identified per potholing at proposed locations of RRFB equipment installation locations.
- All improvements will be within the right-of-way
- RRFB will be solar powered. Should electrical service to RRFB equipment be required, Consultant to coordinate and complete necessary forms required by SCE to obtain electrical service.
- Allow a 2-3 week review time by the City for each submittal within the proposed project schedule.

**4.2 Ninety Percent (90 %) Traffic and Roadway Design Phase**
Upon receipt of 60% plan comments from the City, Consultant will prepare 90% plans for Traffic and Roadway design including traffic improvements, signing and striping, and ADA ramp and sidewalk improvements. The 90% submittal package will include Technical Specifications and a POPCC.

***Deliverables:***

- *90% plan set submittal for the City's review and approval, including approximately 8 sheets of plans/details – street improvement plans and signing & striping plans will be provided on separate sheets.*
- *A Response to Comments Matrix as appropriate to address all comments*
- *Technical Specifications as mentioned in the 60% Plan submittal description*
- *Preliminary Opinion of Probable Construction Costs (POPCC) with a complete listing of the various bid items contained in the plans and conforming to the City's format for bid items*

**4.3 One Hundred Percent (100 %) Traffic and Roadway Design Phase**
Based on City consolidated comments on the 90% PS&E, Consultant will update and submit the revised Traffic and Roadway Plans, Specifications and Estimates including Traffic Improvements, Signing and Striping, and ADA/sidewalk Improvement Plans at the 100% submittal stage. After the 100% submittal final approval by City, Consultant will submit one set of stamped/signed originals and final electronic copy of the Traffic Plans.

***Deliverables:***

- *Prepare and submit 100% Traffic and Roadway Improvement Plans based on comments received on the 90% plan review by City in PDF format for review – street improvement plans and signing & striping plans will be provided on separate sheets.*
- *Stamp and sign the 100% plans upon acceptance by the City*
- *Submit signed plans in AutoCad format*

**TASK 5: TRAFFIC CONTROL PLANS**

Consultant will provide traffic control plans to maintain traffic and access during the construction of the project. Plans will be prepared in accordance with the CA MUTCD and WATCH Manuals. HDR anticipates no more than two (2) phases of construction per intersection location for a total of three (3) Plan sheets @ 1"=40' Scale, double stacked, for each intersection. Consultant will submit one draft set for City review and anticipates one round of comments for the traffic control plans. After the final approval by City, Consultant will submit one set of stamped/signed originals and final electronic copy of the Traffic Control Plans. Vehicle detour plans are not anticipated or included as part of this task as significant roadway closure related construction activities are not anticipated as part of this project. Pedestrian detour plans, if necessary, will be included on the Traffic Control Plans.

***Deliverable:***

- *Prepare and submit Draft Traffic Control Plans for City review.*
- *Prepare and submit Final Traffic Control Plans based on comments received on the draft plan review by City in PDF format for review.*
- *Stamp and sign the 100% plans upon acceptance by the City*
- *Submit signed plans in AutoCad format*

**TASK 6: CONSTRUCTION SUPPORT SERVICES**

During the construction phase of the project, Consultant will provide interpretation and clarification of the approved construction documents in terms of design, design intent, and implementation of the project.

***Deliverable:***

- *Response to requests for information and direction on construction details during construction of the improvements as required to address project construction issues.*

Items not covered in the above scope shall be considered additional services. HDR will complete additional services upon written authorization from pending mutual agreement between the City and HDR regarding scope, cost and schedule. Additional services could include additional meetings, analysis of alternative design concepts, and coordination with any other agency other than City of South Pasadena or other efforts not in the scope of services.

***QUALITY ASSURANCE***

HDR will adhere to the City of South Pasadena's design criteria, requirements, and standards. All work product furnished by the consultant will be of a quality acceptable to the City.

***FEE AND BILLING***

HDR Engineering Inc. will perform the services described in Design Tasks 1 through 6 in the Scope of Services for a not to exceed fee of **$112,342** based on time and materials billings, number of sheets

produced and the agreed upon contract rates. The associated fee includes construction services. The fee includes all labor and expense for the defined tasks. Fees will be invoiced monthly based upon the actual services completed as of the invoice date.

Sincerely,
**HDR ENGINEERING, INC.**



Thomas T. Kim, PE
Sr. Vice President
Enclosures: Attachment A – Fee Estimate

**City of South Pasadena Intersection RRFB Design**
**TRAFFIC DESIGN SERVICES TASK ORDER #3 - MSA (2024-139)**
**Fee Proposal**

| | | | | Staff: | Project Manager Doug Smith | Sr. Traffic Engineer Gene Kim | Highway Engineer II Alex Kemp | Traffic/Highway Engineer I Amber Ross | CADD Designer | Project Coordination | Task Cost |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | $ 350.00 | $ 215.76 | $ 166.55 | $ 101.43 | $ 138.30 | $ 106.90 | |
| | **Task** | **Sheets** | **Weeks from NTP** | **Hours** | | | | | | | |
| **1** | **PROJECT MANAGEMENT** | | **18** | **36** | **4** | **8** | **0** | **0** | **0** | **24** | **$ 5,691.68** |
| | Project Management, Coordination, Meetings (3) and Project Admin/Control | | | 36 | 4 | 8 | | | | 24 | $ 5,691.68 |
| **2** | **FIELD REVIEWS AND INVENTORIES** | | **3** | **16** | **2** | **2** | **4** | **8** | **0** | **0** | **$ 2,609.16** |
| | Field Review and Inventory (3 Intersection Locations) | | | 16 | 2 | 2 | 4 | 8 | 0 | 0 | $ 2,609.16 |
| **3** | **FIELD SURVEY (COMPLETED BY WAGNER ENGINEERING INC.)** | | **6** | | | | | | | | **$ 35,902.00** |
| | Field Survey (3 Intersection locations) | | | | | | | | | | $ 35,902.00 |
| **4.1** | **30 PERCENT TRAFFIC DESIGN PHASE** | **6** | **6** | **46** | **2** | **8** | **12** | **12** | **12** | **0** | **$ 7,301.44** |
| | 30% Traffic Design Plans (Conceptual - Max 6 sheets at scale 1"=20) | | | 46 | 2 | 8 | 12 | 12 | 12 | 0 | $ 7,301.44 |
| **4.1** | **60 PERCENT TRAFFIC DESIGN PHASE** | **10** | **10** | **100** | **2** | **8** | **40** | **40** | **10** | **0** | **$ 14,528.28** |
| | 60% Traffic Design Plans (Max 10 sheets at scale 1"=20) | | | 100 | 2 | 8 | 40 | 40 | 10 | 0 | $ 14,528.28 |
| **4.2** | **90 PERCENT TRAFFIC DESIGN** | **10** | **14** | **84** | **6** | **28** | **28** | **12** | **10** | **0** | **$ 15,404.84** |
| | 90% Traffic Design Plans (Max 10 sheets at scale 1"=20) | | | 40 | 2 | 4 | 12 | 12 | 10 | 0 | $ 6,161.80 |
| | Draft Specifications | | | 22 | 2 | 12 | 8 | 0 | 0 | 0 | $ 4,621.52 |
| | Preliminary Engineer's Estimate | | | 22 | 2 | 12 | 8 | 0 | 0 | 0 | $ 4,621.52 |
| **4.3** | **100 PERCENT TRAFFIC DESIGN PHASE** | **10** | **18** | **56** | **16** | **16** | **16** | **8** | **0** | **0** | **$ 12,528.40** |
| | 100% Traffic Design Plans (10 sheets at scale 1"=20) | | | 20 | 4 | 4 | 4 | 8 | 0 | 0 | $ 3,740.68 |
| | Signed Traffic Design Plans (10 sheets at scale 1"=20) | | | 12 | 4 | 4 | 4 | 0 | 0 | 0 | $ 2,929.24 |
| | Final Specifications | | | 12 | 4 | 4 | 4 | 0 | 0 | 0 | $ 2,929.24 |
| | Final Engineer's Estimate | | | 12 | 4 | 4 | 4 | 0 | 0 | 0 | $ 2,929.24 |
| **5** | **CONSTRUCTION SUPPORT SERVICES** | | | **72** | **4** | **16** | **0** | **36** | **16** | **0** | **$ 10,716.44** |
| | Draft Traffic Control Plans (6 sheets at scale 1"=40) | | | 42 | 2 | 8 | 0 | 24 | 8 | 0 | $ 5,966.80 |
| | Final Traffic Control Plans (6 sheets at scale 1"=40) | | | 30 | 2 | 8 | 0 | 12 | 8 | 0 | $ 4,749.64 |
| **6** | **CONSTRUCTION SUPPORT SERVICES** | | | **32** | **8** | **16** | **8** | **0** | **0** | **0** | **$ 7,584.56** |
| | TOTAL HOURS | | | **514** | 44 | 102 | 108 | 116 | 48 | 24 | |
| | SUBTOTAL | | | | **$15,400** | **$22,008** | **$17,987** | **$11,766** | **$6,638** | **$2,566** | **$ 112,266.80** |
| | Professional services include preliminary through final PS&E for Traffic Signal Design and related improvements. Design for retaining walls, hardscape at driveways, curb & gutter, mowstrips, sidewalk, and professional arborist services are not included in this fee proposal. Structural engineering not included. | | | | | | | | | | |
| | TOTAL for NEEDED TASKS | | | | | | | | | | **$ 112,341.80** |
| | **TOTAL** | | | **$112,342** | | | | | | | |
| | **OTHER DIRECT COSTS:** | | | | | | | | | | |
| | Traffic Data Collection | 0 | 0 | $ - | | | | | | | |
| | Mileage | 0.7 | 100 | **$ 70** | | | | | | | |
| | Reproduction | 0.1 | 50 | **$ 5** | | | | | | | |

**CITY OF SOUTH PASADENA PWD**
**RECTANGULAR RAPID FLASHING BEACON**
**(RRFB) TASK ORDER NO. 3**
**Scope of Services**
***February 5, 2026***

**Field Survey Control:**

- Wagner Engineering & Survey, Inc (WES) will establish survey project controls within the vicinity using GPS. The basis of survey for this project is the North American Datum of 1983 (NAD 83) (Epoch 2017.50), State Plane Coordinates, California Coordinate System 1983, Zone 5, for horizontal, and North American Vertical Datum of 1988 (NAVD 88) for vertical using City of Pasadena Benchmarks as reference. Secondary control monuments to be used for the topographic survey will be set. WES will survey street centerline monuments and develop street right-of-way alignment on the project streets/intersections.

**Detailed Survey:**

WES will perform detailed survey on the following sites:

1. **Grevelia Street and Park Avenue Intersection:**
   WES will capture 25 ft. cross-sections and grid points for surface elements in the project area. The survey limit shall be 75 ft. past the curb returns on either side of the intersection. Surface elements include back of walk, top of curb, flowline, edge of gutter, edge of concrete, driveways, curb ramps, catch basins concrete pads, break lines, utilities (manholes, water valves, handholes, vaults, poles, pull-boxes, cabinets), utility markings, walls, gates, fences, barriers and trees 4” diameter or larger.

2. **Meridian Avenue and Bank Street Intersection:**
   WES will capture 25 ft. cross-sections and grid points for surface elements in the project area. The survey limit shall be 75 ft. past the curb returns on either side of the intersection. Surface elements include back of walk, top of curb, flowline, edge of gutter, edge of concrete, driveways, curb ramps, catch basins concrete pads, break lines, utilities (manholes, water valves, handholes, vaults, poles, pull-boxes, cabinets), utility markings, walls, gates, fences, barriers and trees 4” diameter or larger.

3. **El Centro Street at Cawston Street Intersection:**
   WES will capture 25 ft. cross-sections and grid points for surface elements in the project area. The survey limit shall be 75 ft. past the curb returns on either side of the intersection. Surface elements include back of walk, top of curb, flowline, edge of gutter, edge of concrete, driveways, curb ramps, catch basins concrete pads, break lines, utilities (manholes, water valves, handholes, vaults, poles, pull-boxes, cabinets), utility markings, walls, gates, fences, barriers and trees 4” diameter or larger.

**Aerial Topographic Mapping:**

- Not included in this proposal

**Deliverables:**

- Field topographic survey file deliverable in AutoCAD Civil 3D (.dwg) format with surveyed features on separate layers.
- Topographic survey DTM surface file.

**Exclusions:**

- Right-of-Way Acquisitions is not included on this proposal.
- Setting of monuments is not included on this proposal.
- Filing of Record of Survey/Corner Records is not included on this proposal.
- Aerial Mapping is not included in this proposal.
- Underground utility location is not included in this proposal.
- Dipping of manholes is not included in this proposal.

Wagner Engineering & Survey, Inc.
17134 Devonshire Street, Suite 200
Northridge, CA 91325
818-892-6565
mail@wesinc.org

**CITY OF SOUTH PASADENA**
**PUBLIC WORKS DEPARTMENT**
**TRAFFIC DESIGN SERVICES - TASK ORDER 3**
**GREVELIA ST. AT PARK - MERIDIAN AVE. AT BANK ST. - EL CENTRO ST AT CAWSON ST.**
**COST PROPOSAL FOR SURVEY SERVICES**

**Date: 06/17/2024 - Rev. 12/18/2025 - Rev. 02/05/2026**
**Prepared for: HDR Inc.**
**Contact: Gene Kim**
**Phone: 562-527-4588**
**E-mail: gene.kim@hdrinc.com**

| SubTask # | Description | Estimated Labor Hours: Principal Engineer/Surveyor | Sr. Project Manager | Survey Manager | ROW Manager | Engineering Manager | Deputy Survey Manager | Sr. Project Surveyor | Survey Technician III | Survey Technician II | Survey Technician I | Research Expeditor | 3-Person Survey Party | 2-Person Survey Party | 1-Person Survey Party | 3-Person Survey Party (OT) | 2-Person Survey Party (OT) | 1-Person Survey Party (OT) | Hours | Total Labor Amount |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Grevelia Street and Park Ave** | | | | | | | | | | | | | | | | | | | |
| | Project Management | 2 | | 2 | | | 2 | | | | | | | | | | | | 6 | $1,596 |
| | QA/QC | 1 | | 1 | | | | | | | | | | | | | | | 2 | $578 |
| | Survey Control | | | | | | | | | | | | | 8 | | | | | 8 | $3,160 |
| | Process Survey Control | | | | | | 2 | | | | | | | | | | | | 2 | $440 |
| | Topographic Survey | | | | | | | | | | | | | 8 | | | | | 8 | $3,160 |
| | Process Topographic Survey | | | | | | | | 16 | | | | | | | | | | 16 | $2,512 |
| | Research | | | | | | 2 | | | | | | | | | | | | 2 | $440 |
| | | | | | | | | | | | | | | | | | | | 0 | $0 |
| | | 3 | 0 | 3 | 0 | 0 | 6 | 0 | 16 | 0 | 0 | 0 | 0 | 16 | 0 | 0 | 0 | 0 | 44 | $11,886 |
| | **Meridian Avenue at Bank Street** | | | | | | | | | | | | | | | | | | | |
| | Project Management | 2 | | 2 | | | 2 | | | | | | | | | | | | 6 | $1,596 |
| | QA/QC | 1 | | 1 | | | | | | | | | | | | | | | 2 | $578 |
| | Survey Control | | | | | | | | | | | | | 8 | | | | | 8 | $3,160 |
| | Process Survey Control | | | | | | 2 | | | | | | | | | | | | 2 | $440 |
| | Topographic Survey | | | | | | | | | | | | | 8 | | | | | 8 | $3,160 |
| | ProcessTopographic Survey | | | | | | | | 16 | | | | | | | | | | 16 | $2,512 |
| | Research | | | | | | 2 | | | | | | | | | | | | 2 | $440 |
| | | | | | | | | | | | | | | | | | | | 0 | $0 |
| | | | | | | | | | | | | | | | | | | | 0 | $0 |
| | | | | | | | | | | | | | | | | | | | 0 | $0 |
| | | 3 | 0 | 3 | 0 | 0 | 6 | 0 | 16 | 0 | 0 | 0 | 0 | 16 | 0 | 0 | 0 | 0 | 44 | $11,886 |
| | **El Centro St. at Cawson St.** | | | | | | | | | | | | | | | | | | | |
| | Project Management | 2 | | 2 | | | 2 | | | | | | | | | | | | 6 | $1,596 |
| | QA/QC | 1 | | 1 | | | | | | | | | | | | | | | 2 | $578 |
| | Survey Control | | | | | | | | | | | | | 8 | | | | | 8 | $3,160 |
| | Process Survey Control | | | | | | 2 | | | | | | | | | | | | 2 | $440 |
| | Topographic Survey | | | | | | | | | | | | | 8 | | | | | 8 | $3,160 |
| | ProcessTopographic Survey | | | | | | | | 16 | | | | | | | | | | 16 | $2,512 |
| | Research | | | | | | 2 | | | | | | | | | | | | 2 | $440 |
| | | | | | | | | | | | | | | | | | | | 0 | $0 |
| | | | | | | | | | | | | | | | | | | | 0 | $0 |
| | | | | | | | | | | | | | | | | | | | 0 | $0 |
| | | 3 | 0 | 3 | 0 | 0 | 6 | 0 | 16 | 0 | 0 | 0 | 0 | 16 | 0 | 0 | 0 | 0 | 44 | $11,886 |
| | **Total Hours:** | 9 | 0 | 9 | 0 | 0 | 18 | 0 | 48 | 0 | 0 | 0 | 0 | 48 | 0 | 0 | 0 | 0 | 132 | $35,658 |
| | **2023-2024 Hourly Rates — Billing Rate:** | $330.00 | $285.00 | $248.00 | $205.00 | $226.00 | $220.00 | $205.00 | $157.00 | $140.00 | $125.00 | $147.00 | $526.00 | $395.00 | $245.00 | $630.00 | $470.00 | $270.00 | | |
| | **Labor Subtotal:** | $2,970 | $0 | $2,232 | $0 | $0 | $3,960 | $0 | $7,536 | $0 | $0 | $0 | $0 | $18,960 | $0 | $0 | $0 | $0 | | |
| | | | | | | | | | | | | | | | | | | | **LABOR:** | **$35,658** |

**NOTES:**

| OTHER DIRECT COSTS | Quant. | Unit | Price | Amount |
|---|---|---|---|---|
| Printing & Repro 11x17 | | Copies | | $0 |
| Mileage (56 miles RT x 6 days) | 336 | miles | $0.725 | $244 |
| Shipping & Delivery | | Each | | $0 |
| Miscellaneous | | Each | | $0 |
| | | | | $0 |
| | | | | $0 |
| | | | | $0 |
| | | | | $0 |
| | | | | $0 |
| | | | | $0 |
| **OTHER DIRECT COSTS:** | | | | **$244** |

| | |
|---|---|
| **TOTAL BUDGET:** | **$35,902.00** |

# City Council Agenda Report

**ITEM NO. 9**

**DATE:** March 4, 2026

**FROM:** Todd Hileman, City Manager

**PREPARED BY:** Erika Ramirez, Community Development Director

**SUBJECT:** **CONSIDERATION OF APPROVAL OF THE FIRST AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH THE MOORE IACOFANO GOLTSMAN INC., FOR GEOGRAPHIC INFORMATIONAL SYSTEMS SERVICES INCREASING THE COMPENSATION IN THE AMOUNT OF $100,000 FOR A NEW AGGREGATE TOTAL OF $150,000 AND EXTENDING THE TERM BY THREE YEARS FOR A MAXIMUM FIVE YEAR TERM.**

## Recommendation

It is recommended that the City Council approve the First Amendment to the Professional Services Agreement with Moore Iacofano Goltsman Inc., for geographic informational system services.

## Executive Summary

The City Council is asked to approve a first amendment to the Professional Services Agreement with Moore Iacofano Goltsman Inc. (MIG) for on-call Geographic Information Systems (GIS) services. The amendment would increase the contract amount by $100,000 and extend the agreement for an additional three years, resulting in a new total not-to-exceed amount of $150,000. The additional funding includes $25,000 to support specialized GIS analysis, 3D modeling, and visual exhibits related to Senate Bill (SB) 79, as directed by the City Council, and $75,000 to provide continued on-call GIS services at an estimated average of $25,000 per year.

GIS services are critical to supporting zoning analysis, development capacity modeling, and data-driven policy evaluation, particularly in response to new state housing mandates affecting areas near the Metro A Line station. The amendment ensures the City maintains access to technical GIS expertise necessary to provide accurate analysis and clear visual tools to inform Council policy direction, while aligning with Strategic Plan Objective 5 to plan for affordable housing in compliance with state mandates.

## Background

On July 17, 2024, the City released a Request for Proposals (RFP) for On-Call GIS Staff Services. The City received 13 proposals by the due date of August 12, 2024. The proposals were scored by a review committee and compared to the requirements listed in the RFP. The committee recommended the City enter into an agreement with MIG to provide on-call GIS services.

On October 16, 2024, City Council approved an agreement with MIG for said services for a two-year term at a not to exceed amount of $50,000, with the option to extend the contract for up to three (3) one-year extensions for a total maximum contract period of five (5) years.

On January 14, 2026, a special joint meeting of the City Council and Planning Commission was held to receive an overview and discussion Senate Bill 79 (Abundant and Affordable Homes Near Transit Act).

On February 2, 2026, the Community Development Department engaged MIG to provide data analysis, GIS mapping, 3D modeling to identify sites that may qualify for temporary SB 79 deferral and exhibits to support development of alternative plan scenarios, including potential redistribution of allowable density within the station area and surrounding corridors.

**Analysis**

The Community Development Department's Planning Division requires the services of consulting firms on an on-call as needed basis to assist in specialized areas of the planning field. One such specialized area is GIS services. GIS is a computer-based tool that collects, manages, analyzes, and visualizes data tied to specific geographic locations. In the Planning Division, GIS supports zoning and land use analysis, development capacity studies, environmental review, infrastructure coordination, and preparation of accurate maps and exhibits for staff reports and policy discussion. GIS expertise is essential to ensure data accuracy, defensible spatial analysis, and reliable conclusions that inform objective, evidence-based planning recommendations.

SB 79, known as the "Abundant and Affordable Homes Near Transit Act," adds Government Code Sections 65912,155 through 65912.162 to override local zoning requirements and allow housing developments at increased heights and densities near specified transit stops in various counties, including Los Angels County and the Metro A Line station in the City of South Pasadena.

At a special joint meeting of the City Council and Planning Commission the City Council directed staff to return with additional analysis and visual exhibits illustrating: (1) the densities permitted under SB 79, and (2) potential redistribution of those densities to inform future policy direction. Preparation of these materials requires advanced GIS-based spatial analysis and mapping.

To support this effort, staff engaged MIG under their current contract to assist with the GIS analysis and the development of visual exhibit. The additional cost associated with this special project is estimated at $25,000. In addition, continued on-call GIS services are anticipated for future planning initiatives at an average cost of $25,000 per year over the next three years. Accordingly, staff is requesting approval of an amendment with MIG in the amount of $100,000, which includes $25,000 for the SB 79 special project and $75,000 to fund ongoing GIS services over a three-year extension of the agreement.

**Fiscal Impact**

On-call agreements do not commit the City to expending a specific amount for professional services. Services will be based on an as needed basis and up to the authorized budget amount. The current agreement is for a two-year term at a not to exceed amount of $50,000. With the proposed amendment in the amount of up to $100,000, the new proposed total maximum contract amount is $150,000. Funding for on-call services will be funded from account 101-7010-7011 -8170-00 Professional Services in accordance with the annual

department budget for services.

**Key Performance Indicators and Strategic Plan**
This project supports Objective 5 in the 2021-2026 Strategic Plan: Plan for Affordable Housing to Comply with State Mandates.

**Environmental Analysis**
This contract does not constitute a project under the California Environmental Quality Act. No environmental analysis is required.

Attachment:
Attachment No. 1 - MIG First Amendment
Attachment No. 2 - MIG Professional Services Agreement

# FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT FOR CONSULTANT SERVICES

THIS FIRST AMENDMENT is made on this 4TH day of March, 2026 by and between the CITY OF SOUTH PASADENA ("CITY") and Moore Iacofano Goltsman, Inc. ("CONSULTANT").

## RECITALS

**WHEREAS**, on October 16, 2024, the CITY and CONSULTANT entered into an Agreement for PROFESSIONAL SERVICES ("Agreement") for CONSULTANT to perform on-call Geographic Information Systems (GIS) Services for the City; and

**WHEREAS**, the original Agreement was in the amount of $50,000, for the Scope of Services; and

**WHEREAS,** the CITY desires to enter into this First Amendment to the Agreement to extend the term of the agreement by three (3) years for a maximum five (5) year term; and increase the compensation by an additional $100,000, for a new aggregate total of $150,000.

**NOW THEREFORE, THE CITY AND THE CONSULTANT AGREE AS FOLLOWS:**

**Section 1.** Section 3.4 entitled "Maximum Amount" of the Agreement is hereby amended to read as follows:

"Maximum Amount": The highest total compensation and cost payable to CONSULTANT by CITY under this agreement. The Maximum Amount under this Agreement is One Hundred and Fifty Thousand Dollars ($150,000)."

**Section 2.** Section 3.6 entitled "Termination Date" of the Agreement is hereby amended to read as follows:

"Termination Date": Upon completion of the work but no later than November 1, 2029.

**Section 3.** Section 4.1 "Time Extensions" of the Agreement is hereby deleted.

**Section 4.** All other terms, conditions, and provisions of the Agreement to the extent not modified by this First Amendment, shall remain in full force and effect.

| "City" | "Consultant" |
|---|---|
| City of South Pasadena | Moore Iacofano Goltsman, Inc. (MIG) |
| By:_____ *Signature* | By:_____ *Signature* Printed: |
| Printed: Todd Hileman | Lisa Brownfield, AICP |
| Title: City Manager | Title: Principal-in-Charge |
| Date:_____ | Date:_____ |

**Attest:**

By:_____
Nikima S. Newsome, Chief City Clerk

Date:_____

**Approved as to form:**

By:_____
Roxanne Diaz, City Attorney

Date:_____

# PROFESSIONAL SERVICES AGREEMENT
# FOR CONSULTANT SERVICES

**(City of South Pasadena / Moore Iacofano Goltsman, INC. (MIG))**

## 1. IDENTIFICATION

This PROFESSIONAL SERVICES AGREEMENT ("Agreement") is entered into by and between the City of South Pasadena, a California municipal corporation ("City"), and Moore Iacofano Goltsman, Inc. (MIG) ("Consultant").

## 2. RECITALS

2.1. City has determined that it requires the following professional services from a consultant: On-Call GIS Staff Services.

2.2. Consultant represents that it is fully qualified to perform such professional services by virtue of its experience and the training, education and expertise of its principals and employees. Consultant further represents that it is willing to accept responsibility for performing such services in accordance with the terms and conditions set forth in this Agreement.

2.3. Consultant represents that it has no known relationships with third parties, City Council members, or employees of City which would (1) present a conflict of interest with the rendering of services under this Agreement under Government Code Section 1090, the Political Reform Act (Government Code Section 81000 *et seq.*), or other applicable law, (2) prevent Consultant from performing the terms of this Agreement, or (3) present a significant opportunity for the disclosure of confidential information.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions herein contained, City and Consultant agree as follows:

## 3. DEFINITIONS

3.1. "Scope of Services": The Consultant will serve as the City's on-call GIS analyst/expert. The Consultant will provide GIS analytical and map-making services on an as-needed basis. The Consultant is expected to fulfill the tasks, roles, and responsibilities as listed in Exhibit A (attached).

3.2. "Agreement Administrator": The Agreement Administrator for this project is Alison Becker, AICP, Deputy Community Development Director. The Agreement Administrator shall be the principal point of contact at the City for this project. All services under this Agreement shall be performed at the request of the Agreement Administrator. The Agreement Administrator will establish the timetable for completion of services and any interim milestones. City reserves the right to change this designation upon written notice to Consultant.

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3.3. "Approved Fee Schedule": Consultant's compensation rates are set forth in the fee schedule attached hereto as Exhibit B and incorporated herein by this reference. This fee schedule shall remain in effect for the duration of this Agreement unless modified in writing by mutual agreement of the parties.

3.4. "Maximum Amount": The highest total compensation and costs payable to Consultant by City under this Agreement. The Maximum Amount under this Agreement is Fifty Thousand Dollars ($50,000).

3.5. "Commencement Date": November 1, 2024.

3.6. "Termination Date": Upon completion of the work but no later than November 1, 2026.

## 4. TERM

The term of this Agreement shall commence at 12:00 a.m. on the Commencement Date and shall expire at 11:59 p.m. on the Termination Date unless extended by written agreement of the parties or terminated earlier under Section 18 ("Termination") below. Consultant may request extensions of time to perform the services required hereunder. Such extensions shall be effective if authorized in advance by City in writing and incorporated in written amendments to this Agreement.

4.1. **Time Extensions.** The Community Development Director is authorized to extend the term of this Agreement for up to three (3) one-year extensions on the same terms and conditions and if the compensation for the additional one-year extensions is included as a budget expense. The compensation for each one-year extension shall not exceed $25,000. In no event shall the term of this Agreement, with extensions, exceed five (5) years.

## 5. CONSULTANT'S DUTIES

5.1. **Services**. Consultant shall perform the services identified in the Scope of Services Exhibit A. City shall have the right to request, in writing, changes in the Scope of Services. Any such changes mutually agreed upon by the parties, and any corresponding increase or decrease in compensation, shall be incorporated by written amendment to this Agreement.

5.2. **Coordination with City**. In performing services under this Agreement, Consultant shall coordinate all contact with City through its Agreement Administrator.

5.3. **Budgetary Notification**. Consultant shall notify the Agreement Administrator, in writing, when fees and expenses incurred under this Agreement have reached eighty percent (80%) of the Maximum Amount. Consultant shall concurrently inform the Agreement Administrator, in writing, of Consultant's estimate of total expenditures

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required to complete its current assignments before proceeding, when the remaining work on such assignments would exceed the Maximum Amount.

5.4. **Business License.** Consultant shall obtain and maintain in force a City business license for the duration of this Agreement.

5.5. **Professional Standards.** Consultant shall perform all work to the standards of Consultant's profession and in a manner reasonably satisfactory to City. Consultant shall keep itself fully informed of and in compliance with all local, state, and federal laws, rules, and regulations in any manner affecting the performance of this Agreement, including all Cal/OSHA requirements, the conflict of interest provisions of Government Code § 1090 and the Political Reform Act (Government Code § 81000 et seq.).

5.6. **Avoid Conflicts.** During the term of this Agreement, Consultant shall not perform any work for another person or entity for whom Consultant was not working at the Commencement Date if such work would present a conflict interfering with performance under this Agreement. However, City may consent in writing to Consultant's performance of such work.

5.7. **Appropriate Personnel.** Consultant has, or will secure at its own expense, all personnel required to perform the services identified in the Scope of Services. All such services shall be performed by Consultant or under its supervision, and all personnel engaged in the work shall be qualified to perform such services. Lisa Brownfield, AICP, Principal-in-Charge, shall be Consultant's project administrator and shall have direct responsibility for management of Consultant's performance under this Agreement. No change shall be made in Consultant's project administrator without City's prior written consent.

5.8. **Substitution of Personnel.** Any persons named in the proposal or Scope of Services constitutes a promise to the City that those persons will perform and coordinate their respective services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence upon written approval of City. If City and Consultant cannot agree as to the substitution of key personnel, City may terminate this Agreement for cause.

5.9. **Permits and Approvals.** Consultant shall obtain, at its sole cost and expense, all permits and regulatory approvals necessary for Consultant's performance of this Agreement. This includes, but shall not be limited to, professional licenses, encroachment permits and building and safety permits and inspections.

5.10. **Notification of Organizational Changes.** Consultant shall notify the Agreement Administrator, in writing, of any change in name, ownership or control of Consultant's firm or of any subcontractor. Change of ownership or control of Consultant's firm may require an amendment to this Agreement.

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5.11. **Records.** Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to City under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to Consultant under this Agreement. All such documents shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of City. In addition, pursuant to Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds ten thousand dollars, all such documents and this Agreement shall be subject to the examination and audit of the State Auditor, at the request of City or as part of any audit of City, for a period of three (3) years after final payment under this Agreement.

## 6. SUBCONTRACTING

6.1. **General Prohibition.** This Agreement covers professional services of a specific and unique nature. Except as otherwise provided herein, Consultant shall not assign or transfer its interest in this Agreement or subcontract any services to be performed without amending this Agreement.

6.2. **Consultant Responsible.** Consultant shall be responsible to City for all services to be performed under this Agreement.

6.3. **Identification in Fee Schedule.** All subcontractors shall be specifically listed and their billing rates identified in the Approved Fee Schedule, Exhibit B. Any changes must be approved by the Agreement Administrator in writing as an amendment to this Agreement.

6.4. **Compensation for Subcontractors.** City shall pay Consultant for work performed by its subcontractors, if any, only at Consultant's actual cost plus an approved mark-up as set forth in the Approved Fee Schedule, Exhibit B. Consultant shall be liable and accountable for any and all payments, compensation, and federal and state taxes to all subcontractors performing services under this Agreement. City shall not be liable for any payment, compensation, or federal and state taxes for any subcontractors.

## 7. COMPENSATION

7.1. **General.** City agrees to compensate Consultant for the services provided under this Agreement, and Consultant agrees to accept payment in accordance with the Fee Schedule in full satisfaction for such services. Compensation shall not exceed the Maximum Amount. Consultant shall not be reimbursed for any expenses unless provided for in this Agreement or authorized in writing by City in advance.

7.2. **Invoices.** Consultant shall submit to City an invoice, on a monthly basis or as otherwise agreed to by the Agreement Administrator, for services performed pursuant to this Agreement. Each invoice shall identify the Maximum Amount, the services rendered

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during the billing period, the amount due for the invoice, and the total amount previously invoiced. All labor charges shall be itemized by employee name and classification/position with the firm, the corresponding hourly rate, the hours worked, a description of each labor charge, and the total amount due for labor charges.

7.3. **Taxes.** City shall not withhold applicable taxes or other payroll deductions from payments made to Consultant except as otherwise required by law. Consultant shall be solely responsible for calculating, withholding, and paying all taxes.

7.4. **Disputes.** The parties agree to meet and confer at mutually agreeable times to resolve any disputed amounts contained in an invoice submitted by Consultant.

7.5. **Additional Work.** Consultant shall not be reimbursed for any expenses incurred for work performed outside the Scope of Services unless prior written approval is given by the City through a fully executed written amendment. Consultant shall not undertake any such work without prior written approval of the City.

7.6. **City Satisfaction as Precondition to Payment.** Notwithstanding any other terms of this Agreement, no payments shall be made to Consultant until City is satisfied that the services are satisfactory.

7.7. **Right to Withhold Payments.** If Consultant fails to provide a deposit or promptly satisfy an indemnity obligation described in Section 11, City shall have the right to withhold payments under this Agreement to offset that amount.

## 8. INTENTIONALLY OMITTED

## 9. OWNERSHIP OF WRITTEN PRODUCTS

All reports, documents or other written material ("written products" herein) developed by Consultant in the performance of this Agreement shall be and remain the property of City without restriction or limitation upon its use or dissemination by City except as provided by law. Consultant may take and retain copies of such written products as desired, but no such written products shall be the subject of a copyright application by Consultant.

## 10. RELATIONSHIP OF PARTIES

10.1. **General.** Consultant is, and shall at all times remain as to City, a wholly independent contractor.

10.2. **No Agent Authority.** Consultant shall have no power to incur any debt, obligation, or liability on behalf of City or otherwise to act on behalf of City as an agent. Neither City nor any of its agents shall have control over the conduct of Consultant or any of Consultant's employees, except as set forth in this Agreement. Consultant shall not

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represent that it is, or that any of its agents or employees are, in any manner employees of City.

10.3. **Independent Contractor Status.** Under no circumstances shall Consultant or its employees look to the City as an employer. Consultant shall not be entitled to any benefits. City makes no representation as to the effect of this independent contractor relationship on Consultant's previously earned California Public Employees Retirement System ("CalPERS") retirement benefits, if any, and Consultant specifically assumes the responsibility for making such a determination. Consultant shall be responsible for all reports and obligations including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation, and other applicable federal and state taxes.

10.4. **Indemnification of CalPERS Determination.** In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement claims or is determined by a court of competent jurisdiction or CalPERS to be eligible for enrollment in CalPERS as an employee of the City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for CalPERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

## 11. INDEMNIFICATION

11.1 **Definitions.** For purposes of this Section 11, "Consultant" shall include Consultant, its officers, employees, servants, agents, or subcontractors, or anyone directly or indirectly employed by either Consultant or its subcontractors, in the performance of this Agreement. "City" shall include City, its officers, agents, employees and volunteers.

11.2 **Consultant to Indemnify City.** To the fullest extent permitted by law, Consultant shall indemnify, hold harmless, and defend City from and against any and all claims, losses, costs or expenses for any personal injury or property damage arising out of or in connection with Consultant's alleged negligence, recklessness or willful misconduct or other wrongful acts, errors or omissions of Consultant or failure to comply with any provision in this Agreement.

11.3 **Scope of Indemnity.** Personal injury shall include injury or damage due to death or injury to any person, whether physical, emotional, consequential or otherwise, Property damage shall include injury to any personal or real property. Consultant shall not be required to indemnify City for such loss or damage as is caused by the ~~sole~~ active negligence or willful misconduct of the City.

11.4 **Attorneys Fees.** Such costs and expenses shall include reasonable attorneys' fees for counsel of City's choice, expert fees and all other costs and fees of litigation. Consultant shall not be entitled to any refund of attorneys' fees, defense costs or expenses in the event that it is adjudicated to have been non-negligent.

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11.5 **Waiver of Statutory Immunity.** The obligations of Consultant under this Section 11 are not limited by the provisions of any workers' compensation act or similar act. Consultant expressly waives its statutory immunity under such statutes or laws as to City.

11.6 **Indemnification by Subcontractors.** Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this Section 11 from each and every subcontractor or any other person or entity involved in the performance of this Agreement on Consultant's behalf.

11.7 **Insurance Not a Substitute.** City does not waive any indemnity rights by accepting any insurance policy or certificate required pursuant to this Agreement. Consultant's indemnification obligations apply regardless of whether or not any insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost or expense.

## 12. INSURANCE

12.1. **Insurance Required.** Consultant shall maintain insurance as described in this section and shall require all of its subcontractors, consultants, and other agents to do the same. Approval of the insurance by the City shall not relieve or decrease any liability of Consultant Any requirement for insurance to be maintained after completion of the work shall survive this Agreement.

12.2. **Documentation of Insurance.** City will not execute this agreement until it has received a complete set of all required documentation of insurance coverage. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. Consultant shall file with City:

- Certificate of Insurance, indicating companies acceptable to City, with a Best's Rating of no less than A:VII showing. The Certificate of Insurance must include the following reference: On-Call GIS Staff Services.
- Documentation of Best's rating acceptable to the City.
- Original endorsements effecting coverage for all policies required by this Agreement.
- City reserves the right to obtain a full certified copy of any Insurance policy and endorsements. Failure to exercise this right shall not constitute a waiver of the right to exercise later.

12.3. **Coverage Amounts.** Insurance coverage shall be at least in the following minimum amounts:

- Professional Liability Insurance: $2,000,000 per occurrence, $2,000,000 aggregate
- General Liability:
  - General Aggregate: $2,000,000

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- Products Comp/Op Aggregate $2,000,000
- Personal & Advertising Injury $2,000,000
- Each Occurrence $2,000,000
- Fire Damage (any one fire) $ 100,000
- Medical Expense (any 1 person) $ 10,000

- Workers' Compensation:
  - Workers' Compensation Statutory Limits
  - EL Each Accident $1,000,000
  - EL Disease - Policy Limit $1,000,000
  - EL Disease - Each Employee $1,000,000

- Automobile Liability
  - Any vehicle, combined single limit $1,000,000

Any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements or limits shall be available to the additional insured. Furthermore, the requirements for coverage and limits shall be the greater of (1) the minimum coverage and limits specified in this Agreement, or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured

12.4. **General Liability Insurance.** Commercial General Liability Insurance shall be no less broad than ISO form CG 00 01. Coverage must be on a standard Occurrence form. Claims-Made, modified, limited or restricted Occurrence forms are not acceptable.

12.5. **Worker's Compensation Insurance.** Consultant is aware of the provisions of Section 3700 of the Labor Code which requires every employer to carry Workers' Compensation (or to undertake equivalent self-insurance), and Consultant will comply with such provisions before commencing the performance of the work of this Agreement. If such insurance is underwritten by any agency other than the State Compensation Fund, such agency shall be a company authorized to do business in the State of California.

12.6. **Automobile Liability Insurance.** Covered vehicles shall include owned if any, non-owned, and hired automobiles and, trucks.

12.7. **Professional Liability Insurance or Errors & Omissions Coverage.** The deductible or self-insured retention may not exceed $50,000. If the insurance is on a Claims-Made basis, the retroactive date shall be no later than the commencement of the work. Coverage shall be continued for two years after the completion of the work by one of the following: (1) renewal of the existing policy; (2) an extended reporting period endorsement; or (3) replacement insurance with a retroactive date no later than the commencement of the work under this Agreement.

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12.8. **Claims-Made Policies.** If any of the required policies provide coverage on a claims-made basis the Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work. Claims-Made Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.

12.9. **Additional Insured Endorsements.** The City, its City Council, Commissions, officers, and employees of South Pasadena must be endorsed as an additional insured for each policy required herein, other than Professional Errors and Omissions and Worker's Compensation, for liability arising out of ongoing and completed operations by or on behalf of the Consultant. Consultant's insurance policies shall be primary as respects any claims related to or as the result of the Consultant's work. Any insurance, pooled coverage or self-insurance maintained by the City, its elected or appointed officials, directors, officers, agents, employees, volunteers, or consultants shall be non-contributory. All endorsements shall be signed by a person authorized by the insurer to bind coverage on its behalf. General liability coverage can be provided using an endorsement to the Consultant's insurance at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10 and CG 20 37.

12.10. **Failure to Maintain Coverage.** In the event any policy is canceled prior to the completion of the project and the Consultant does not furnish a new certificate of insurance prior to cancellation, City has the right, but not the duty, to obtain the required insurance and deduct the premium(s) from any amounts due the Consultant under this Agreement. Failure of the Consultant to maintain the insurance required by this Agreement, or to comply with any of the requirements of this section, shall constitute a material breach of this Agreement.

12.11. **Notices.** Contractor shall provide immediate written notice if (1) any of the required insurance policies is terminated; (2) the limits of any of the required policies are reduced; (3) or the deductible or self-insured retention is increased. Consultant shall provide no less than 30 days' notice of any cancellation or material change to policies required by this Agreement. Consultant shall provide proof that cancelled or expired policies of insurance have been renewed or replaced with other policies providing at least the same coverage. Such proof will be furnished at least two weeks prior to the expiration of the coverages. The name and address for Additional Insured Endorsements, Certificates of Insurance and Notices of Cancellation is:

City of South Pasadena, Attn: Alison Becker, AICP, Deputy Community Development Director
1414 Mission Street
South Pasadena, CA 91030., South Pasadena, CA 91030.

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12.12. **Consultant's Insurance Primary.** The insurance provided by Consultant, including all endorsements, shall be primary to any coverage available to City. Any insurance or self-insurance maintained by City and/or its officers, employees, agents or volunteers, shall be in excess of Consultant's insurance and shall not contribute with it.

12.13. **Waiver of Subrogation.** Consultant hereby waives all rights of subrogation against the City. Consultant shall additionally waive such rights either by endorsement to each policy or provide proof of such waiver in the policy itself.

12.14. **Report of Claims to City.** Consultant shall report to the City, in addition to the Consultant's insurer, any and all insurance claims submitted to Consultant's insurer in connection with the services under this Agreement.

12.15. **Premium Payments and Deductibles.** Consultant must disclose all deductibles and self-insured retention amounts to the City. The City may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within retention amounts. Ultimately, City must approve all such amounts prior to execution of this Agreement.

City has no obligation to pay any premiums, assessments, or deductibles under any policy required in this Agreement. Consultant shall be responsible for all premiums and deductibles in all of Consultant's insurance policies. The amount of deductibles for insurance coverage required herein are subject to City's approval.

12.16. **Duty to Defend and Indemnify.** Consultant's duties to defend and indemnify City under this Agreement shall not be limited by the foregoing insurance requirements and shall survive the expiration of this Agreement.

## 13. MUTUAL COOPERATION

13.1. **City Cooperation in Performance.** City shall provide Consultant with all pertinent data, documents and other requested information as is reasonably available for the proper performance of Consultant's services under this Agreement.

13.2. **Consultant Cooperation in Defense of Claims.** If any claim or action is brought against City relating to Consultant's performance in connection with this Agreement, Consultant shall render any reasonable assistance that City may require in the defense of that claim or action.

## 14. NOTICES

Any notices, bills, invoices, or reports required by this Agreement shall be deemed received on: (i) the day of delivery if delivered by hand, facsimile or overnight courier

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service during Consultant's and City's regular business hours; or (ii) on the third business day following deposit in the United States mail if delivered by mail, postage prepaid, to the addresses listed below (or to such other addresses as the parties may, from time to time, designate in writing).

If to City:

Alison Becker, AICP, Deputy Director of Community Development
City of South Pasadena
1414 Mission Street
South Pasadena, CA 91030
Telephone: (626) 403-7220
Facsimile: (626) 403-7241
E-mail: abecker@southpasadenaca.gov

If to Consultant:

Lisa Brownfield, AICP, Principal-in-Charge
Moore Iacofano Goltsman, Inc. (MIG)
537 S. Raymond Avenue
Pasadena, CA 91105
Telephone: (626) 744-9872
E-mail: lorrie@migcom.com

With courtesy copy to:

Roxanne M. Diaz
South Pasadena City Attorney
Richards, Watson & Gershon
350 South Grand Avenue, 37th Floor
Los Angeles, CA 90071
Telephone: (213) 626-8484
Facsimile: (213) 626-0078

## 15. SURVIVING COVENANTS

The parties agree that the covenants contained in paragraph 5.11 (Records), paragraph 10.4 (Indemnification of CalPERS Determination), Section 11 (Indemnity), paragraph 12.8 (Claims-Made Policies), paragraph 13.2 (Consultant Cooperation in Defense of Claims), and paragraph 18.1 (Confidentiality) of this Agreement shall survive the expiration or termination of this Agreement, subject to the provisions and limitations of this Agreement and all otherwise applicable statutes of limitations and repose.

## 16. TERMINATION

16.1. **City Termination.** City may terminate this Agreement for any reason on five calendar days' written notice to Consultant. Consultant agrees to cease all work under this Agreement on or before the effective date of any notice of termination. All City data, documents, objects, materials or other tangible things shall be returned to City upon the termination or expiration of this Agreement.

16.2. **Consultant Termination.** Consultant may terminate this Agreement for a material breach of this Agreement upon 30 days' notice.

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16.3. **Compensation Following Termination.** Upon termination, Consultant shall be paid based on the work satisfactorily performed at the time of termination. In no event shall Consultant be entitled to receive more than the amount that would be paid to Consultant for the full performance of the services required by this Agreement. The City shall have the benefit of such work as may have been completed up to the time of such termination.

16.4. **Remedies.** City retains any and all available legal and equitable remedies for Consultant's breach of this Agreement.

## 17. INTERPRETATION OF AGREEMENT

17.1. **Governing Law.** This Agreement shall be governed and construed in accordance with the laws of the State of California.

17.2. **Integration of Exhibits.** All documents referenced as exhibits in this Agreement are hereby incorporated into this Agreement. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of any document incorporated herein by reference, the provisions of this Agreement shall prevail. This instrument contains the entire Agreement between City and Consultant with respect to the transactions contemplated herein. No other prior oral or written agreements are binding upon the parties. Amendments hereto or deviations herefrom shall be effective and binding only if made in writing and executed on by City and Consultant.

17.3. **Headings.** The headings and captions appearing at the commencement of the sections hereof, and in any paragraph thereof, are descriptive only and for convenience in reference to this Agreement. Should there be any conflict between such heading, and the section or paragraph thereof at the head of which it appears, the language of the section or paragraph shall control and govern in the construction of this Agreement.

17.4. **Pronouns.** Masculine or feminine pronouns shall be substituted for the neuter form and vice versa, and the plural shall be substituted for the singular form and vice versa, in any place or places herein in which the context requires such substitution(s).

17.5. **Severability.** If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, then such term or provision shall be amended to, and solely to the extent necessary to, cure such invalidity or unenforceability, and shall be enforceable in its amended form. In such event, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

17.6. **No Presumption Against Drafter.** Each party had an opportunity to consult with an attorney in reviewing and drafting this agreement. Any uncertainty or ambiguity shall not be construed for or against any party based on attribution of drafting to any party.

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## 18. GENERAL PROVISIONS

18.1. **Confidentiality.** All data, documents, discussion, or other information developed or received by Consultant for performance of this Agreement are deemed confidential and Consultant shall not disclose it without prior written consent by City. City shall grant such consent if disclosure is legally required. All City data shall be returned to City upon the termination or expiration of this Agreement.

18.2. **Conflicts of Interest.** Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. Consultant further agrees to file, or shall cause its employees or subcontractor to file, a Statement of Economic Interest with the City's Filing Officer if required under state law in the performance of the services. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer, or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

18.3. **Non-assignment.** Consultant shall not delegate, transfer, subcontract or assign its duties or rights hereunder, either in whole or in part, without City's prior written consent, and any attempt to do so shall be void and of no effect. City shall not be obligated or liable under this Agreement to any party other than Consultant.

18.4. **Binding on Successors.** This Agreement shall be binding on the successors and assigns of the parties.

18.5. **No Third-Party Beneficiaries.** Except as expressly stated herein, there is no intended third-party beneficiary of any right or obligation assumed by the parties.

18.6. **Time of the Essence.** Time is of the essence for each and every provision of this Agreement.

18.7. **Non-Discrimination.** Consultant shall not discriminate against any employee or applicant for employment because of race, sex (including pregnancy, childbirth, or related medical condition), creed, national origin, color, disability as defined by law, disabled veteran status, Vietnam veteran status, religion, age (40 and above), medical condition (cancer-related), marital status, ancestry, or sexual orientation. Employment actions to which this provision applies shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; or in terms, conditions or privileges of employment, and selection for training. Consultant

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agrees to post in conspicuous places, available to employees and applicants for employment, the provisions of this nondiscrimination clause.

18.8. **Waiver.** No provision, covenant, or condition of this Agreement shall be deemed to have been waived by City or Consultant unless in writing signed by one authorized to bind the party asserted to have consented to the waiver. The waiver by City or Consultant of any breach of any provision, covenant, or condition of this Agreement shall not be deemed to be a waiver of any subsequent breach of the same or any other provision, covenant, or condition.

18.9. **Excused Failure to Perform.** Consultant shall not be liable for any failure to perform if Consultant presents acceptable evidence, in City's sole judgment, that such failure was due to causes beyond the control and without the fault or negligence of Consultant.

18.10. **Remedies Non-Exclusive.** Each right, power and remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise shall be cumulative and shall be in addition to every other right, power, or remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise. The exercise, the commencement of the exercise, or the forbearance from the exercise by any party of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by such party of any or all of such other rights, powers or remedies.

18.11. **Attorneys' Fees.** If legal action shall be necessary to enforce any term, covenant or condition contained in this Agreement, the prevailing party shall be entitled to an award of reasonable attorneys' fees and costs expended in the action.

18.12. **Venue.** The venue for any litigation shall be Los Angeles County, California and Consultant hereby consents to jurisdiction in Los Angeles County for purposes of resolving any dispute or enforcing any obligation arising under this Agreement.

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**TO EFFECTUATE THIS AGREEMENT,** the parties have caused their duly authorized representatives to execute this Agreement on the dates set forth below.

"City"
City of South Pasadena

By: Signed by: Donald E. Penman C9C235A36ABD40C...
*Signature*

Printed: Donald E. Penman

Title: Interim City Manager

Date: 11/4/2024

"Consultant"
MIG

By: DocuSigned by: Daniel Iacofano 7F3FC3E3791347D...
*Signature*

Printed: Daniel Iacofano

Title: President

Date: 10/30/2024

**Attest:**

By: DocuSigned by: Mark Perez 8C28A8A8EFB14A7...
Deputy City Clerk

Date: 11/4/2024

**Approved as to form:**

By: DocuSigned by: Roxanne Diaz A7800E5CA8A241F...
Roxanne M. Diaz, City Attorney

Date: 11/4/2024

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**City of South Pasadena On-Call GIS Services**

## Scope of Work

We understand that services for City of South Pasadena may include the following:

- **Coordination Meetings:** Before commencing any work tasks, MIG will hold a coordination meeting with City staff to ensure alignment on project objectives, data needs, and mapping expectations, including deliverable requirements (e.g., number of analyses outputs, map sizes, number of maps, use of Esri Online Apps). During this meeting, we will also review how the requested tasks align with the project budget, ensuring that all deliverables and staff revisions can be completed within the allocated funds.

- **GIS Creation, Acquisition, and Management:** MIG will leverage Esri ArcGIS tools to develop, edit, and maintain a comprehensive geospatial database for requested task. We will acquire data from various sources, including public agencies, city departments, and proprietary datasets, to ensure the GIS data is current and complete. The data will be organized following industry best practices to facilitate seamless data management and accessibility for all project stakeholders.

- **GIS Spatial Analysis and Map Production:** MIG will conduct spatial analyses and geoprocessing to support project decisions and enhance data visualization. Our team will produce a range of GIS map deliverables tailored to the project, including printable maps, online interactive maps, and web-based tools such as ArcGIS StoryMaps and Dashboards. These products will provide insightful and accessible geographic information to support city staff and public engagement efforts.

- **GIS Data Quality Assurance:** To guarantee data accuracy, MIG will implement a quality control process, ensuring the precision and completeness of the geospatial data. This will include validation techniques and the creation of detailed metadata for each dataset. By maintaining high standards of data integrity, we will ensure the GIS outputs remain reliable and consistent throughout the project.

- **GIS Files Deliverables:** Upon completion of the GIS mapping tasks, MIG will provide the City with mapping deliverables. These may include print-ready PDF map products, GIS project files in ArcGIS Pro, geospatial data files (shapefiles or geodatabases), and/or interactive applications hosted on ArcGIS Online. These deliverables will be tailored for the city's use, ensuring they are well-organized and compatible with existing systems for easy integration and long-term accessibility.

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| MIG TEAM MEMBER | HOURLY RATE |
|---|---|
| **Lisa Brownfield,** Principal-in-Charge | $215 |
| **José Rodriguez,** Project Manager, Director of GIS Services | $175 |
| **Zack Field,** Lead GIS Analyst | $150 |
| **Kathrine Wall,** GIS Analyst | $125 |
| **Andrew Parish,** Senior Planner | $160 |

## Hourly Rates

Professional time is billed according to the hourly rates as presented in the table above.

## Other Costs

Other costs include a Project Administration charge for subconsultants, if used—10% of their total fee.

## Direct Costs

Direct costs or project expenses such as photocopying (large-quantity), plotting and printing (b&w, color) are charged at cost, plus 10%. The cost of communications including long-distance telephone (excluding cell phones), facsimile, postage, courier and other delivery costs are charged at cost, plus 10%. The mileage charge for personal autos will be the currently applicable mileage rate established by the Internal Revenue Service. All other travel expenses such as accommodations, parking, tolls, etc. are charged at cost, plus 10%.

# City Council Agenda Report

**ITEM NO. 10**

**DATE:** March 4, 2026

**FROM:** Todd Hileman, City Manager

**PREPARED BY:** Daniel Dunn, Division Chief
Greg Lloyd, Fire Chief

**SUBJECT:** **CONSIDERATION TO APPROVE THE PURCHASE OF ONE ZOLL X-SERIES ADVANCED CARDIAC MONITOR/DEFIBRILLATOR FROM ZOLL MEDICAL CORPORATION IN THE AMOUNT OF $65,117.93 AND WAIVE COMPETITIVE BIDDING AS SET FORTH IN SOUTH PASADENA MUNICIPAL CODE SECTION 2.99-29(9)(D)**

## Recommendation

It is recommended that the City Council:

1. Approve the purchase of one ZOLL X-Series Advanced Cardiac Monitor/Defibrillator from ZOLL Medical Corporation in the amount not to exceed $65,117.93;
2. Waive the formal bidding requirements and purchase pursuant to Municipal Code Section 2.99-29(9)(d) and the City's Purchasing Policy; and
3. Authorize the City Manager, or designee, to execute the Purchase Order and all related documents.

## Executive Summary

The South Pasadena Fire Department (SPFD) uses cardiac monitor/defibrillators as the primary tool for diagnosing and treating patients experiencing life-threatening cardiac events. This report seeks City Council approval for the purchase of one ZOLL X-Series Advanced cardiac monitor/defibrillator in the amount of $65,117.93 to replace a frontline unit that has exceeded its service life. Pursuant to the South Pasadena Municipal Code, the City Council may authorize the purchase of equipment valued over $30,000 without complying with competitive bidding procedures when, in the opinion of the Council, compliance with competitive bidding is not in the best interest of the City. Staff recommends that the Council make this finding in order to maintain a standardized equipment platform across the department.

The proposed acquisition is fully funded through the Measure B Grant, a dedicated revenue source for trauma and emergency medical services. Purchasing the ZOLL X-Series Advanced ensures that all SPFD frontline units operate with identical hardware, which is vital for provider proficiency during high-stress clinical interventions and ensures seamless data integration with the Los Angeles County emergency healthcare system.

**Background**
The Department maintains cardiac monitors on all frontline engines and rescue ambulances. According to literature published by the American Hospitals Association (AHA), which is based on feedback from manufacturers and medical professionals, the recommended frontline service life of electrocardiograms is seven years. The unit proposed for replacement has exceeded its service life and is over 12 years old. In addition to service life, staff is seeking replacement of the device for the following reasons.

- Fleet Evolution: The Department is transitioning legacy equipment to the X-Series Advanced platform to stay current with medical technology and regional standards.
- Grant Funding: The Los Angeles County Measure B (Trauma, Emergency and Medical Services Measure) provides specialized funding for the acquisition of advanced life-saving equipment. This purchase aligns with the allowable uses of Measure B funds to enhance local emergency medical response.
- Regulatory Alignment: The Los Angeles County Healthcare system requires specific 12-Lead EKG transmission features; the ZOLL X-Series Advanced is the department's established standard for meeting these mandates.

**Analysis**
The South Pasadena Fire Department responds to over 2,700 emergency calls a year, many of which involve life-threatening heart or respiratory issues. To provide the best care, the department is upgrading to the ZOLL X Series Advanced, a state-of-the-art heart monitor and defibrillator.

This new technology is designed to make life-saving decisions faster and more accurate for firefighters. This monitor includes a digital dashboard that gives real-time feedback to the rescuer, telling them exactly how deep and fast to push on the chest. This ensures the patient receives high-quality care while helping the firefighter avoid physical exhaustion during a long rescue. The monitor also includes advanced sensors that can detect serious head injuries and transmit heart data directly to the hospital. By automating these complex readings, the device reduces the chance of human error during a crisis. This allows personnel to focus more on the patient and less on troubleshooting equipment.

The X Series Advanced platform is lighter than legacy models currently in service, which supports improved ergonomics during daily operations and emergency responses. By investing in this automated technology, the department is fulfilling its commitment to personnel safety and operational efficiency. The ZOLL X Series Advanced ensures that every resident receives the highest level of cardiac and trauma care available in modern emergency medicine.

**Procurement Process**
Pursuant to South Pasadena Municipal Code Section 2.99-29(9d) and the City's Purchasing Policy, the City Council may authorize the purchase of equipment exceeding $30,000 without competitive bidding when, in the opinion of the Council, compliance with competitive procedures is not in the best interest of the City. The Fire Department has standardized the ZOLL X Series platform across its frontline apparatus. The proposed purchase is a replacement unit intended to maintain compatibility with existing monitors, accessories, software, and Los Angeles County EMS Agency data transmission requirements.

Procuring a different manufacturer through a competitive process would introduce additional

training requirements, duplicate inventories of equipment and consumables, and create potential interoperability limitations with existing systems. For these reasons, staff recommends that the Council determine that competitive bidding is not in the best interest of the City and authorize the purchase.

**Fiscal Impact**
Budget appropriation for this expenditure was approved by the Council during the January 15, 2026, regular council meeting. A total of $65,117.93 has been appropriated in the FY 25/26 Budget under expenditure account 244-5010-0001-8520-000 and revenue account number 244-5010-0001-5010-000. These funds will be reimbursed by revenues from the Los Angeles County Measure B funding.

Attachment:
Attachment 1 - Resolution No. 7969 Measure B
Attachment 2-South Pasadena Fire Department Q-113741-Zoll Monitor
Attachment 3 - South Pasadena City Code 2-99 9(d)

**ATTACHMENT 1**

**RESOLUTION NO. 7969**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH PASADENA, CALIFORNIA, AUTHORIZING THE ACCEPTANCE OF LOS ANGELES COUNTY HEALTH SERVICES MEASURE B FUNDING IN THE AMOUNT UP TO $197,396 AND AUTHORIZE PURCHASE OF EMS EQUIPMENT**

**WHEREAS,** Los Angeles County voters approved Measure B, a countywide special tax dedicated to supporting trauma and emergency medical services (EMS) systems and preparedness; and

**WHEREAS,** Los Angeles County Health Services periodically allocates Measure B funds to local jurisdictions for eligible one-time EMS and trauma-related expenditures, including equipment that enhances patient care and responder safety; and

**WHEREAS,** The City of South Pasadena Fire Department applied for Measure B funding for the replacement and modernization of critical EMS equipment; and

**WHEREAS,** Los Angeles County Health Services approved Measure B funding for the City of South Pasadena in an amount up to **$197,396** to fund the purchase of one cardiac monitor and two power cots with powered loading systems; and

**WHEREAS,** The cardiac monitor will enhance advanced life support patient assessment and treatment capabilities and replace equipment that has exceeded its useful service life; and

**WHEREAS,** The power cots and loading systems will reduce manual lifting, improve operational efficiency, and decrease the risk of employee injury, consistent with the City's commitment to workplace health and safety; and

**WHEREAS,** The City's FY 2025–26 adopted budget included $121,000 in General Fund appropriations for gurney purchases, which will no longer be required due to the availability of Measure B funding; and

**WHEREAS,** Acceptance of the Measure B funds will allow the City to reallocate the previously budgeted General Fund amount back to the General Fund through a budget adjustment with no net fiscal impact to the City.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SOUTH PASADENA, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:**

**SECTION 1.** The City Council hereby accepts Los Angeles County Health Services Measure B funding in an amount up to $197,396 for the purchase of EMS equipment, including one cardiac monitor and two power cots with powered loading systems.

**SECTION 2.** The City Manager, or designee, is hereby authorized and directed to execute and submit all agreements, certifications, reimbursement requests, and other documents required by Los Angeles County Health Services to receive and administer the Measure B funds.

**SECTION 3.** The City Council authorizes any necessary budget adjustments to recognize and appropriate Measure B revenue and corresponding equipment expenditures, and to reallocate $121,000 previously budgeted in FY 2025–26 under account 101-5010-5011-8520 back to the General Fund.

**SECTION 4.** Staff is authorized to procure the approved equipment in accordance with City purchasing policies and Measure B program requirements and to seek reimbursement from Los Angeles County for eligible expenditures

**SECTION 5.** The City Clerk of the City of South Pasadena shall certify to the passage and adoption of this resolution and its approval by the City Council and shall cause the same to be listed in the records of the City.

**PASSED, APPROVED AND ADOPTED** on this 21st day of January 2026.

Sheila Rossi, Mayor

**ATTEST:**

Nikima Newsome, Chief City Clerk

**APPROVED AS TO FORM:**

Roxanne Diaz, City Attorney

**I HEREBY CERTIFY** the foregoing resolution was duly adopted by the City Council of the City of South Pasadena, California, at a regular meeting held on the 21st of January 2026 by the following vote:

**AYES:** Braun, Cacciotti, Ferguson, Primuth, Mayor Rossi

**NOES:** None.

**ABSENT:** None.

**ABSTAINED:** None.

Nikima Newsome, Chief City Clerk

**ZOLL Medical Corporation**
269 Mill Road
Chelmsford, MA 01824-4105
Federal ID# 04-2711626

Phone: (800) 348-9011
Fax: (978) 421-0015
Email: esales@zoll.com

Quote No: Q-113741 Version: 1

South Pasadena Fire Department
817 Mound Avenue
South Pasadena, CA 91030

ZOLL Customer No: 130860

*Dan Dunn
6264037300
ddunn@southpasadenaca.gov

Quote No: Q-113741
Version: 1

Issued Date: June 19, 2025
Expiration Date: June 30, 2025

Terms: NET 30 DAYS

FOB: Destination

Freight: Free Freight

Prepared by: Duane Anderson
EMS Territory Manager
duane.anderson@zoll.com
+1 6266640471

| Item | Contract Reference | Part Number | Description | Qty | List Price | Adj. Price | Total Price |
|---|---|---|---|---|---|---|---|
| 1 | 1501418 | 601-2231112-01 | **X Series Advanced Monitor/Defibrillator - 12-Lead ECG, Pacing, SpO2, SpCO, EtCO2, BVM, NIBP, CPR Expansion Pack, Remote View**<br><br>Includes: TBI Dashboard, 4 trace tri-mode display monitor/ defibrillator/ printer, advisory algorithm, advanced communications package (Wi-Fi, Bluetooth, USB cellular modem capable) USB data transfer capable and large 6.5in ( 16.5cm) diagonal screen. Accessories Included: MFC cable and CPR connector, A/C power cord, One (1) roll printer paper, 6.6 Ah Li-ion battery, Operators Manual, Quick Reference Guide, and One (1)-year EMS warranty.<br><br>Parameter Details: Real CPR Help - Dashboard display of CPR Depth and Rate for Adult and Pediatric patients, Visual and audio prompts to coach CPR depth (Adult patient only), Release bar to ensure adequate release off the chest, Metronome to coach rate for Adult and Pediatric patients. See-Thru ® CPR artifact filtering • Interpretative 12-Lead ECG (Full 12 ECG lead view with both dynamic and static 12-lead mode display. 12-Lead OneStep ECG cable - includes 4-Lead limb lead cable and removable precordial 6-Lead set) • ZOLL Noninvasive Pacing Technology • Real BVM Help: Dashboard provides real-time ventilation feedback on both volume and rate for intubated and non-intubated patients. AccuVent Cable included. (Accuvent disposable sensors sold separately) • Welch Allyn NIBP with Smartcuff. 10 foot Dual Lumen hose and SureBP Reusable Adult Medium Cuff • Masimo SpO2 & SpCO with Signal Extraction Technology (SET), Rainbow SET® • EtCO2 Oridion Microstream Technology. Microstream tubing set sold separately • | 1 | $56,663.00 | $45,110.66 | $45,110.66 |
| 2 | 1501418 | REUSE-13-2MQ | **Welch Allyn REUSE-13-2MQ Cuff, Thigh, 2-Tube, Twist Lock connector** | 1 | $65.00 | $54.12 | $54.12 |

**ZOLL Medical Corporation**
269 Mill Road
Chelmsford, MA 01824-4105
Federal ID# 04-2711626

Phone: (800) 348-9011
Fax: (978) 421-0015
Email: esales@zoll.com

South Pasadena Fire Department
Quote No: Q-113741 Version: 1

| Item | Contract Reference | Part Number | Description | Qty | List Price | Adj. Price | Total Price |
|---|---|---|---|---|---|---|---|
| 3 | 1501418 | REUSE-12L-2MQ | **Welch Allyn REUSE-12L-2MQ Cuff, Lg Adult Long, 2-Tube, Twist Lock connector** | 1 | $48.00 | $43.20 | $43.20 |
| 4 | 1501418 | REUSE-12-2MQ | **Welch Allyn REUSE-12-2MQ Cuff, Lg Adult, 2-Tube, Twist Lock connector** | 1 | $42.00 | $37.80 | $37.80 |
| 5 | 1501418 | REUSE-10-2MQ | **Welch Allyn REUSE-10-2MQ Cuff, Small Adult, 2-Tube, Twist Lock connector** | 1 | $36.00 | $32.40 | $32.40 |
| 6 | 1501418 | REUSE-09-2MQ | **Welch Allyn REUSE-09-2MQ Cuff, Child, 2-Tube, Twist Lock connector** | 1 | $35.00 | $31.50 | $31.50 |
| 7 | 1501418 | REUSE-08-2MQ | **Welch Allyn REUSE-08-2MQ Cuff, Small Child, 2-Tube, Twist Lock connector** | 1 | $34.00 | $30.60 | $30.60 |
| 8 | 1347882 | 8000-0580-01 | **Six Hour Rechargeable, SurePower II Smart Battery** | 2 | $1,031.00 | $783.56 | $1,567.12 |
| 9 | | 8000-000393-01 | **X Series Carry Case, Premium** | 1 | $457.00 | $457.00 | $457.00 |
| 10 | | 8778-89055-WF | **Professional Defibrillators/Monitors - Worry-Free Service Plan - 5 Years On-Site At Time of Sale**<br><br>Includes: Annual preventive maintenance, 27% discount on new cables, 27% discount on additional SurePower Batteries, discount on parameter upgrades, SurePower Battery replacement upon failure, and accidental damage coverage (see below). Shipping and use of a Service Loaner upon request during device service, no charge shipping. Service Plan is a continuation of ZOLL Limited Product Warranty. <br><br>Battery replacement and accidental damage guidelines can be found in the ExpertCare Service Plan Terms and Conditions on the ZOLL website. | 1 | $10,600.00 | $10,600.00 | $10,600.00 |
| 11 | 1501418 | 8000-001392 | **Masimo rainbow® RC-4 - 4FT, Reusable EMS Patient Cable** | 1 | $259.00 | $256.66 | $256.66 |
| 12 | 1347882 | 8000-000371 | **rainbow® DCI® SpO2/SpCO/SpMet Adult Reusable Sensor with connector (3 ft)** | 1 | $1,041.00 | $791.16 | $791.16 |
| 13 | 1501418 | 8000-002005-01 | **Cable Sleeve, Propaq / X Series, ZOLL Blue** | 1 | $65.00 | $51.66 | $51.66 |

| | |
|---|---|
| Subtotal: | $59,063.88 |
| Estimated Tax: | $6,054.05 |
| **Total:** | **$65,117.93** |

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South Pasadena Fire Department
Quote No: Q-113741 Version: 1

| Contract Reference | Description |
|---|---|
| 1347882 | Reflects 1347882 CHM SERVICE CONTRACT PRECISION X SERIES pricing. |
| 1501418 | Reflects CHM GPO NPP 2020 - Contract No. PS20200 (EXT2) contract Pricing. Notwithstanding anything to the contrary herein, the terms and conditions set forth in NPP Contract No. PS20200 shall apply to the customer's purchase of the products set forth on this quote. |

To the extent that ZOLL and Customer, or Customer's Representative have negotiated and executed overriding terms and conditions ("Overriding T's & C's"), those terms and conditions would apply to this quotation. In all other cases, this quote is made subject to ZOLL's Standard Commercial Terms and Conditions ("ZOLL T's & C's") which for capital equipment, accessories and consumables can be found at https://www.zoll.com/terms-and-conditions-of-sale, for software products can be found at https://www.zoll.com/software-legal, and for ExpertCare Service Plans can be found at https://www.zoll.com/ExpertCare-Service-Terms. Except in the case of overriding T's and C's, any Purchase Order ("PO") issued in response to this quotation will be deemed to incorporate ZOLL T's & C's, and any other terms and conditions presented shall have no force or effect except to the extent agreed in writing by ZOLL.

1. Delivery will be made upon availability.
2. This Quote expires on June 30, 2025. Pricing is subject to change after this date.
3. Applicable tax, shipping & handling will be added at the time of invoicing.
4. All purchase orders are subject to credit approval before being accepted by ZOLL.
5. To place an order, please forward the purchase order with a copy of this quotation to esales@zoll.com or via fax to 978-421-0015.
6. All discounts from list price are contingent upon payment within the agreed upon terms.
7. Place your future accessory orders online by visiting the ZOLL web store.

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South Pasadena Fire Department
Quote No: Q-113741 Version: 1

**Order Information (to be completed by the customer)**

[ ] Tax Exempt Entity (Tax Exempt Certificate must be provided to ZOLL)

[ ] Taxable Entity (Applicable tax will be applied at time of invoice)

| BILL TO ADDRESS | SHIP TO ADDRESS |
|---|---|
| Name/Department: | Name/Department: |
| Address: | Address: |
| | |
| City / State / Zip Code: | City / State / Zip Code: |

Is a Purchase Order (PO) required for the purchase and/or payment of the products listed on this quotation?

[ ] Yes PO Number: _____ PO Amount: _____
(A copy of the Purchase Order must be included with this Quote when returned to ZOLL)

[ ] No (Please complete the below section when submitting this order)

For organizations that do not require a PO, ZOLL requires written execution of this order. The person signing below represents and warrants that she or he has the authority to bind the party for which he or she is signing to the terms and prices in this quotation.

**South Pasadena Fire Department**
Authorized Signature:

_____

Name: _____

Title: _____

Date: _____

rationale for local preference is that one percent of the sales tax on most acquisitions returns to the city general fund as revenue, effectively reducing the cost of acquisition.

(9) Competitive Bidding.

(a) Contracts resulting from competitive bidding will be awarded by the appropriate award authority based on the lowest responsible bidder who submitted a bid that was responsive to the solicitation request. A bid is considered to be responsive if it conforms in all material respects to the solicitation requirements; minor defects may be waived by the purchasing agent. A bidder is considered to be responsible if they possess the demonstrated ability, capacity, experience and skill to provide the goods and/or services required by the solicitation.

(b) Whether soliciting price quotations or conducting sealed bidding, it is a best practice to provide notice to as many qualified bidders as possible to ensure fair and open competition. It is the policy of the city that a minimum of three quotations must be solicited whenever possible; provided, however, all quotations may be dispensed with in an emergency, or where said goods and/or services can be obtained from only one source. With regard to emergency purchases, Public Contracts Code Sections 1102 and 22050 may apply and if applicable, shall be followed.

(c) If fewer than three quotes are received, the using department must provide an explanation with the purchase requisition that good faith efforts were made to obtain the required number of quotations. The requisition must also include documentation of the good faith efforts, i.e., vendor “no bid” response, email(s) sent to prospective vendors, etc. Though professional services are exempt from competitive bidding under the city’s purchasing policy, proposals should be solicited from at least three sources to ensure best value and/or to comply with federal or state law as required.

(d) The city council may authorize purchase of supplies, equipment and services of a value greater than $30,000 without complying with the above procedures when in the opinion of the council, compliance with competitive bidding is not in the best interest of the city.

(e) Conditions.

1. Bid Security. When deemed necessary by the purchasing agent, bidders’ security shall be required. Bidders shall be entitled to return of

# City Council Agenda Report

**ITEM NO. 11**

**DATE:** March 4, 2026

**FROM:** Todd Hileman, City Manager

**PREPARED BY:** Tim Scholefield, Information Technology and Systems Manager

**SUBJECT:** **CONSIDERATION TO AUTHORIZE SUBMITTAL OF A GRANT APPLICATION TO THE CALIFORNIA GOVERNOR'S OFFICE OF EMERGENCY SERVICES (CAL OES) FOR $250,000 FOR THE CITY OF SOUTH PASADENA, CRITICAL INFRASTRUCTURE CYBERSECURITY AND CONTINUITY MODERNIZATION INITIATIVE**

## Recommendation

It is recommended that the City Council authorize the preparation and submittal of a grant application to the California Governor's Office of Emergency Services (Cal OES) in the amount of up to $250,000 to support cybersecurity modernization and critical infrastructure resilience improvements.

## Executive Summary

The City of South Pasadena is eligible to apply for funding under the State and Local Cybersecurity Grant Program (SLCGP), a federally funded program administered in California by Cal OES. This grant program supports cybersecurity enhancements aligned with national standards and is intended to strengthen local government resilience against cyber threats.

Staff proposes to apply for up to $250,000 to modernize critical cybersecurity infrastructure supporting public safety systems, water utility operations, financial systems, and emergency response continuity. The project would enhance detection and response capabilities, update outdated server infrastructure, improve data protection, and strengthen continuity planning.

This initiative aligns with the City's commitment to risk management, infrastructure reliability, emergency preparedness, and fiscal stewardship.

## Background

The California Governor's Office of Emergency Services (CalOES) administers the State and Local Cybersecurity Grant Program (SLCGP) using federal funding from the U.S. Department of Homeland Security. The purpose of the program is to assist local governments in strengthening cybersecurity posture and aligning local infrastructure with national cybersecurity standards, including the NIST Cybersecurity Framework (CSF) 2.0.

The City previously applied for SLCGP funding for the 2024 cycle through the use of an external consultant, but was not awarded. Since that time, the City has strengthened its internal cybersecurity governance and technical capacity, including transitioning to a cybersecurity-focused managed service provider, conducting a baseline penetration test, and initiating a NIST CSF 2.0 evaluation to identify and prioritize remediation efforts.

CalOES recently released the Notice of Funding Opportunity (NOFO) for the 2026 cycle of the SLCGP. Applications for the 2026 cycle are due by March 13, 2026.

This year's application is being developed and submitted internally by City staff to ensure direct alignment with current infrastructure modernization priorities, identified vulnerabilities, and long-term cybersecurity strategy. By leveraging internal subject matter expertise and operational knowledge, the City has refined the project scope to focus specifically on vulnerability remediation, infrastructure hardening, and measurable improvements in cybersecurity maturity.

**Analysis**
The State and Local Cybersecurity Grant Program (SLCGP) is funded through the Infrastructure Investment and Jobs Act and administered in California by Cal OES. The program supports cybersecurity planning, assessment, implementation of security controls, workforce development, and continuity enhancements. The importance of implementing these efforts is to reduce cyber risk and strengthen an organization's ability to prevent, detect, respond to, and recover from cyber incidents. Together, these efforts help identify vulnerabilities, protect systems and data, train personnel to recognize and mitigate threats, and ensure essential operations can continue with minimal disruption in the event of a cybersecurity incident.

To that end, staff have identified the SLCGP grant as a potential funding source for developing and implementing a more robust cybersecurity program.

**Eligible Uses of Grant Funds**
The SLCGP allows funding for a wide range of cybersecurity activities, including but not limited to:

- Cybersecurity assessments and planning
- Infrastructure modernization and network hardening
- Replacement of unsupported operating systems
- Virtualization platform upgrades
- Endpoint detection and response systems
- Security Information and Event Management (SIEM) solutions
- Multi-factor authentication expansion
- Backup and disaster recovery enhancements
- Cybersecurity workforce training
- Incident response and continuity planning updates
- Cybersecurity tabletop exercises

The grant requires a 30 percent local match and supports projects aligned with the NIST Cybersecurity Framework. The application deadline is March 13, 2026.

**Staff Recommendation**

A recent penetration test identified critical and high-risk internal vulnerabilities. Additionally, portions of the City's server infrastructure currently operate on unsupported Windows Server 2012 systems and an aging hypervisor platform. Continued operation of unsupported systems increases exposure to service disruption, financial risk, and potential public safety impacts. Business Continuity (BCP), Incident Response (IRP), and Continuity of Operations (COOP) plans are undergoing modernization as part of the City's structured cybersecurity maturity advancement process.

Consequently, staff recommends applying for funding to support a Critical Infrastructure Cybersecurity Hardening and Infrastructure Remediation Initiative that includes:

- Retirement of unsupported Windows Server 2012 systems
- Deployment of a modern, security-hardened virtualization platform
- Server consolidation and fresh deployment of current supported operating systems
- Hardware lifecycle replacement necessary to support secure virtualization
- Implementation of managed detection and response (MDR) services
- Enterprise backup modernization with immutable storage
- Expansion of multi-factor authentication
- Modernization of BCP, IRP, and COOP plans aligned to NIST CSF 2.0
- Conducting a cybersecurity tabletop exercise

These activities directly address identified critical and high-risk vulnerabilities, strengthening the resilience of systems that support public safety operations, water utility services, financial systems, and City administrative functions. As such, this application reflects a focused, risk-based cybersecurity modernization initiative aligned with state and federal priorities and tailored specifically to the City's operational environment.

For these reasons, staff recommends that the City Council authorize the City Manager to submit a grant application to the California Governor's Office of Emergency Services in an amount not to exceed $250,000 to support cybersecurity hardening and infrastructure remediation efforts.

**Fiscal Impact**

The City will request up to $250,000 in federal funding under the State and Local Cybersecurity Grant Program (SLCGP). The grant requires a 30 percent non-federal match. If fully awarded, the total project cost would be approximately $357,143, requiring an estimated local match of $107,143.

Staff proposes to satisfy the required match through a combination of allocable in-kind personnel time and a proportional allocation of existing managed cybersecurity services under the City's current contract with LAN WAN Enterprise. These costs reflect existing budgeted expenditures and anticipated effort dedicated to cybersecurity modernization activities over the 24-month grant performance period.

If awarded, staff will return to the City Council for formal acceptance of funds and any necessary budget adjustments.

Attachment:
Attachment No. 1- FFY-2024-SG-Program-RFP-FINAL-1.14.26

Attachment No. 1

**FEDERAL FISCAL YEAR 2024**
**STATE & LOCAL CYBERSECURITY GRANT – STATE AGENCY (SG)**
**REQUEST FOR PROPOSAL**
Release Date: January 16, 2026

The California Governor's Office of Emergency Services (Cal OES), Homeland Security & Emergency Management (HSEM) Branch, has a Request for Proposal (RFP) for the State and Local Cybersecurity Grant – State Agency (SG) Program.

This RFP provides programmatic information and the requirements necessary to prepare a proposal for Cal OES grant funds. The provisions of this RFP supersede previous RFPs and Competitive Funding Opportunities (CFOs). If any language in this RFP conflicts with the terms and conditions of the applicable grant program guidance (e.g., federal Notice of Funding Opportunity (NOFO), California State Supplement, etc.), the grant program guidance document(s) prevail. Applicants are strongly encouraged to review the applicable NOFO and California State Supplement, which outlines the requirements that apply to Cal OES HSEM Branch Grant Subawards.

PUBLIC RECORDS ACT NOTICE

Proposals are subject to the Public Records Act, Government Code Section 7920.000, *et seq*. Do not put any personally identifiable information or private information on this proposal. If you believe that any of the information you are putting on this proposal is exempt from the Public Records Act, please indicate what portions of the proposal and the basis for the exemption. Your statement that the information is not subject to the Public Records Act will not guarantee that the information will not be disclosed.

CONTACT INFORMATION

Questions concerning this RFP or the proposal process must be submitted by email to:

State & Local Projects Unit
StateLocalProjects@caloes.ca.gov

Cal OES staff cannot assist the Applicant with the actual preparation of their proposal. Cal OES can only respond to technical questions about the RFP during the period between the publication date and completion of the RFP process.

A. ELIGIBILITY

1. Eligibility to Compete for Funding

For a proposal to be eligible to compete for funding (i.e., read and rated) all the following conditions must be met:

- Applicants must be agencies of the State of California.
- Subrecipients who were awarded FFY22 and FFY23 funding for the SG Program are not eligible to apply.
- The proposal must be emailed to StateLocalProjects@caloes.ca.gov and received no later than **11:59 PM (PDT) on Friday, March 13, 2026**. Proposals must be attached as PDF documents and contain the form(s) outlined in E. Proposal Requirements. **The proposal PDF file name should include "FFY2024 SG Program RFP" and the Applicant entity name**. Cal OES cannot access proposals through cloud-based storage services (e.g., Google Drive, Dropbox, etc.). Emails should identify the name of the RFP in the Subject line. **If you have not received a confirmation that your proposal was received within two business days of the date it was submitted, please send an email to** StateLocalProjects@caloes.ca.gov .

**Please Note: proposals that do not meet the above requirements will be disqualified (i.e., ineligible) and not read and rated.**

2. Eligibility for Funding Consideration

Only one proposal per Applicant will be eligible to receive funding. If an Applicant submits more than one proposal, only the highest scoring proposal, meeting the criteria above, will be considered for funding.

3. Prerequisites to Receive Funding

**If selected**, all the following must be completed within 60 days of receiving the Intent to Fund notification to be eligible to receive funding, Applicants must:

- Have a Unique Entity Identifier (Unique Entity ID) registered in the federal System for Award Management (SAM). Applicants who do

not currently have a Unique Entity ID will need to register at SAM.gov to obtain one. **Applicants should start this process immediately to ensure they are able to comply with the requirement to have this completed within the 60-days**.

- **Not** have an exclusion record in the SAM by the beginning of the Program Grant Subaward performance period. An exclusion record in the SAM indicates that a contractor (agency) is listed in the (federal) government-wide system for debarment and suspension. An agency that is debarred or suspended is excluded from activities involving federal financial and nonfinancial assistance and benefits. Check SAM status.

B. FUNDING INFORMATION

There is $1,815,446 available for the SG Program's Grant Subaward period of performance from July 1, 2026 through August 31, 2028.

1. Funding Amount

Applicants may apply for up to $250,000 for the 24-month Grant Subaward performance period.

Please see the chart below for a sample breakdown of the fund sources (by Cal OES fund source code) and match based on the maximum request amount.

| 2024 SLCGP | 2024 SLCGP MATCH | TOTAL PROJECT COST |
|---|---|---|
| $250,000 | $107,143 | $357,143 |

2. Funding Source(s)

Guidance on policies and procedures for managing HSEM Branch Grant Subawards funded through federal fund sources can be found in the FEMA Preparedness Grants Manual. Applicants are **strongly encouraged** to review and retain a copy of this document to familiarize themselves with program-specific information as well as overall guidance on the rules and regulations for all fund sources that support this Program.

The Program is supported through the following fund:

State & Local Cybersecurity Grant Program (SLCG)

- Provides state/territorial, local, and tribal (SLT) governments with resources to address cybersecurity risks and threats to information systems, improve the security of critical infrastructure and resilience of the services provided by those entities.

- Supports efforts to implement cyber governance and planning, assess and evaluate systems and capabilities, mitigate prioritized issues, and build a cybersecurity workforce.

- Requires Recipients and Subrecipients to participate in the federal Cybersecurity & Infrastructure Security Agency (CISA) Cyber Hygiene Service – Vulnerability Scanning as described in the federal NOFO.

- The FFY 2024 SG Program requires a 30% match for the total project cost. This can be cash or third-party in-kind contributions. There are no waivers for this match requirement. Applicants are referred to Title 2, Code of Federal Regulations (C.F.R.), Part 200, § 200.306 for additional information.

- Cal OES's fund source code for this federal fund is SLCG.

FEMA has identified the allowable categories of cost under the SLCGP Program as follows:

- Planning – Planning costs are allowable under this Program. SLCGP funds may be used for a range of planning activities, such as those associated with the development, review, and revision of holistic, entity-wide cybersecurity plans and other planning activities that support the Program goals and objectives.

- Organization – Organizational costs are allowable under this Program. SLCGP funds may be used for cybersecurity program management, development of whole community partnerships that support cybersecurity program governance, structures and mechanisms for information sharing between the public and

private sector, and operational support, including ensuring continuity of operations for essential functions.

Personnel hiring, overtime, and backfill expenses are permitted under this Program to perform allowable SLCGP planning, organization, training, exercise, and equipment activities. Personnel expenses may include, but are not limited to, training and exercise coordinators, program managers and planners, and cybersecurity navigators. The Subrecipient must demonstrate that the personnel will be sustainable.

- Equipment – Equipment costs are allowable under this Program. Unless otherwise stated, equipment must meet all applicable statutory, regulatory, and/or DHS-adopted standards to be eligible for purchase using SLCGP funds. Subrecipients will be responsible for obtaining and maintaining all necessary certifications and licenses for the requested equipment.

  Investments in emergency communications systems and equipment must meet applicable SAFECOM Guidance recommendations; such investments must be coordinated with the Statewide Interoperability Coordinator and the State Interoperability Governing Body to ensure interoperability and long-term capability.

  SLCGP funds may be used to purchase maintenance contracts or agreements, warranty coverage, licenses, and user fees in support of a system or equipment. Applicants should reference the FFY 2024 SLCGP NOFO, Section D, 13 – Funding Restrictions and Allowable Costs, f. Other Direct Costs, for additional requirements and restrictions on allowable equipment costs, when completing the Project Worksheet for their NOI.

- Training – Training costs are allowable under this Program. Allowable training-related costs under SLCGP include the establishment, support, conduct, and attendance of training and/or in conjunction with training by other federal agencies. Training conducted using SLCGP funds should align with the California SLCGP Cybersecurity Plan and address a performance gap identified through cybersecurity assessments and contribute to building a capability that will be evaluated through a formal exercise.

Subrecipients are encouraged to use existing training, such as FEMA's National Preparedness Course Catalog, rather than developing new courses.

**All training courses must receive a Training Feedback Number from Cal OES Training & Exercise prior to the start of the course.** To request a Training Feedback Number, please download and complete the Training Feedback Form and forward the completed request via email to training@caloes.ca.gov .

- Exercise – Exercise costs are allowable under this Program. Exercises conducted with SLCGP funding should be managed and conducted consistent with Homeland Security Exercise and Evaluation Program (HSEEP) guidance documents.

  **Subrecipients are required to submit an After Action Report/Improvement Plan (AAR/IP) to the SLCGP Grants Analyst and FEMA at hseep@fema.dhs.gov no later than 90 days after completion of any exercise(s) conducted using SLCGP funds.**

- Management and Administration (M&A) – M&A costs are allowable under this Program. M&A activities are defined as directly relating to the management and administration of SLCGP subaward funds, such as financial management, reporting, and program and financial monitoring. See the FEMA Preparedness Grants Manual for examples of some M&A costs.

  **Subrecipients are allowed a maximum of five (5) percent of the Grant Subaward amount for the FFY 2024 SLCGP.**

- Indirect Costs – Indirect costs are allowable under SLCGP; see the Indirect Costs section of the FFY 2024 SLCGP State Supplement for additional guidance on including indirect costs in the budget for SLCGP-funded projects.

Applicants should indicate the appropriate categories of cost for the expenditures included in their project proposal on the Project Worksheet form that is to be submitted with the Notice of Interest form; see E. Programmatic Narrative, below.

In addition, the following costs are **unallowable** under the SLCGP:

- Supplantation of state or local funds.

  This shall not be construed to prohibit the use of funds under this Program for otherwise permissible uses on the basis that the Subrecipient has previously used state, local, and/or tribal government funds to support the same or similar uses.

- Any Subrecipient cost-sharing contribution, when required.
- To pay a ransom from cyberattacks.
- Spyware.
- Recreational or social purposes, or for any purpose that does not address cybersecurity risks or cybersecurity threats on information systems owned or operated by, or on behalf of, the Subrecipient entity.
- Suing the federal government or any other government entity.
- Lobbying or intervention in federal regulatory or adjudicatory proceedings.
- Acquiring land or constructing, remodeling, or altering buildings or other physical facilities.
- Cybersecurity insurance premiums.

**Please refer to Title 2, C.F.R., Part 200, Subpart E – Cost Provisions, for additional guidance on allowable and unallowable costs.**

C. PROGRAMMATIC INFORMATION

1. Program Overview & Objectives

The purpose of the FFY 2024 SLCGP State Agency Program is to assist California state agencies to address cybersecurity risks and threats to information systems, improve security of critical infrastructure and resilience of the services these entities provide to communities throughout the State of California.

Through the Infrastructure Investment and Jobs Act (IIJA) of 2021, Congress established the State and Local Cybersecurity Improvement Act, which created the State and Local Cybersecurity Grant Program and appropriated funds to be awarded to eligible state and territorial administrative agencies over a period of four federal fiscal years.

Each year, beginning with federal fiscal year 2022 through federal fiscal year 2025, the U.S. Department of Homeland Security (DHS)/Federal Emergency Management Agency (FEMA) announces a NOFO for the SLCGP. The funds provided by this Program assist SLT governments to manage and reduce systemic cyber risks, including through the establishment of a strong foundation to build a sustainable cybersecurity program. **Grant funds are intended to supplement existing fiscal resources and are not guaranteed long-term sustainability solutions.** Projects funded under this Program are expected to be reasonably sustained after the end of the performance period without the expectation to receive future grant funds.

As the State Administrative Agency (SAA) for this Program, Cal OES established a subcommittee of the California Cybersecurity Task Force, called the Cybersecurity Investment Planning Subcommittee (CCTF-CIPS), in order to meet specified requirements under the IIJA and SLCGP NOFO, including the development and submission of a statewide cybersecurity plan, which was submitted by Cal OES and approved by CISA on September 29, 2023. The CCTF-CIPS serves as California's cybersecurity planning committee for the purposes of the SLCGP and participates in Program activities such as updating the cybersecurity plan and developing strategies for allocating funds available through the SLCGP to projects that align with the approved cybersecurity plan.

SLCGP provides funding to implement projects that address one or more of the following objectives established by CISA to accomplish the overarching goal of the Program:

**Objective 1 – Governance and Planning** – Develop and establish appropriate governance structures, as well as plans, to improve capabilities to respond to cybersecurity incidents and ensure continuity of operations.

**Objective 2 – Assessment and Evaluation** – Identify areas for improvement in SLT cybersecurity posture based on continuous testing, evaluation, and structured assessments.

**Objective 3 – Mitigation** – Implement security protections commensurate with risk (outcomes of Objectives 1 and 2), using the best practices as described in element 5 of the required 16 elements of the cybersecurity plans listed in the IIJA and those further listed on page 14 of State Supplement to the FFY 2024 SLCGP NOFO.

**Objective 4 – Workforce Development** – Ensure organization personnel are appropriately trained in cybersecurity, commensurate with their responsibilities as suggested in the National Initiative for Cybersecurity Education.

2. Program Priorities & Requirements

All proposed projects must support activities that effectively contribute to the state government agency's capability to prevent, prepare for, mitigate against, respond to, and recover from cyber threats against information systems owned and/or operated by the state government agency, align with the objectives, priorities, and cybersecurity plan elements described in the California SLCGP Cybersecurity Plan, and meet the criteria listed in the FFY 2024 SLCGP NOFO.

a. SLCGP National Priorities

In developing projects for the FFY 2024 SLCGP State Agency Program, Applicants should describe projects that address areas for improvement identified by the state government agency using the whole community approach as they relate to cybersecurity capabilities and especially projects that address implementation of one or more of the key Cybersecurity Best Practices, as appropriate to their organization:

- Implement multi-factor authentication.
- Implement enhanced logging.
- Data encryption for data at rest and in transit.

- End use of unsupported/end of life software and hardware that are accessible from the internet.
- Prohibit use of known/fixed/default passwords and credentials.
- Ensure ability to reconstitute systems (backups).
- Actively engage in bidirectional sharing between CISA and SLT entities in cyber relevant time frames to drive down cyber risk.
- Migration to the .gov internet domain.

Educational institution Subrecipients (e.g., school districts) using the .edu Internet domain are exempted from transitioning to the .gov Internet domain. All other Subrecipients of SLCGP funding are highly encouraged to transition to a .gov Internet domain over time. Additional information on migrating to the .gov Internet domain can be found on the DotGov Program website.

DHS/FEMA does not prescribe a minimum funding amount for these priorities. However, all SLCGP Applicants are encouraged to consider how FFY 2024 SLCGP State Agency Program funding can be used to support these priority areas as they apply to the state government agency's specific needs and the needs of the whole community. Subrecipients of funding through SLCGP are strongly encouraged to eventually adopt and use all eight of the Cybersecurity Best Practices listed above.

Additional information about these cybersecurity best practices can be found in the FFY 2024 SLCGP NOFO, Section A, 10, b.

b. SLCGP Statewide Priorities

The CCTF-CIPS, in its SLCGP Cybersecurity Plan, described an intention to focus on the following initiatives, with the corresponding cybersecurity plan element from the IIJA noted in parentheses, to strengthen cybersecurity across California using the SLCGP funds:

- Enhance the preparation, response, and resiliency of information systems, applications, and user accounts (Element 3);
- Implement a process of continuous cybersecurity risk factors and threat mitigation practices prioritized by degree of risk (Element 4);
- Develop and coordinate strategies to address cybersecurity risks and threats (Element 14);
- Identify and mitigate any gaps in the cybersecurity workforce, enhance recruitment and retention efforts, and bolster the knowledge, skills, and abilities of personnel with reference to the National Initiative for Cybersecurity Education – Workforce Framework for Cybersecurity (Element 8);
- Assess and mitigate Critical Infrastructure and Key Resources risks and threats impacting local jurisdictions (Element 10);
- Ensure continuity of operations including by conducting exercises (Element 7); and
- Ensure rural communities have adequate access to, and participation in, plan activities (Element 15).

SG Program Applicants are strongly encouraged to incorporate one or more of these statewide priorities in their project description for the project(s) proposed using Program funds. **Additional information about the cybersecurity plan elements is available in the FFY 2024 SLCGP NOFO, Appendix C: Cybersecurity Plan, Required Elements**.

c. Participation in Required Cybersecurity Services

Subrecipients are required to participate in free Cyber Hygiene Services – Vulnerability Scanning, provided by CISA. For these required services, please note that participation is not required to submit a proposal under this RFP but is a post-award requirement for all projects selected to receive SLCGP funding.

Additional information on this and other, optional but encouraged cybersecurity services, memberships, and resources can be found on the CISA - SLCGP website (scroll down to the Tools and Resources section).

D. PROGRAM REPORTING REQUIREMENTS

Performance and implementation reports serve as a record for the implementation of the Grant Subaward. Statistics for performance and implementation reports should be collected on a quarterly basis, even when reporting occurs less frequently. The following report is required:

FEMA Report

There is one FEMA report Subrecipients will need to complete:

Annual Performance Progress Reports (PPR)

Subrecipients must submit PPR to Cal OES annually until all grant activities are completed and the Grant Subaward is formally closed out. PPR are due within 30 days after the end of the reporting period. Annual PPR must include progress made on approved activities and any other project-specific information required by Cal OES. PPR are cumulative and each annual report will include information provided by the Subrecipient in previous reporting periods.

In order to ensure that mandated performance metrics and other data required by the Grant Subaward are reported accurately, SLCGP PPR must first be submitted via email to the Cal OES SLCGP Grants Analyst for review. Electronic reports should be submitted to Cal OES for review at least seven (7) calendar days before the due date. Submission of the final, signed electronic report should only occur after the Subrecipient is instructed by the Grants Analyst to do so.

The annual PPR required for the Program must be submitted twice during the 26-month period of performance. Failure to submit a PPR could result in Grant Subaward reduction, suspension, or termination. See the chart below for report periods and due dates.

| Report | Report Period | Due Date |
|---|---|---|
| 1st Report | July 1, 2026 – June 30, 2027 | July 30, 2027 |
| Final Report | July 1, 2027 – August 31, 2028 | September 29, 2028 |

*Exact dates will be provided by your Grants Analyst at the end of each quarter.

E. PROGRAMMATIC NARRATIVE

Three documents must be submitted to be considered a complete proposal: The NOI, the Project Worksheet, and the Cybersecurity Maturity Survey. Applicants must use the forms provided on the Cal OES website. **Applicants may not alter the formatting of any forms.** If a space or character limitation is specified under each NOI question, strict adherence to the space limitation is required. **Information included beyond the space limitation and/or unrequested attachments will not be considered in the rating process**.

1. Notice of Interest

Applicants must respond to each question in the NOI form. The Applicant's response to each question will be evaluated as part of the rating process. Applicants should develop a thorough project proposal that takes into consideration planning and implementation of the entire process for the proposed project from conception to completion of all activities using the requested funding.

2. Project Worksheet

Applicants will complete the Project Worksheet to demonstrate their project alignment to SLCGP objectives, implementation plan, and identify key project milestones. The Project Worksheet is an excel document that includes two tabs to be completed by the Applicant- the Baseline Project Information tab, and the Project Implementation tab. Each will be evaluated as part of the rating process.

3. Cybersecurity Maturity Survey

In addition to the NOI form and Project Worksheet, Applicants must complete the Cybersecurity Maturity Survey. This is an online survey will

not be scored but is required and will be a helpful tool to assist in identifying gaps to address through SLCGP. **Upon completion of the survey, Applicants must download a copy of their survey responses and attach as a PDF file to submit with their proposal; proposals submitted without completing the survey may not be considered for funding.**

Proposals must be aligned to one or more of the SLCGP Objectives and at least one of the 16 Cybersecurity Plan Elements. This alignment is based on how many and to what degree the associated elements are adopted, especially the eight best practices listed above (see California Cybersecurity Plan, Appendix B: Project Summary Worksheet, Related Required Element # column).

Applicants should also consider the Program priorities and requirements referenced above in C, Programmatic Information, as well as the SLCGP FFY 2024 NOFO and the SLCGP California State Supplement, when developing their project proposals.

F. SELECTION OF PROPOSAL FOR FUNDING

1. Proposal Rating

Eligible proposals submitted via email as specified in A. Eligibility, above, by the due date are generally evaluated by a three-member team. Each question is assigned a point value and the Applicant's response to each question is evaluated on the following criteria:

**ABSENT:** The response does not address the specific question, or a response was not provided.

**UNSATISFACTORY:** The response does not completely address the question. The information presented does not provide a good understanding of Applicant's intent, does not give the detailed information requested by the RFP, and/or does not adequately support the proposal or the intent of the Program.

**SATISFACTORY:** The response addresses the question and provides a good understanding of the Applicant's intent. The response adequately supports the proposal and the intent of the Program.

**ABOVE AVERAGE:** The response is above average and provides a clear and detailed understanding of the Applicant's intent. The response presents a persuasive argument that supports the proposal and the intent of the Program.

**EXCELLENT:** The response is outstanding, with clear, detailed, and relevant information. The response presents a compelling argument that supports the proposal and the intent of the Program.

The rater scores are averaged and ranked numerically. Proposals are only evaluated numerically; no notes are taken during the evaluation.

**Project proposals that do not clearly and directly address the required program objectives/investment justifications or cannot be completed within the performance period will be disqualified.**

2. Funding Decision

Final funding decisions are made by the Director of Cal OES. Funding decisions are based on the following:

- The ranked score of the proposal.
- Consideration of priorities or geographical distribution specific to this RFP.
- Prior negative administrative and programmatic performance, if applicable.

Applicants previously funded by Cal OES will be reviewed for poor past compliance, including fiscal management, progress and annual reports, audit reports, and other relevant documentation or information. This review may result in one or more of the following actions:

- The Applicant may not be selected for funding.
- The amount of funding may be reduced.
- Grant Subaward Conditions may be added to the Grant Subaward.

3. Notification Process

All Applicants will be notified in writing, via electronic communication, the results of the rating process. The notification will be sent to the Authorized Agent and the Primary Point of Contact identified on the NOI submitted with the proposal.

Applicants will receive one of the following notifications:

- Intent to Fund if selected for funding.
- Denial if not selected for funding, including the Applicant's scores and information regarding the appeal process.
- Ineligibility:
    - If the proposal did not meet Eligibility to Compete for Funding including information regarding the appeal process; or
    - If the proposal scored less than the required 50% of points possible, including the Applicant's scores and information regarding the appeal process.

Cal OES can only respond to technical questions about the RFP during the period between the publication date and completion of the RFP process. Requests for records must be made through a Public Records Act request.

G. FINALIZING THE GRANT SUBAWARD

1. Grant Subaward Application

Applicants selected for funding must complete all Grant Subaward Application documents listed in the FFY 2024 Application Checklist provided in the FFY 2024 SLCGP California State Supplement to the NOFO. The documents will be submitted by email to be emailed to StateLocalProjects@caloes.ca.gov

Cal OES may require revisions and/or additional documentation to finalize the submission of the Grant Subaward Application. The Grants Analyst identified in the Subrecipient's Intent to Fund notification can provide technical assistance in completing these components.

2. Grant Subaward Approval

A Notification of Application Approval will be emailed the Authorized Agent identified in the Grant Subaward Application. The Subrecipient is not authorized to incur costs against the Grant Subaward until the application is approved. Once the Grant Subaward is approved, a request for payment may be submitted.

a. Grant Subaward Conditions

Cal OES may add conditions to execute the Grant Subaward. If conditions are added, these will be discussed with the Subrecipient and will become part of the Grant Subaward.

**Grant Subaward Conditions may include holds on funding amounts included in the budget for items of cost that require prior approval from Cal OES and/or DHS/FEMA, including but not limited to, training, and meals/beverages for training and exercise events.**

b. Grant Subaward Amounts

When the amount of funds available is limited, Cal OES may reduce the amount of the Grant Subaward from the amount requested by the Subrecipient. In addition, Cal OES reserves the right to negotiate budgetary changes with the Subrecipient prior to executing the Grant Subaward. If either of these actions is required, Cal OES will notify the Subrecipient prior to executing the Grant Subaward.

3. Standard Grant Subaward Funding Authority

**Allocation of funds is contingent on the enactment of the State Budget**. Cal OES does not have the authority to disburse funds until the State Budget is passed, and the Grant Subaward is fully executed. Expenditures incurred prior to authorization are made at the Subrecipient's own risk and may be disallowed. Cal OES employees are not able to authorize a Subrecipient to incur expenses or financial obligations prior to the execution of a Grant Subaward. However, once the Grant Subaward is finalized the Subrecipient may claim reimbursement for expenses incurred on, or after, the start of the Grant Subaward performance period.

If, during the Grant Subaward performance period, the state and/or federal funds appropriated for the purposes of the Grant Subaward are reduced or eliminated by the California Legislature or the United States Government, or in the event revenues are not collected at the level appropriated, Cal OES may immediately terminate or reduce the Grant Subaward by written notice to the Subrecipient.

Cal OES Grant Subawards are subject to applicable restrictions, limitations, or conditions enacted by the California Legislature and/or the United States Government, after the execution of the Grant Subaward.

# City Council Agenda Report

**ITEM NO. 12**

**DATE:** March 4, 2026

**FROM:** Todd Hileman, City Manager

**PREPARED BY:** Julian Lee, Director of Public Works
Michael Vartanians, City Engineer
Bassam AL-Beitawi, Transportation Program Manager

**SUBJECT:** **CONSIDERATION OF APPROVAL OF AN AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH ITERIS INC. FOR ENGINEERING DESIGN SERVICES RELATED TO THE NORTH-SOUTH CORRIDOR INTELLIGENT TRANSPORTATION SYSTEMS DEPLOYMENT ON FAIR OAKS AVENUE PROJECT (RABA01-5071(024)), FOR A NEW TOTAL CONTRACT AMOUNT OF $483,558 AND APPROVAL OF RESOLUTION NO. 7983 APPROPRIATING MEASURE R LOCAL RETURN AND MEASURE M LOCAL RETURN FUNDS FOR THE PROJECT**

## Recommendation

It is recommended that the City Council:

1. Approve an amendment to the Professional Services Agreement with Iteris Inc. (Attachment No. 1) to provide engineering design services for the North-South Corridor Intelligent Transportation Systems (ITS) Deployment on Fair Oaks Avenue Project (Project) for a new not to exceed total of $483,558; and
2. Adopt Resolution No. 7983 (Attachment No. 2) amending the Fiscal Year 2025-2026 Capital Improvement Project budget to appropriate $500,000 to the project budget.

## Executive Summary

This is an amendment to the Professional Services Agreement with Iteris Inc. to provide engineering design services to complete design plans for the North-South Corridor Intelligent Transportation Systems (ITS) Deployment on Fair Oaks Avenue Project.

## Background

On August 12, 2004, the City of South Pasadena received $ 9.3 million Federal Highway Administration (FHWA) Rogan Funds (Bill No. HR 5394) for the construction of the SR-110 ramp. The project was not implemented because of right-of-way constraints and lack of technical studies and data.

In November 2019, FHWA and California Department of Transportation (Caltrans) informed staff of the Rogan funds lapsing at the end of 2019, unless the construction of the project proceeded immediately. To save the funds from lapsing, staff, in coordination with FHWA, revised the scope of the project to reduce vehicular congestion and improve traffic flow along

Fair Oaks Avenue between Huntington Drive and Columbia Street. Staff have continued to work with FHWA and Caltrans and have been able to extend the lapse date of the Project's funds (Cooperative Work Agreement) to June 30, 2027. Therefore, the construction phase must be completed by no later than February 2027 to secure fund availability and City reimbursement before June 30, 2027.

On March 11, 2021, the City received proposals for environmental and engineering design services and KOA was awarded a Professional Services Agreement for Engineering Design Services for the Project on August 18, 2021.

On July 16, 2025, City Council approved a Professional Services Agreement (PSA) with Iteris Inc. to provide traffic engineering and ITS support services to support the Project in the amount of $73,787. Under this PSA, Iteris, Inc. has been working with KOA on the design and plan review of the ITS elements of this Project, in addition, Iteris Inc. submitted a proposal in 2021, by which they demonstrated their ability to complete the design.

On November 19, 2025, City Council received a presentation from the Public Works Department outlining the Fiscal Years 2025-2026 CIP budget. The North-South Intelligent Transportation Systems Deployment Project was included in this presentation.

**Analysis**

Staff has worked closely with KOA since 2021 to develop the Project's design, however, due to staff turnover, lack of coordination with subconsultants, delayed consultation with Caltrans, and lack of adherence to approved scope, KOA has not met their obligation to complete the design by the January 2, 2026 date on their latest project schedule, which raises the City's concerns about completing the project within the timeframe required to comply with federal funding guidelines. Staff has discussed the status of the KOA design progress with the City Attorney's office.

To meet funding expiration deadlines, Staff requested a proposal from Iteris, Inc. to complete the project design. Following several discussions, Iteris agreed to an additional scope of work for a Not-to-Exceed amount of $446,912 ($406,284 + $40,628 10% Contingency).

In addition, the scope of work under the original agreement is being reduced by eliminating the services for "Task 3" as well as the corresponding compensation for that task. Accordingly, the amendment reduces the compensation by $37,141 for a total compensation amount for the original scope in the amount of $36,646.

With these revisions, the new maximum compensation is $483,558 ($446,912 +$ 36,646), which combines the original contract with the new design costs for the additional services.

Based on the above, it is recommended that an amendment to the PSA with Iteris Inc. be approved for the remainder of the work to complete the design of the Project.

**Fiscal Impact**

The North South Corridor Intelligent Transportation Systems (ITS) Deployment Project is currently supported by the following encumbered accounts:

| Account Number | Amount |
|---|---|
| 400-9000-9010-9161-108 | $26,484.58 |
| 400-9000-9010-9161-214* | $462,793.03 |
| 400-9000-9010-9161-255 | $26,484.56 |
| **Total Current Encumbrance** | **$515,762.17** |

*Please note that Fund 214 is restricted strictly to construction-related expenses.

These funds are fully committed to existing contracts with KOA and Iteris. Following the termination of the KOA contract, which had a not to exceed amount of $1,086,000 of which approximately $800,000 has been spent to date, approximately $286,000 will be unencumbered. These remaining funds will be used to offset the proposed amendment with Iteris. The proposed amendment to the Iteris contract increases the overall design cost of the Project by $160,000.

Staff recommends appropriating an additional $500,000 to the project, which is available in each funding sources unassigned fund balance. These funds will be allocated from the following sources:

$250,000 from Fund 233 – Measure R Local Return to Account 400-9000-9010-9161-233
$250,000 from Fund 236 – Measure M Local Return to Account 400-9000-9010-9161-236

In addition, staff recommends amending the existing Professional Services Agreement (PSA) with Iteris to shift its funding source to the more flexible Funds 233 and 236.

**Key Performance Indicators and Strategic Plan**
This item is related to street improvement goals in the City Council's 2025 compilation of priorities.

**Commission Review and Recommendation**
The Project was discussed with the Public Works and Infrastructure Commission (PWIC) Mobility on August 27, 2025.

**Public Notification**
The public was made aware that this item was to be considered this evening by virtue of its inclusion on the publicly noticed agenda and posting of the same agenda and reports on the City's website.

**Environmental Analysis**
The Project meets the requirements of California Environmental Quality Act Guidelines Section 15301 for Class 1, Existing Facilities, as the Project is consistent with Sections 15301(c) and 15301(d) listed. The City posted a Notice of Exemption with the State Clearinghouse on October 23, 2025, and with the Los Angeles County Registrar Clerk Recorder on October 30, 2025.

Attachment:
Attachment No. 1 - Professional Services Agreement Amendment
Attachment No. 2 - Resolution No. 7983

# AMENDMENT TO
# PROFESSIONAL SERVICES AGREEMENT

THIS AMENDMENT ("Amendment") is made as of this 4th day of March 2026, by and between the CITY OF SOUTH PASADENA ("City") and ITERIS, INC ("Consultant").

## RECITALS

**WHEREAS**, on August 25, 2025, the City and Consultant entered into a Professional Services Agreement ("Agreement") for the Consultant to provide traffic engineering and ITS Support Services for the Fair Oaks Ave. North-South ITS Deployment Project No. 2020-02, Federal Project No. RABA01-5071(024) (Project) for a not-to exceed amount of Seventy Three Thousand and Seven Hundred Eighty Seven Dollars ($73,787);

**WHEREAS**, the City desires to amend the services set forth in the Agreement and to reduce the compensation accordingly; and

**WHEREAS**, the City desires to remove previously contracted services from the Scope of Services and add new services to complete the design of the Project and amend the compensation accordingly;

**NOW THEREFORE, THE CITY AND THE CONSULTANT AGREE AS FOLLOWS:**

**Section 1.** Exhibit A of the Agreement shall be amended to delete "Task 3. Signal Timing Documents" from the Scope of Services.

**Section 2**. Exhibit B of the Agreement shall be amended to delete $37,141 from the total fixed fee amount, which results in the new "Total Fixed Fee" of $36,646.

**Section 3**. Consultant shall provide the additional services as set forth in Exhibit A-1 of this Amendment ("Additional Services"). The Additional Services shall be performed pursuant to the terms of the Agreement.

**Section 4**. For the Additional Services, City shall pay Consultant an amount not to exceed $406,284 in accordance with the hourly rates set forth in Exhibit A-1. Consultant shall not be reimbursed for any contingency or expenses related to the Additional Services, unless authorized in writing in advance by City.

**Section 5**. Section 3.4 of the Agreement entitled "Maximum Amount" is hereby amended to read as follows:

> "Maximum Amount": The highest total compensation and costs payable to the Consultant by the City under this Agreement. The Maximum Amount under this Agreement is four hundred eighty-three thousand and five hundred and fifty-eight dollars ($483,558), which includes a contingency amount of forty thousand and six hundred and twenty-eight dollars ($40,628) referred to as the "Contingency." The Contingency is to be used for any Project change orders and requires the advance written approval of the Public Works Director."

**Section 6.** Except as expressly modified by this Amendment, all other provisions of the Agreement shall remain in full force and effect. In the event of a conflict between the provisions of this Amendment and the provisions of the Agreement, the provisions of this Amendment shall control.

**TO EFFECTUATE THIS AMENDMENT,** the parties have caused their duly authorized representatives to execute this Agreement as of the dates set forth above.

| "CITY" | "CONSULTANT" |
|---|---|
| City of South Pasadena | Iteris, Inc. |
| _____ | _____ |
| Todd Hileman, City Manager | |

ATTEST:

_____
Nikima S. Newsome, Chief City Clerk

APPROVED AS FORM:

_____
Roxanne Diaz, City Attorney

## EXHIBIT A-1 TO AMENDMENT

Additional Services and Compensation

iteris®
ALMAVIVA GROUP



# Proposal for North-South Fair Oaks Corridor ITS Design Support Services for City of South Pasadena

11477-163.25

iteris®
ALMAVIVA GROUP

213.488.0345
iteris.com

801 South Grand Avenue, Suite 750
Los Angeles, CA 90017

February 24, 2026

Mr. Bassam Al-Beitawi, Transportation Program Manager
City of South Pasadena
Public Works Department
1414 Mission Street
South Pasadena, CA 91030

**Re: Proposal for North-South Fair Oaks Corridor ITS Design Support Services for City of South Pasadena**

11477-163.25

Dear Mr. Al-Beitawi:

Iteris, Inc. (Iteris) is proud of our long-standing and productive relationship with the City of South Pasadena. Iteris has served as a trusted partner, delivering a wide array of services including ITS design review, communication troubleshooting, signal timing support and traffic engineering services for the past decade. This proposal presents our responsibility for the previously prepared 80 percent design plans developed by Lochner and advancing them through 100 percent final design, while ensuring coordination with Caltrans for design approval and successful processing of the required Encroachment Permit for the Fair Oaks North-south ITS Corridor Design Project. Iteris brings extensive experience delivering complex ITS and traffic signal projects throughout California, including projects that require close coordination with Caltrans and strict adherence to Caltrans standards, specifications, and approval processes. Our team, including Psomas Engineering, Gruen Associates and ILB Electric, are well-versed in efficiently reviewing, validating, and completing partially developed design packages, identifying gaps or risks, and advancing projects to final, bid-ready documents within the constrained schedules.



For this project, **Mr. Marc Violett, PE,** will serve as the Project Manager and primary point of contact with the City and Caltrans. Mr. Violett brings proven experience managing design delivery, stakeholder coordination, and regulatory approvals for transportation and ITS projects. He will be supported by Mr. Alek Hovsepian, Senior Advisor, who will provide strategic oversight and technical guidance to support successful project delivery.

The Iteris Team will perform a comprehensive review of the existing 80 percent design plans, AutoCAD and survey files, technical documents, and stakeholder comments to ensure all requirements are fully addressed. We will refine and complete the plans to 100 percent and final design, ensuring compliance with current Caltrans standards, the California MUTCD, and City requirements. In parallel with the design, Iteris will proactively coordinate with Caltrans representatives to facilitate timely review of the design plans and to obtain approval of the Caltrans Encroachment Permit, minimizing risk to the project schedule.

Iteris understands the importance of clear communication, accountability, and schedule control during this critical phase of the project. Our project management approach emphasizes proactive coordination with City staff, Caltrans, and all stakeholders to ensure a smooth transition from design completion to construction readiness. It is required that assumptions made about the schedule and turn-arounds of plan check comments are adhered to in order to deliver the project on-time.

We appreciate the opportunity to support the City of South Pasadena on this important ITS corridor project and look forward to working collaboratively to deliver a high-quality, fully approved design package. Please feel free to contact us if you have any questions regarding our proposal. Please contact me at (949) 270-9647/ sdb@iteris.com or the designated PM, Mr. Marc Violett at 949-270-9586 / mviolett@iteris.com should you have any questions.

Sincerely,
**Iteris, Inc.**

*Steven Bradley has authority to negotiate and bind on behalf of the firm.*

Steven Bradley, PE
Senior Vice President
Mobility Consulting Services, West

# Project Understanding and Scope of Work

## TASK 1: Project Management

Iteris firmly believes that effective project management and detail coordination is fundamental to successfully delivering this project given the sensitivity of the project delivery schedule. Success is defined not only by completing the work, but by delivering a high-quality product that meets the City's expectations and adheres to the established schedule. As part of Iteris' project management approach, Mr. Marc Violett will serve as the primary point of contact with all stakeholders, as directed by the City.

Under the Project Management task, Mr. Violett will attend regular coordination meetings with City staff and will oversee the preparation and presentation of project status reports with support from the task managers. Throughout the duration of the project, Mr. Violett will be readily available to respond to City inquiries and to participate in special coordination meetings with stakeholders and neighboring agencies. Mr. Alek Hovsepian, Senior Advisor, will also be available to provide additional support to Mr. Violett for this project.

Iteris will develop a detailed design deliverable schedule using Microsoft Project. The schedule will be presented to the city at project initiation and will be reviewed and updated on a weekly basis to ensure transparency, accountability, and timely delivery. In addition, Iteris will continue to update the Action Item document as it was previously prepared by others.

Additionally, Iteris will provide attendance, assistance, and expertise to up to two (2) City Council meetings. Attendance to these meetings will include project documentation materials to assist the City with any visuals needed at the meeting.

**Assumptions:**

- Iteris will host weekly progress meetings to share progress and discuss design.
- 4-hours per meeting assumed for the Project Manager.

**Deliverables:**

- Meeting Agenda and Meeting Notes
- Updated Project Schedule
- Progress Report and Invoicing
- Update Action Item List

## TASK 2: Data Collection and Evaluation

Iteris will coordinate closely with the city to collect and review all relevant project materials, including project notes, CADD and reference files, stakeholder design comments, and the project action item list, to ensure all items are properly addressed in the latest design plans. To date, the City has provided the 90% PDF plans, specifications, and cost estimate. The City also provided the AutoCAD files, including survey, of the plans. Lastly, the City has provided all 50% and 90% comments and comment matrices for the project plan sets.

Iteris will systematically review each comment to confirm it has been resolved and appropriately documented. In addition, Iteris will conduct an independent technical review of the design plans and supporting documentation to identify and address any duplication of ITS systems and to determine whether additional design detail is required.

As part of this task, Iteris will verify that the latest Caltrans standards and specifications, as well as the California Manual on Uniform Traffic Control Devices (CA MUTCD), are fully incorporated into the design plans. Iteris will ensure that all traffic signal plans include the necessary elements to support a fully operational traffic signal system within both new and existing conduits. This includes new traffic signal poles and foundations; signal hardware such as vehicle and pedestrian signal heads; signal conductors; pull boxes; controllers and cabinets; pedestrian push buttons; and other required appurtenances.

The plans will also document all existing communication cables and equipment and will include comprehensive general notes and construction notes.

Civil improvement plans will incorporate designs for ADA-compliant curb ramps and any required modifications to median noses, along with applicable construction details. It is anticipated that Iteris will work collaboratively with the city to update and refine the latest design plans prepared by the consultant.

This task will serve as the foundation for updating the design plans under the subsequent task.

**Assumptions:**

- The city will provide all further needed documentation and any additional specification boilerplate material.

**Deliverables:**

- Updated Action Items List
- Update Comment Resolution Table

## TASK 3: Update Design Plans

As part of this task, Iteris Team will ensure that the design plans fully comply with the latest Caltrans standards and specifications, as well as the California Manual on Uniform Traffic Control Devices (CA MUTCD). Iteris will verify that all traffic signal plans include the complete set of elements required to deliver a fully operational traffic signal system within both new and existing conduit. These elements will include new traffic signal poles and foundations; signal hardware such as vehicle and pedestrian signal heads; signal conductors; pull boxes; controllers and cabinets; pedestrian push buttons; and other associated appurtenances.

The plans will also identify and document all existing communication cables and equipment and will be supported by comprehensive general notes and construction notes.

Iteris has teamed with Psomas as our sub-consultant to provide the civil improvement plan updates. The civil improvement plans will incorporate the necessary designs for ADA-compliant curb ramps and any required modifications to median noses. Applicable construction details will be provided to support implementation.
Signing and striping plans will also be reviewed and updated per the most recent CA MUTCD requirements.

The landscape plans will be updated by our sub-consultant, Gruen Associates, to reflect responses to the comments provided on the previous plan package submittal.

**Assumptions:**

- It is anticipated that Iteris will work with the City to update the latest design plans provided by the consultant.
- Updating the design plans will be focused on refining the existing design to meet all applicable design requirements and standards. Given the tight project schedule, Iteris will not be able to evaluate substantial deviations from the previous design.
- Any field review, if required, will only be to verify minor design items. Iteris will not be conducting comprehensive field review to verify all existing conditions.
- The City will provide comments on design plans within 5 working days of receipt.
- It is assumed that CEQA and NEPA Environmental Documents and Categorical Exclusion (CE) have been approved. No further environmental documentation will be required.

**Deliverables:**

- 100% Design Plans
- Final Design Plans
- Updated Comment Resolution Table

## TASK 4: Update Specifications and Cost Estimate

Iteris will update the previously prepared specifications using the City of South Pasadena's standard boilerplate. The specifications document will be submitted with the plans as part of the 100% submittal for City review and approval. As needed, Iteris will also update any technical special provisions related to the project design and will format all specifications in accordance with the most current Green Book requirements.

In addition, Iteris will update and finalize the Engineer's Construction Cost Estimate for inclusion in the 100% submittal package. A final Contract Item List (Bid Sheet) covering all work items shown on the plans will be prepared for the final submittal. The cost estimate will include detailed quantity takeoffs and unit cost information, as required.

**Assumptions:**

- The project specifications will be in the same format as provided by the City. Iteris will revise the Proposal and Construction Contract / Agreement for final approval by the City. Iteris will provide technical specifications for all improvements along with appendices including product information for specific improvements to be furnished and installed.
- The City will provide Iteris with the most recent version of the special provisions recently prepared by the previous designer.
- The City will provide comments on specifications and estimates within 5 working days of receipt.

**Deliverables:**

- 100% Specifications Document
- 100% Cost Estimate

## TASK 5: Coordination with Stakeholders and Encroachment Permit

Throughout the project, the Iteris Project Manager will coordinate with all project stakeholders on an as-needed basis. However, continuous and proactive communication with Caltrans representatives is critical to facilitate timely review of the design plans and approval of the encroachment permit. The purpose of this task is to maintain consistent coordination with all stakeholders - particularly Caltrans to support on-time submittal of design plans and secure timely approval of the Caltrans Encroachment Permit. Once the final design package is approved by the city, Iteris will submit for an encroachment permit through the Caltrans Encroachment Permit System (CEPS).
Iteris will coordinate with the city to develop all necessary supporting documentation for the permit including, as needed, the approved final design package, a Standard Encroachment Permit Application (DOT TR-0100), an Encroachment Permit Checklist (DOT TR-0402), CEQA documentation, DSDD documentation, and a letter of authorization.

**Assumptions:**

- The City will support Iteris' CEPS application by engaging Caltrans to prioritize review and approval of the final design package.
- Caltrans review of the CEPS application will be completed and approved within 3 weeks of submittal.

**Deliverables:**

- Obtain Caltrans Approval of 100% Design Plans
- Obtain Caltrans approval of Encroachment Permit through CEPS

## TASK 6: Bid and Construction Support Services

After the design has been successfully completed, the Iteris Team will be available to assist the City throughout the bidding and construction phases. During both bidding and construction, Iteris will coordinate with the City to answer any questions, provide clarifications, and make revisions as necessary to update the construction bidding documents. Additionally, during construction, Iteris will be available to review submittals, conduct field visits, and prepare record drawings based on As-Built information.

## TASK 7: Vehicle Counts and Synchro Corridor Development

In addition to the physical upgrades of the traffic signal systems and curb ramps along Fair Oaks Boulevard, an analysis and update of the corridor signal coordination and synchronization will be performed. This will include preparing a model of the Fair Oaks corridor in the Synchro software application. All elements of the corridor will be modeled appropriately to achieve the most accurate results. This will include intersection geometry, traffic signal phasing, detection, etc. Basic timing parameters will be established including all red, yellow time, minimum and maximum greens, etc.

Additional data collection of turning movement counts are required to run the Synchro analysis. NDS will provide that data collection on a weekday, Tuesday through Thursday, while the local schools are in session, and during the AM, Midday, and PM peak periods. The data collection will happen in fair weather conditions, not during rain or other adverse weather that may affect driving habits.

The turning movement counts will be ported into the Synchro corridor file that has already been prepared by Iteris earlier in this task. With the date and basic timing parameters established, the corridor will be analyzed and optimized for overall signal cycle lengths and for each individual approach and movement for each peak period, AM, Midday, and PM.

The updated timing will be transferred to the signal timing plans and then uploaded to the traffic signal controllers. After the implementation of the timing, the corridor will be monitored periodically for two weeks to ensure the timing is functioning as expected. Fine-tuning of some cycles, phases, and/or approaches may be needed and will be applied as appropriate.

ethodology to support the aggressive city deliverable schedule. We have identified all labor both for Iteris and all three sub-consultants. As project progresses and detail design are potential cost risk and support on-time project delivery.

| | Associate Vice President/Principal/Director | Senior Engineer/Planner II | Senior Engineer/Planner I | Engineer/Planner | Associate Engineer/Planner | Sub-consultant Psomas | Sub-Consultant Gruen Associates | Sub-Consultant NDS | LABOR HOURS | Iteris Labor Cost | Sub Total | Total Task Budget |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | *$ 333* | *$ 251* | *$ 234* | *$ 187* | *$ 174* | *LS* | *LS* | | | | | |
| | | | | | | | | | | | | |
| | 30 | 30 | | | | $5,000 | | | 60 | $ 17,520 | $ 5,250 | $ 22,770 |
| | 10 | 10 | | | | $10,000 | | | 20 | $ 5,840 | $ 10,500 | $ 16,340 |
| | 32 | 60 | 50 | 90 | 90 | $143,905 | $4,000 | | 322 | $ 69,906 | $ 155,300 | $ 225,206 |
| | 8 | 24 | | 90 | 60 | $5,000 | | | 182 | $ 35,958 | $ 5,250 | $ 41,208 |
| | 12 | 12 | | 8 | 16 | | | | 48 | $ 11,288 | $ - | $ 11,288 |
| | 24 | 24 | 4 | 40 | | $4,610 | $11,300 | | 92 | $ 22,432 | $ 16,706 | $ 39,138 |
| | 24 | 32 | 40 | 100 | | | | $5,000 | 196 | $ 44,048 | $ 5,250 | $ 49,334 |
| | 116 | 160 | 54 | 228 | 166 | $168,515 | $15,300 | | 724 | | | |
| | | | | | | | | | | Total Labor | $ 207,028 | |
| | | | | | | | | | | Subs + 5% Mark-up | $ 198,256 | |

# Hourly Rates - Support Staff

| STAFF CLASSIFICATION | Rate |
|---|---|
| Support Staff I | $129 |
| Support Staff II | $212 |
| Assistant Engineer/Planner | $148 |
| Associate Engineer/Planner | $174 |
| Engineer/Planner | $187 |
| Senior Engineer/Planner I | $234 |
| Senior Engineer/Planner II | $251 |
| Lead Engineer/Senior Manager | $303 |
| Associate Vice President/Principal/Director | $333 |

- Task Orders will utilize individual staff rates at time of Letter Proposal submission, NTE Max Billing Rates.

**Default Standard Terms and Conditions**

- Subconsultant, Subcontractor and Equipment expenses to be billed at negotiated cost plus markup.
- Other direct expenses to be billed at cost, unless otherwise negotiated.
- Mileage rates will be based upon current IRS standard rates.

iteris
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# RESOLUTION NO. 7983

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH PASADENA AMENDING THE FISCAL YEAR 2025-2026 ADOPTED BUDGET**

**WHEREAS**, the City Council of the City of South Pasadena adopted the Fiscal Year 2025-2026 Budget on August 20, 2025, establishing the City's financial plan for the fiscal year beginning July 1, 2025 and ending June 30, 2026; and

**WHEREAS**, subsequent to adoption, the City has identified a need to appropriate funds from Fund 233 – Meare R Local Return and Fund 236 – Measure M Local Return to increase available funding for design of the North-South Corridor Intelligent Transportation Systems Deployment on Fair Oaks Avenue Project (RABA01-5071(024)); and

**WHEREAS**, the proposed amendments are necessary to ensure the continuation of the capital improvement plan, maintain fiscal responsibility, and align City resources with City Council priorities; and

**WHEREAS**, the City Council has reviewed the proposed amendments and finds them to be in the best interest of the City and its residents.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SOUTH PASADENA, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:**

**Section 1.** The above recitals are hereby declared to be true and correct and are incorporated herein as if set forth in full.

**Section 2.** The Fiscal Year 2025-2026 Adopted Budget is hereby amended as set forth in the table below:

| Revenue Account No. | Description | Amount |
|---|---|---|
| | | |
| | NOT APPLICABLE | |
| **TOTAL:** | | |

| Expenditure Account No. | Description | Amount |
|---|---|---|
| 400-9000-9010-9161-233 | North-South Corridor ITS Deploy | $250,000 |
| 400-9000-9010-9161-236 | North-South Corridor ITS Deploy | $250,000 |
| | | |
| | | |
| **TOTAL:** | | **$500,000** |

**Section 3.** The City Manager, or their designee, is authorized and directed to implement the budget amendments, including transfers, appropriations, and related accounting entries, in accordance with this resolution.

**Section 4.** The City Manager is further authorized to make minor adjustments and technical corrections consistent with the intent of this resolution.

**Section 5.** The City Clerk shall certify to the adoption of this resolution.

**PASSED, APPROVED AND ADOPTED** this 4th day of March 2026.

_____
Sheila Rossi, Mayor

ATTEST:

_____
Nikima S. Newsome, Chief City Clerk

APPROVED AS TO FORM:

_____
Roxanne Diaz, City Attorney

I, Nikima S. Newsome, Chief City Clerk of the City of South Pasadena, do hereby certify the foregoing Resolution No. _____ was duly passed and adopted by the City Council of the City of South Pasadena, at a regular adjourned meeting held on the 21st day of January, 2026, by the following roll call vote:

AYES:
NAYES:
ABSENT:
ABSTAIN:

_____
Nikima S. Newsome, Chief City Clerk

# City Council Agenda Report

**ITEM NO. 13**

**DATE:** March 4, 2026

**FROM:** Todd Hileman, City Manager

**PREPARED BY:** Roger Sung, Human Resources Director

**SUBJECT:** **CONSIDERATION TO ADOPT RESOLUTION 7984 TO ADD ONE (1) FULL-TIME LIBRARIAN POSITION, RECLASSIFY TWO (2) PART-TIME MANAGEMENT INTERNS TO FOUR (4) MAINTENANCE ASSISTANTS, AND ESTABLISH THE CUSTOMER SOLUTIONS JOB SERIES CONSISTING OF FOUR (4) NEW JOB SPECIFICATIONS WITH SALARY RANGES**

## Recommendation

It is recommended that the City Council approve the adoption of Resolution No. 7984 to add one (1) new Librarian position to the budget; reclassify two (2) part-time Management Intern positions to four (4) part-time Maintenance Assistants; and establish a new Customer Solutions job series that comprises the following job specifications and provide salary ranges: a) Customer Solutions Representative; b) Lead Customer Solutions Representative; c) Customer Solutions Supervisor; and d) Customer Solutions Manager.

## Executive Summary

Human Resources (HR), in collaboration with the Library Department, conducted a review of library staffing levels, classification alignment, and service delivery needs. The review identified a heavy reliance on part-time Librarian positions and determined that reallocation of part-time funding to support one (1) additional full-time Librarian position would better support service continuity, internal career growth, and operational stability. Additionally, workload growth and service demands support adding one Librarian position to maintain service levels.

Human Resources also conducted a review of service levels and operational needs in collaboration with the Public Works Department to evaluate the appropriate classification and deployment of staffing resources. The review determined that the duties associated with two (2) part-time Management Intern positions are not aligned with current operational demands. Instead, Public Works requires additional field support to perform semi-skilled maintenance, repair, and general construction work. Accordingly, HR recommends reclassifying two (2) part-time Management Intern positions to four (4) part-time Maintenance Assistant positions to better align staffing with operational needs and enhance service delivery capacity.

Lastly, the City is experiencing fragmented customer intake, inconsistent service responses, high call transfer rates, limited tracking of service outcomes, and the absence of enterprise-wide service expectations. To address these challenges and advance City Council's goal of enhancing customer service, staff proposes development of a centralized Customer Success Center. To support implementation of the Customer Success Center, staff is proposing

establishment of a new Customer Solutions job series to provide centralized intake, service request tracking, escalation management, and performance monitoring.

Accordingly, City Council action is requested to approve one (1) additional Librarian position, reclassify (2) part-time Management Interns to four (4) part-time Maintenance Assistants, and establish the new Customer Solutions job series. Approval will strengthen organizational capacity, align classifications with assigned duties, and support consistent, high-quality service delivery.

**Analysis**
**A. Establishment of One (1) Additional Librarian Position**

*Background*
On November 19, 2025, City Council adopted Resolution No. 7952 establishing the Senior Librarian, Librarian, and Reference Librarian classifications.

*Analysis*
HR periodically reviews classifications to ensure alignment between job specifications, assigned duties, and operational needs. As part of this review, HR and Library management evaluated current staffing and determined that an additional Librarian position is needed to address increasing service and program demands.

The review identified increased programming and outreach activity, continued demand for reference and digital services, and the need to maintain adequate staffing for operating hours and service coverage. Adding one Librarian position will help sustain service levels and reduce workload pressure.

Establishing an additional Librarian position provides necessary staffing capacity to meet current and projected service demands and supports the Library's operational effectiveness.

**B. Reclassification of two (2) Part-Time Management Interns to four (4) Maintenance Assistants in Public Works.**

*Background*
The Public Works Department utilizes a combination of full-time, part-time, and temporary positions to support maintenance operations across Facilities and Parks, as well as Streets and Sewers. Previously, two (2) part-time Management Intern positions were established to assist with administrative and project-based functions. Over time, departmental needs have shifted toward increased field-based maintenance support due to growing service demands, aging infrastructure, and the need to maintain existing service levels.

*Analysis*
The purpose of this action is to reclassify two (2) part-time Management Intern positions to four (4) Maintenance Assistant positions. City Council action is required to approve the reclassification and align staffing resources with operational needs that support Maintenance Workers in the Public Works Department.

HR conducted a review of service levels, workload distribution, and operational needs in collaboration with the Public Works Department to evaluate the appropriate classification and deployment of staffing resources. The review identified an increased need for maintenance

support services within Facilities and Parks, as well as Streets and Sewers. The current Management Intern classification is designed to perform administrative and analytical functions, including conducting studies, developing recommendations, and supporting general administrative processes. However, these functions do not align with current departmental needs. Instead, the operational need is for staff who can provide direct support to Maintenance Workers by performing semi-skilled maintenance, repair, and general construction work.

Reclassifying the two (2) part-time Management Intern positions to four (4) Maintenance Assistant positions will help alleviate workload demands and provide direct operational support to the Public Works Department. This action aligns staffing resources with core service delivery needs, increases field support capacity, and strengthens the City's ability to meet current and projected service demands.

**C. Establishment of a new Customer Solutions Series and proposed salary ranges.**

*Background*
In January 2026, staff presented the South Pasadena Customer Success Center Proposal and Implementation Plan, which identified systemic customer service challenges and recommended development of a centralized intake and service coordination function. Key issues include fragmented customer intake, inconsistent responses, high call transfers, and limited performance metrics. The implementation plan outlines a phased approach emphasizing baseline workload assessment, knowledge management, development of performance measures, and training and change management.

*Analysis*
The City is planning to implement a Customer Success Center to improve customer service delivery through centralized intake, consistent routing of service requests, reduced call transfers, and enhanced performance accountability. Successful implementation of this service model requires specialized classifications designed to support centralized customer intake, service request tracking, escalation management, training, quality assurance, and performance monitoring.

A review of the City's existing classifications determined that current positions do not fully capture the scope, complexity, or accountability associated with operating a centralized Customer Success Center, nor do they provide a structured career pathway aligned with this service model. To address these needs, HR proposes the establishment of a four-level classification series consisting of Customer Solutions Representative, Lead Customer Solutions Representative, Customer Solutions Supervisor, and Customer Solutions Manager.

HR, in coordination with the City Manager's Office and Information Technology Manager, reviewed operational needs identified in the Customer Success Center Proposal. A functional analysis was conducted to identify core customer service functions and appropriate levels of responsibility. A tiered structure was developed and reviewed for internal alignment, compensation consistency, and FLSA designation. Draft classification specifications were prepared for each classification.

The review determined that a centralized customer service operation represents a distinct function requiring dedicated classifications. A tiered structure is operationally necessary to provide frontline service, technical expertise, supervisory oversight, and program management. The proposed classifications reflect increasing levels of responsibility and

authority, support performance accountability, and align with the City's classification framework. The structure is scalable and supports phased implementation.

Each proposed classification reflects progressively higher levels of independence, judgment, and decision-making authority, ensuring clear distinctions in responsibility and appropriate allocation of work. This structure supports accountability at all levels of the organization and establishes defined points of escalation and oversight.

Additionally, the proposed structure directly supports the City's ability to implement performance accountability measures, including the development of key performance indicators, service level agreements, quality assurance processes, and continuous improvement initiatives. Dedicated supervisory and management capacity is essential to monitor service outcomes, evaluate trends, and make data-informed operational adjustments.

HR also finds that the proposed classifications and associated salary structures are consistent with the City's existing classification philosophy and align internally with comparable administrative, supervisory, and management roles. The structure is designed to be scalable, allowing for phased implementation and incremental staffing based on operational needs and available budgetary resources.

Based on these findings, HR concludes that establishment of the four proposed classifications is appropriate, justified, and necessary to support successful implementation and long-term sustainability of the City's Customer Success Center.

**Fiscal Impact**
The proposed reclassifications and establishment of salary ranges will have a projected net cost of approximately $3,500.00. The salary savings from the reduction of part-time library staff and vacant part-time position(s) will offset the projected net cost for the remainder of Fiscal Year 25-26 and into Fiscal Year 26-27.

Reducing a portion of the Library Department's part-time positions and adding one (1) full-time Librarian position is expected to result in an estimated net savings of approximately $47,000.00 annually. In addition to generating savings, this restructuring fosters internal growth by creating a viable full-time career opportunity, establishes a more consistent and sustainable staffing structure, and enhances operational efficiency through improved continuity of service, reduced turnover, and greater scheduling stability. These efficiencies support high-quality public service delivery while maintaining fiscal responsibility. These operational efficiencies provide an identifiable long-term fiscal benefit that helps offset the projected salary impacts.

| **Action** | **Net Cost Increase/(Savings)** |
|---|---|
| Add one (1) Librarian position | ($47,000) |
| Reclassify two (2) Part-time Management Interns to four (4) Part-time Maintenance Assistants. | $50,265.60 |

| | |
|---|---|
| Establish 4 job specifications for the Customer Solution Call Center series and salary ranges | N/A (The requested action is only to establish the classifications at this time. An organization plan to add these positions will be presented as implementation of the Customer Success Center moves forward.) |

Attachment:
Attachment No. 1 - Resolution No. 7984
Attachment No. 2 - Library Org Chart
Attachment No. 3 - PW Org. Chart
Attachment No. 4 - Customer Solutions Representative
Attachment No. 5 - Lead Customer Solutions Representative
Attachment No. 6 - Customer Solutions Supervisor
Attachment No. 7 - Customer Solutions Manager

Attachment No. 1

**RESOLUTION NO. 7984**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH PASADENA, CALIFORNIA, CONSIDERATION TO ADOPT RESOLUTION 7984 TO ADD ONE (1) FULL-TIME LIBRARIAN POSITION, RECLASSIFY TWO (2) PART-TIME MANAGEMENT INTERNS TO FOUR (4) MAINTENANCE ASSISTANTS, AND ESTABLISH THE CUSTOMER SOLUTIONS JOB SERIES CONSISTING OF FOUR (4) NEW JOB SPECIFICATIONS WITH SALARY RANGES**

**WHEREAS,** the City of South Pasadena maintains a classification and compensation plan to ensure equitable, transparent, and market-based personnel administration; and

**WHEREAS,** the City conducted a review of library staff levels and service demands and determined that adding one (1) full-time Librarian position will support service continuity, workload demands, and operational effectiveness; and

**WHEREAS,** the City conducted a review of Public Work levels and service demands and determined that reclassifying (2) part-time Management Interns to four (4) part-time Maintenance Assistant positions will support service continuity, workload demands, and operational effectiveness; and

**WHEREAS,** the City intends to implement a Customer Success Center to improve customer service delivery through centralized intake, consistent routing of service requests, reduce call transfers, and enhanced performance accountability; and

**WHEREAS,** the City recommends establishing four (4) new job specifications and salary ranges for the Customer Solutions Representative, Lead Customer Solutions Representative, Customer Solutions Supervisor, and Customer Solutions Manager; and

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SOUTH PASADENA, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:**

**SECTION 1.** The addition of one (1) full-time Librarian is hereby adopted.

**SECTION 2.** The reclassification of two (2) part-time Management Intern positions to four (4) part-time Maintenance Assistant positions is hereby adopted.

**SECTION 3.** The classification of Customer Solutions Representative is hereby established.

**SECTION 4.** The classification of Lead Customer Solutions Representative is hereby established.

**SECTION 5.** The classification of Customer Solutions Supervisor is hereby established.

**SECTION 6.** The classification of Customer Solutions Manager is hereby established.

**SECTION 7.** The Customer Solutions Representative, Lead Customer Solutions Representative, and Customer Solutions Supervisor are a represented classification in the Public Service Employees' Association.

**SECTION 8.** The job descriptions and salary ranges for the Customer Solutions Representative, Lead Customer Solutions Representative, Customer Solutions Supervisor, and Customer Solutions Manager as set forth in Exhibits A, B, C and D are hereby adopted. The Human Resources Director shall incorporate the salary ranges for such positions into the City's comprehensive salary schedule.

**SECTION 9.** The City Manager, or designee, is authorized to implement the new classifications and take all administrative actions necessary to carry out this Resolution.

**PASSED, APPROVED AND ADOPTED** on this 4th day of March 2026.

Sheila Rossi, Mayor

**ATTEST:**

Nikima S. Newsome, Chief City Clerk

**APPROVED AS TO FORM:**

Roxanne Diaz, City Attorney

**I HEREBY CERTIFY** the foregoing Resolution No. 7984 was duly adopted by the City Council of the City of South Pasadena, California, at a regular meeting held on the 4th of March 2026 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAINED:**

_____

Nikima S. Newsome, Chief City Clerk

## EXHIBIT A

## Customer Solutions Representative Job Description and Salary Range

## EXHIBIT B

## Lead Customer Solutions Representative Job Description and Salary Range

## EXHIBIT C

## Customer Solutions Supervisor Job Description and Salary Range

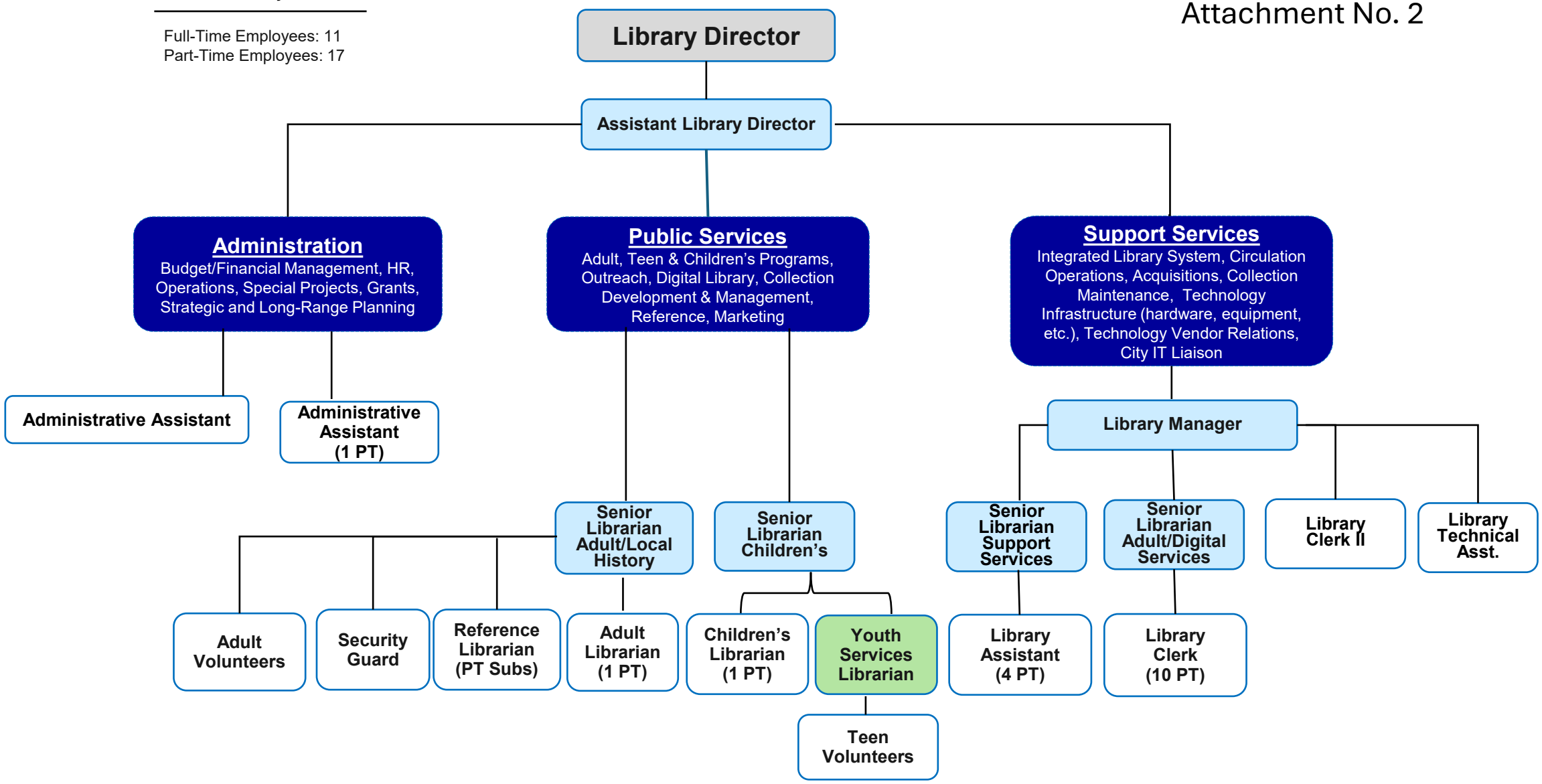
## EXHIBIT D

## Customer Solutions Manager Job Description and Salary Range

Attachment No. 2

**Public Library**

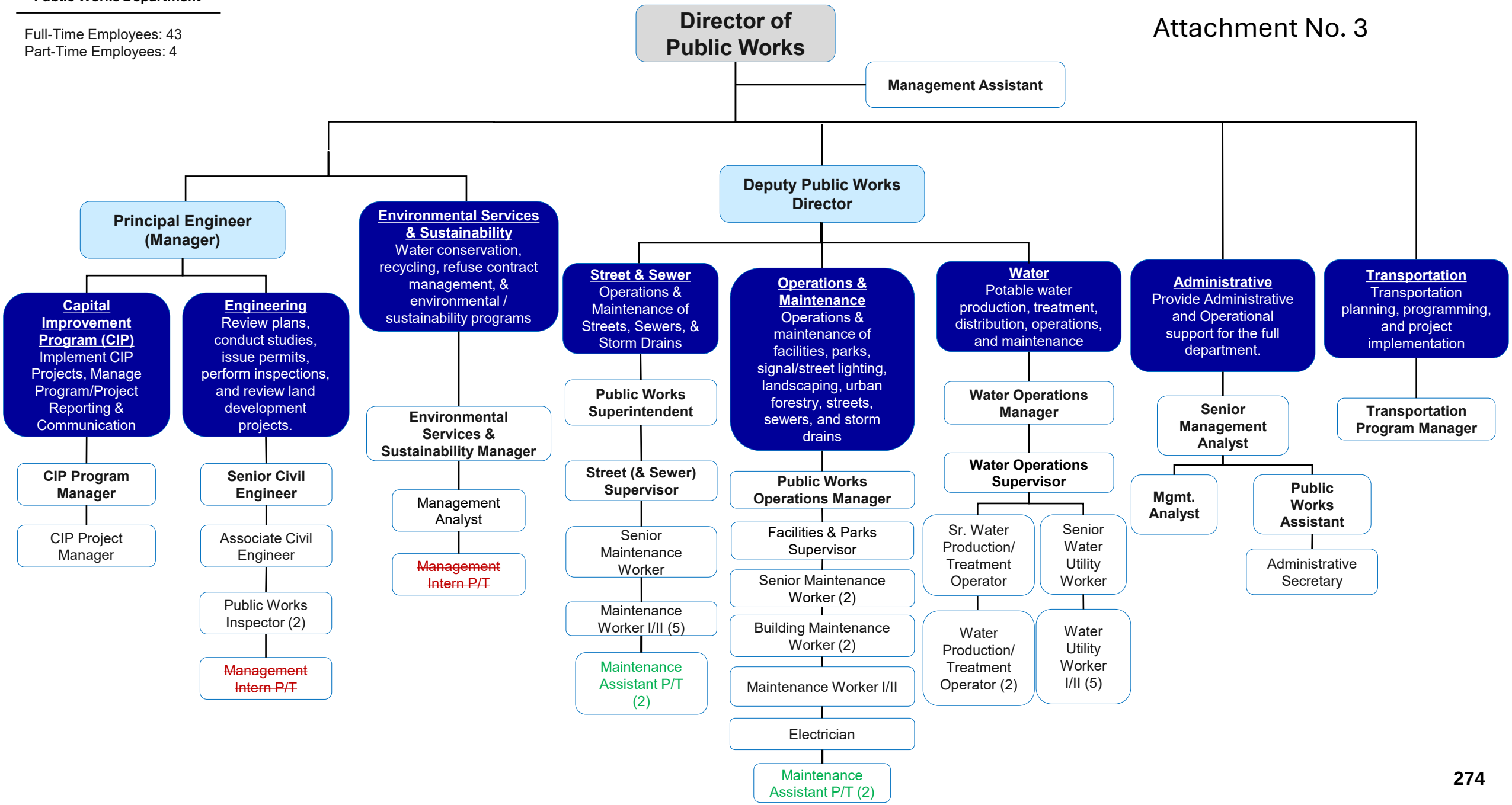
Full-Time Employees: 11
Part-Time Employees: 17



**Public Works Department**

Full-Time Employees: 43
Part-Time Employees: 4

Attachment No. 3



City of
SOUTH PASADENA

**CLASSIFICATION SPECIFICATION**

**TITLE:** **CUSTOMER SOLUTIONS REPRESENTATIVE**

**PURPOSE:** Under general supervision, this position performs duties related to resolving customer inquiries and complaints. Contributes to achieving service level agreements (SLAs), first contact resolution goals, and customer satisfaction performance targets in support of the City's customer experience strategy.

## EXAMPLES OF DUTIES:

Essential duties and functions, pursuant to the Americans with Disabilities Act, may include the following. Other related duties may be assigned.

- Provides general information to the public and receives inquiries from customers, contractors, and other City departments by email, in-person, fax, or phone.
- Provides service through multi-channel platforms including phone, email, web portal, and CRM case management systems.
- Documents customer interactions accurately to support data analysis and service trend reporting.
- Handles and responds to a large volume of phone calls while utilizing multiple database systems to obtain necessary data.
- Maintains and reconciles cash drawer daily, processes checks, cash, money orders, and credit transactions. Scans check payments.
- Research information related to customer inquiries and complaints.
- Responds to customer requests or inquiries concerning services, equipment, and operations.
- Routes customer inquiries and complaints to appropriate staff member and/or department.
- Generates, routes, and monitors service requests from customers requesting and reporting various city services.
- Performs a variety of clerical duties such as emails, letters, forms, and other correspondence.
- Retrieves and processes resident applications/forms and files all documents or records and reports.
- Maintains records, enters data, and retrieves data as needed. May be responsible for sensitive and/or confidential files.
- Research customer account information to explain services, charges, and adjustments.

## EMPLOYMENT STANDARDS

Must possess required knowledge, skills, abilities, and experience and be able to explain and demonstrate, with or without reasonable accommodations, that the essential functions of the job can be performed.

- Knowledge of applicable department policies, procedures, and regulations.
- Knowledge of customer experience principles and service excellence standards.
- Knowledge of methods of receiving, documenting, and processing service requests.
- Knowledge of utility rates structures, usage, and billing functions for residential, multifamily, and commercial customer accounts.
- Knowledge of customer relations practices.
- Skill in oral and written communication.
- Skill in using utility billing software systems.
- Ability to resolve issues with a solutions-oriented and customer focused approach.
- Ability to provide courteous, professional, and responsive customer service.
- Ability to listen effectively and communicate clearly both orally and in writing.
- Ability to effectively present information in one-on-one meetings with customer and employees.
- Ability to add and subtract, multiply, and divide in all units of measure, using whole numbers, common fractions, and decimals.
- Ability to apply best practices carrying out work responsibilities without the need for detailed written or oral instructions.
- Ability to deal with and resolve problems in work situations.
- Ability to establish and maintain effective communication and working relationships with city employees and the public.
- Performs all areas of supervision including recruitment, selection, training, discipline, and dismissal.

**MINIMUM QUALIFICATIONS:**

- Graduation from an accredited high school or equivalent, plus one (1) year of experience in customer service or a related field.
- One (1) year of relevant experience working in a Call Center environment for a municipality or government agency is preferred.
- Bilingual preferred

**WORKING CONDITIONS AND PHYSICAL DEMANDS:**

**Working Conditions**

The physical and mental demands described here are representative of those that must be met by employees to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions

While performing duties of this job, the employee is regularly required to sit; stand; walk; reach with hands, fingers, and arms; handle or feel objects, tools, or controls; climb;

DRAFT

balance; bend; stoop; kneel; crouch and/or crawl. The employee is regularly required to read, speak, including talking on the telephone; and hear with background noise. Specific vision abilities required in this job include close vision, distance vision, color vision, peripheral vision, depth perception, and the ability to adjust focus.

**Physical Demands**
The employee must be able to regularly lift and/or move up to 25 lbs.

The employee will usually work in a climate-controlled indoor environment. However, while working an employee may be exposed to dust, loud noises, vibrations, fumes and odors, communicable diseases, wetness/humidity, and darkness or variable lighting.

**FLSA Status**
Non-exempt

**HISTORY:**

Established: MM.DD.YY
Approval/Adoption Date: MM.DD.YY

| Recommended Salary | Step A | Step B | Step C | Step D | Step E |
|---|---|---|---|---|---|
| | $5,313.00 | $5,579.00 | $5,858.00 | $6,151.00 | $6,458.00 |

DRAFT

Attachment No. 5

City of
SOUTH PASADENA

**CLASSIFICATION SPECIFICATION**

**TITLE: LEAD CUSTOMER SOLUTIONS REPRESENTATIVE**

**PURPOSE:** Under general supervision, provides lead direction and performs advanced customer service and call center work. Serves as a technical resource and escalation point for complex or sensitive customer inquiries; updates and maintains procedures, training materials, scripts, and frequently asked questions (FAQs). This position serves as a liaison between the call center and City departments to ensure accurate and consistent information; and supports service quality assurance, escalation management, and knowledge management functions to ensure consistent service delivery and SLA compliance.

**EXAMPLES OF DUTIES:**

Essential duties and functions, pursuant to the Americans with Disabilities Act, may include the following. Other related duties may be assigned.

- Answers phone calls, listens to complaints or requests, takes down information, records each call, and determines what steps to take to resolve problems or fulfill requests.
- Provides service through multi-channel platforms including phone, email, web portal, and CRM case management systems.
- Resolves complex, sensitive, or high-impact customer inquiries that cannot be resolved by the Customer Solutions Representative.
- Conducts quality assurance reviews of customer interactions and provides coaching and feedback.
- Monitors escalation trends and identifies recurring service issues for process improvement.
- Assists in tracking team compliance with established service level agreements (SLAs).
- Coordinates with internal departments and provides accurate and timely resolutions.
- Provides day-to-day technical guidance and work direction to Customer Solutions Representatives, including answering procedural questions and assisting with difficult calls or inquiries.
- Develops and update training materials, job aids, scripts, and desk manuals to ensure consistent service delivery.
- Communicates and disseminates information to the appropriate department for special attention.
- Prepares reports related to call volume, response times, service trends, and common customer issues.
- Supports scheduling and workload distribution to ensure adequate coverage and timely response to service requests.
- Models excellent customer service, professionalism, and effective communication in all interactions.

- Approves adjustments to customer accounts.
- Maintains and reconciles cash drawers daily, processes checks, cash, money orders, and credit transactions. Scans check payments and prepares electronic deposits daily; prepares bank deposit daily.
- Resolve customer issues with one call resolution.
- Verifies customer accounts and active services using various databases and software applications.
- Research customer account information to explain services, charges, and adjustments.
- Logs customer complaints, creates service requests, and routes to the appropriate department(s).
- Provides guidance and training to other employees.
- Perform other related duties as needed by Supervisor.

**EMPLOYMENT STANDARDS**

Must possess required knowledge, skills, abilities, and experience and be able to explain

and demonstrate, with or without reasonable accommodations, that the essential functions of the job can be performed.

- Knowledge of applicable department policies, procedures, and regulations.
- Knowledge of utility billing processes and customer account management.
- Knowledge of utility rate structures and service classifications.
- Knowledge of methods and procedures for resolving billing questions and adjustments.
- Knowledge of automated billing and meter reading systems.
- Knowledge of principles and practices of customer service, including assessing customer needs and maintaining service quality.
- Knowledge of standard office software and computer applications (e.g., Windows, Microsoft Office).
- Knowledge of good customer relations practices.
- Skill in handling multiple tasks and prioritizing.
- Skill in using computers and related software.
- Skill in planning and organizing.
- Skill in handling conflict and uncertain situations.
- Skill in analyzing service trends and identifying opportunities for operational improvement.
- Ability to provide courteous, professional, and responsive customer service.
- Ability to exercise sound judgement in identifying and resolving problems.
- Ability to listen effectively and communicate clearly both orally and in writing.
- Ability to work with frequent interruptions and changes in priorities.
- Ability to use basic computer software and Microsoft Office Suite.
- Ability to communicate on a professional level.
- Ability to quickly respond to initial customer inquiries/complaints and creatively troubleshoot customer service issues.
- Ability to keep accurate records and backup to enforce solutions to problems.

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- Must be organized and able to multi-task
- Ability to supervise, train, assign and monitor work assignments.
- Ability to establish and maintain effective communication and working relationships with city employees and the public.
- May lead and train others.

**MINIMUM QUALIFICATIONS:**

- Graduation from an accredited high school or equivalent, plus three (3) years of experience in customer service or a related field.
- Two (2) years of relevant experience working in a Call Center environment for a municipality or government agency is preferred.
- Bilingual preferred

**WORKING CONDITIONS AND PHYSICAL DEMANDS:**

**Working Conditions**

The physical and mental demands described here are representative of those that must be met by employees to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions

While performing duties of this job, the employee is regularly required to sit; stand; walk; reach with hands, fingers, and arms; handle or feel objects, tools, or controls; climb; balance; bend; stoop; kneel; crouch and/or crawl. The employee is regularly required to read, speak, including talking on the telephone; and hear with background noise. Specific vision abilities required in this job include close vision, distance vision, color vision, peripheral vision, depth perception, and the ability to adjust focus.

**Physical Demands**
The employee must be able to regularly lift and/or move up to 25 lbs.

The employee will usually work in a climate-controlled indoor environment. However, while working an employee may be exposed to dust, loud noises, vibrations, fumes and odors, communicable diseases, wetness/humidity, and darkness or variable lighting.

**FLSA Status**
Non-Exempt

**HISTORY:**

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| Recommended Salary | Step A | Step B | Step C | Step D | Step E |
|---|---|---|---|---|---|
| | $5,945.00 | $6,242.00 | $6,554.00 | $6,882.00 | $7,226.00 |

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City of
SOUTH PASADENA

**CLASSIFICATION SPECIFICATION**

**TITLE:** **CUSTOMER SOLUTIONS SUPERVISOR**

**PURPOSE:** Under general direction, supervises, assigns, and evaluates staff responsible for the operation of the Customer Success Center; oversees customer service and operational activities; develops and implements procedures, training programs, and service standards; coordinates with City departments to ensure accurate and timely resolution of customer inquiries; monitors compliance with established service level agreements (SLAs) and key performance indicators (KPIs); and leads continuous improvement initiatives to enhance customer satisfaction and operational efficiency.

## EXAMPLES OF DUTIES:

Essential duties and functions, pursuant to the Americans with Disabilities Act, may include the following. Other related duties may be assigned.

- Plan, organize, assign, supervise, and evaluate the work of customer service and call center staff to ensure excellent customer service, timely and responsive information to customers.
- Monitors the daily operations to ensure adequate staffing and workload distribution.
- Establishes and enforces customer service standards, performance metrics, and quality assurance procedures.
- Ensures team compliance with established SLAs and service performance benchmarks.
- Prepares and presents KPI dashboards and service performance reports to leadership.
- Conducts root cause analysis of recurring service failures and implements corrective action plans.
- Leads continuous improvement initiatives to reduce repeat contacts and improve customer journey efficiency.
- Review complex, sensitive, and third-level escalated customer issues; provides guidance and ensure appropriate resolution.
- Develop, implement, and maintain training materials, standard operating procedures, scripts, FAQs, and job aids, to ensure consistent service delivery.
- Receive and record all cash collections, ensures customer account updates, and updates account receivable ledger, by customer.
- Analyze call volume, service trends, and operational data.
- Prepares reports and recommends process improvements.
- Coordinates division activities and functions with other City operations and departments.
- Responsibilities include a complete range of oversight activities including training, performance evaluation, counseling, and recommendation for selection and dismissal.
- Handles confidential matters and performs all other duties as assigned.

Must possess required knowledge, skills, abilities, and experience and be able to explain and demonstrate, with or without reasonable accommodations, that the essential functions of the job can be performed.

- Knowledge of applicable department policies, procedures, and regulations.
- Knowledge of performance metrics, KPI reporting, and data-driven service management.
- Knowledge of utility billing processes and customer account management.
- Knowledge of utility rate structures and service classifications.
- Knowledge of methods and procedures for resolving billing questions and adjustments.
- Knowledge of automated billing and meter reading systems.
- Knowledge of principles and practices of customer service, including assessing customer needs and maintaining service quality.
- Knowledge of standard office software and computer applications (e.g., Windows, Microsoft Office).
- Knowledge of good customer relations practices.
- Skill in handling multiple tasks and prioritizing.
- Skill in using computers and related software.
- Skill in planning and organizing.
- Skill in handling conflict and uncertain situations.
- Ability to provide courteous, professional, and responsive customer service.
- Ability to exercise sound judgement in identifying and resolving problems.
- Ability to listen effectively and communicate clearly both orally and in writing.
- Ability to work with frequent interruptions and changes in priorities.
- Ability to use basic computer software and Microsoft Office Suite.
- Ability to communicate on a professional level.
- Ability to quickly respond to initial customer inquiries/complaints and creatively troubleshoot customer service issues.
- Ability to keep accurate records and backup to enforce solutions to problems.
- Must be organized and able to multi-task
- Ability to supervise, train, assign and monitor work assignments.
- Ability to establish and maintain effective communication and working relationships with city employees and the public.
- Performs all areas of supervision including recruitment, selection, training, discipline, and dismissal.

**MINIMUM QUALIFICATIONS:**

- Graduation with a bachelor's degree from an accredited college or university in Business Administration, Business Management, or in a related field, OR a
- Minimum of five (5) years of experience in customer service operations, including two (2) years of experience in a lead or supervisory capacity.

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- Bilingual preferred

**WORKING CONDITIONS AND PHYSICAL DEMANDS:**

**Working Conditions**

The physical and mental demands described here are representative of those that must be met by employees to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions

While performing duties of this job, the employee is regularly required to sit; stand; walk; reach with hands, fingers, and arms; handle or feel objects, tools, or controls; climb; balance; bend; stoop; kneel; crouch and/or crawl. The employee is regularly required to read, speak, including talking on the telephone; and hear with background noise. Specific vision abilities required in this job include close vision, distance vision, color vision, peripheral vision, depth perception, and the ability to adjust focus.

**Physical Demands**
The employee must be able to regularly lift and/or move up to 25 lbs.

The employee will usually work in a climate-controlled indoor environment. However, while working an employee may be exposed to dust, loud noises, vibrations, fumes and odors, communicable diseases, wetness/humidity, and darkness or variable lighting.

**FLSA Status**
Exempt

**HISTORY:**

Established: MM.DD.YY
Approval/Adoption Date: MM.DD.YY

| Recommended Salary | Step A | Step B | Step C | Step D | Step E |
|---|---|---|---|---|---|
| | $7,008.00 | $7,359.00 | $7,727.00 | $8,113.00 | $8,519.00 |

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City of
SOUTH PASADENA

**CLASSIFICATION SPECIFICATION**

**TITLE:** **CUSTOMER SOLUTIONS MANAGER**

**PURPOSE:** Under general direction, plans, organizes, and manages the City's Customer Success Center by providing leadership and direction to staff; establishes strategic goals, service delivery standards, and performance metrics to ensure consistent, efficient, and high-quality customer service across all City departments; and leads the City's enterprise customer success strategy by establishing service standards, governing service level agreements, and driving data-informed improvements to enhance the overall customer experience.

**EXAMPLES OF DUTIES:**

Essential duties and functions, pursuant to the Americans with Disabilities Act, may include the following. Other related duties may be assigned.

- Plan, organize, direct, and evaluate the overall operations of the City's customer solutions and call center program.
- Oversees CRM, case management systems, and service automation platforms.
- Establishes and enforces enterprise-wide service level agreements in coordination with City Departments.
- Implements and oversees customer programs, including customer satisfaction surveys and performance analytics.
- Leads customer journey mapping and service design initiatives.
- Publishes service performance dashboards to promote transparency and accountability.
- Develop and implement strategic goals, service delivery models, and performance standards for customer service operations.
- Establish and administers policies, procedures, and service protocols to ensure consistent and high-quality customer service.
- Analyze operational data, customer feedback, and performance metrics to identify trends and implement continuous improvement initiatives.
- Oversees the development and implementation of training programs for Call Center staff.
- Prepare and administer the division's budget, monitor expenditures, and recommend resource allocations.
- Oversee selection, discipline, evaluation, and development of assigned staff in accordance with City policies and labor agreements.
- Answer complicated customer requests or inquiries concerning services and equipment. Resolves customer issues with one call resolution.
- Prepares cases for support services and other city departments.

**EMPLOYMENT STANDARDS**

Must possess required knowledge, skills, abilities, and experience and be able to explain

and demonstrate, with or without reasonable accommodations, that the essential functions of the job can be performed.

- Knowledge of customer experience strategy, service design, and enterprise performance management.
- Knowledge of utility billing processes and customer account management.
- Knowledge of utility rate structures and service classifications.
- Knowledge of methods and procedures for resolving billing questions and adjustments.
- Knowledge of automated billing and meter reading systems.
- Knowledge of principles and practices of customer service, including assessing customer needs and maintaining service quality.
- Knowledge of standard office software and computer applications (e.g., Windows, Microsoft Office).
- Knowledge of good customer relations practices.
- Skill in handling multiple tasks and prioritizing.
- Skill in using computers and related software.
- Skill in planning and organizing.
- Skill in handling conflict and uncertain situations.
- Ability to influence cross-departmental service improvement initiatives.
- Ability to provide courteous, professional, and responsive customer service.
- Ability to exercise sound judgement in identifying and resolving problems.
- Ability to listen effectively and communicate clearly both orally and in writing.
- Ability to work with frequent interruptions and changes in priorities.
- Ability to use basic computer software and Microsoft Office Suite.
- Ability to communicate on a professional level.
- Ability to quickly respond to initial customer inquiries/complaints and creatively troubleshoot customer service issues.
- Ability to keep accurate records and backup to enforce solutions to problems.
- Must be organized and able to multi-task
- Ability to supervise, train, assign and monitor work assignments.
- Ability to establish and maintain effective communication and working relationships with city employees and the public.
- Performs all areas of supervision including recruitment, selection, training, discipline, and dismissal.

**MINIMUM QUALIFICATIONS:**

- Graduation with a bachelor's degree from an accredited college or university in Business Administration, Business Management, or in a related field.
- Minimum of five (5) years of experience in customer service operations, including three (3) years of experience in a supervisory capacity.
- Bilingual preferred

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**WORKING CONDITIONS AND PHYSICAL DEMANDS:**

**Working Conditions**

The physical and mental demands described here are representative of those that must be met by employees to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions

While performing duties of this job, the employee is regularly required to sit; stand; walk; reach with hands, fingers, and arms; handle or feel objects, tools, or controls; climb; balance; bend; stoop; kneel; crouch and/or crawl. The employee is regularly required to read, speak, including talking on the telephone; and hear with background noise. Specific vision abilities required in this job include close vision, distance vision, color vision, peripheral vision, depth perception, and the ability to adjust focus.

**Physical Demands**
The employee must be able to regularly lift and/or move up to 25 lbs.

The employee will usually work in a climate-controlled indoor environment. However, while working an employee may be exposed to dust, loud noises, vibrations, fumes and odors, communicable diseases, wetness/humidity, and darkness or variable lighting.

**FLSA Status**
Non-Exempt

**HISTORY:**

Established: MM.DD.YY
Approval/Adoption Date: MM.DD.YY

| Recommended Salary | Step A | Step B | Step C | Step D | Step E | Step F | Step G |
|---|---|---|---|---|---|---|---|
| | $8,623 | $9,054 | $9,507 | $9,982 | $10,481 | $11,005 | $11,556 |

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# City Council Agenda Report

**ITEM NO. 14**

**DATE:** March 4, 2026

**FROM:** Todd Hileman, City Manager

**PREPARED BY:** Roxanne Diaz, City Attorney

**SUBJECT:** **CONSIDERATION OF RESOLUTION NO. 7985 APPROVING THE PURCHASE AND SALE AGREEMENTS WITH THE STATE OF CALIFORNIA, DEPARTMENT OF TRANSPORTATION FOR THE PURCHASE OF TWELVE SURPLUS PROPERTIES (1131 COLUMBIA STREET, 215 FAIRVIEW AVENUE, 302 FAIRVIEW AVENUE, 529 PROSPECT AVENUE, 530 ORANGE GROVE BOULEVARD, 534 ORANGE GROVE BOULEVARD, 535 MERIDIAN AVENUE, 901 BONITA DRIVE, 540 PROSPECT AVENUE, 1037 & 1039 GREVELIA STREET, 808 VALLEY VIEW ROAD AND 822 VALLEY VIEW ROAD) AND ACCEPTING THE PROPERTY FROM THE DEPARTMENT OF TRANSPORTATION PENDING APPROVAL FROM THE CALIFORNIA TRANSPORTATION COMMISSION**

## Recommendation

It is recommended that the Council:

a. Adopt Resolution No. 7985 approving the purchase of the twelve surplus properties from the State of California, Department of Transportation;
b. Approve and ratify the executed purchase and sale agreements for such properties; and
c. Accept the properties from Caltrans pending approval from the California Transportation Commission.

## Executive Summary

In July 2025, the City Council authorized the City Manager to move forward with entering into purchase and sale agreements with the California Department of Transportation (Caltrans) for twelve unoccupied surplus residential properties. The agreements were executed in November 2025, escrow has been opened, and $1,000 deposits have been paid for each property. The total purchase price is $1,490,015, based on the original acquisition cost as required by Government Code section 54239.6. Closing is contingent upon approval by the California Transportation Commission (CTC) and adoption of Resolution No. 7985 by the City Council, which formally approves the agreements, authorizes acceptance of the properties, and authorizes staff to complete all actions necessary to close escrow.

Under Government Code Section 54239.6(b), the City may resell the properties at fair market value in their “as-is” condition; however, for eleven of the twelve properties, sale proceeds must be used to finance three affordable housing units for every unit sold in accordance with the statutory 3-to-1 requirement. The vacant parcel at 215 Fairview Avenue is exempt. The City has identified three parcels at the southeast corner of El Centro Street and Mound

Avenue to satisfy this obligation. The acquisition is consistent with the City's Housing Element goals to expand housing opportunities and revitalize affected neighborhoods. The remaining $1,478,015 purchase balance will be funded from the unassigned fund balance in Fund 116 – Special Projects Fund, which will be fully expended upon completion of the purchase, with escrow and transaction costs to be paid from future sale proceeds.

**Background**
On July 16, 2025, the City Council approved the entering into and approval of the execution of purchase and sale agreements with the State of California, California Department of Transportation (Caltrans) for twelve unoccupied in the form negotiated and finalized by the City Attorney and City Manager (See, Attachment No. 2).

In November 2025, both the City and Caltrans executed the twelve purchase and sale agreements. Escrow has been opened for the properties located at: 1131 Columbia Street, 215 Fairview Avenue (vacant land), 302 Fairview Avenue, 529 Prospect Avenue, 530 Orange Grove Boulevard, 535 Orange Grove Boulevard, 535 Meridian Avenue, 901 Bonita Drive, 540 Prospect Avenue, 1037 & 1039 Grevelia Street, 808 Valley View Road and 822 Valley View Road ("Surplus Properties").

Section 4.01 of the purchase and sale agreements provide that the City's obligation to purchase and accept the Surplus Properties is subject to the City first obtaining written approval of its governing body to the agreement prior to the closing date. In speaking with representatives from Caltrans, they have stated that a Resolution from the City Council would satisfy this condition.

**Analysis**
The purchase and use of the Surplus Properties is governed by SB 381 and the implementing regulations. As required by SB 381, the sales price for these properties is the original acquisition price with no adjustment for inflation as shown in the chart below:

| Property Address | City's Purchase Price |
|---|---|
| 1131 Columbia (historic) | $62,500 |
| 215 Fairview (vacant property) | $31,265 |
| 302 Fairview | $22,750 |
| 529 Prospect | $321,000 |
| 530 Orange Grove | $310,000 |
| 534 Orange Grove | $42,000 |
| 535 Meridian | $550,000 |
| 901 Bonita Drive | $20,700 |
| 540 Prospect | $33,500 |
| 1037 & 1039 Grevelia | $28,000 |
| 808 Valley View | $34,000 |
| 822 Valley View | $34,300 |

This is a total purchase price of $1,490,015. Under Government Code Section 54239.6(b), the Surplus Properties can be resold at fair market value in their "as-is" condition. The City is required to use the sale proceeds to finance the production or acquisition of three affordable housing units for every unit sold ("3 to 1 requirement"). This will apply to 11 of the 12 Surplus

Properties. The property at 215 Fairview is vacant land and the 3 to 1 requirement does not apply. The City has identified three parcels at the southeast corner of El Centro Street and Mound Avenue that it is developing for affordable housing to satisfy this requirement.

As stated above, the City entered into and executed purchase and sale agreements for the twelve surplus properties. Escrow has been opened, and the deposit of $1,000 for each property has been made.

At the California Transportation Commission ("CTC") meeting of March 19 and March 20th, Caltrans will be presenting this matter to the CTC for their approval of the purchase and sale agreements and approval of the Director's Deed for each of the properties. The CTC's approval of the sale is a condition precedent to the close of escrow. Assuming the CTC approves the Director's Deeds, the City is required to provide Caltrans a resolution that provides the City Council's approval of the purchase, approval of the purchase and sale agreements and acceptance of the properties from Caltrans. This is a condition precedent to the close of escrow as set forth in 5.01.B of the purchase and sale agreements. The attached Resolution No, 7985 (Attachment No. 1) satisfies these requirements. In addition, the Resolution authorizes the City Manager and the City Attorney to undertake all actions necessary to facilitate the closing of escrow.

The purchase of these properties is consistent with the City's General Plan. Specifically, Program 1.b of the Housing Element includes a program to acquire the surplus Caltrans properties to develop and expand housing opportunities including housing for lower-income households and to revitalize the areas where these properties currently exist.

**Fiscal Impact**
The total purchase price for the Surplus Properties is $1,490,015. The City has already paid a $1,000 for each of the properties so this reduces the amount to $1,478,015. Escrow costs, title insurance and broker fees will be paid out of the proceeds from the sale of the Surplus Properties. The funding for the purchase of the homes will come from the unassigned fund balance from Fund 116 - Special Projects Fund, previously known as Fund 206 - SLFRF Fund. The purchasing of the homes will completely use all fund balance in Fund 116.

**Environmental Analysis**
This Resolution has been reviewed with respect to the applicability of the California Environmental Quality Act (Public Resources Code Section 21000 et seq.) ("CEQA") and is exempt from CEQA pursuant to Section 15061(b)(3) of the CEQA Guidelines (common sense exemption) as it can be "seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. Further, Section 15301 of the CEQA Guidelines (existing facilities exemption) applies, as there is no expansion of an existing or former use in connection with approval of the purchase.

Attachment:
Attachment No. 1 - Resolution No. 7985
Attachment No. 2 - July 16 2025 Agenda Report
Attachment No. 3 - 1131 Columbia St. Purchase and Sale Agreement (Executed Nov. 20, 2025)
Attachment No. 4 - 215 Fairview Ave Purchase and Sale Agreement (Executed Nov. 20, 2025)
Attachment No. 5 - 302 Fairview Ave Purchase and Sale Agreement (Executed Nov. 20,

2025)
Attachment No. 6 - 529 Prospect Ave Purchase and Sale Agreement (Executed Nov. 20, 2025)
Attachment No. 7 - 530 Orange Grove Ave Purchase and Sale Agreement (Executed Nov. 20, 2025)
Attachment No. 8 - 534 Orange Grove Purchase and Sale Agreement (Executed Nov. 20, 2025)
Attachment No. 9 - 535 Meridian Ave Purchase and Sale Agreement (Executed Nov. 20, 2025)
Attachment No. 10 - 901 Bonita Dr Purchase and Sale Agreement (Executed Nov. 20, 2025)
Attachment No. 11 - 540 Prospect Ave Purchase and Sale Agreement (Executed Nov. 20, 2025)
Attachment No. 12 - 1037 & 1039 Grevelia St Purchase and Sale Agreement (Executed Nov. 20, 2025)
Attachment No. 13 - 808 Valley View Rd Purchase and Sale Agreement (Executed Nov. 20, 2025)
Attachment No. 14 - 822 Valley View Rd Purchase and Sale Agreement (Executed Nov. 20, 2025)

**CITY OF SOUTH PASADENA**
**RESOLUTION NO. 7985**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH PASADENA, CALIFORNIA, APPROVING THE PURCHASE AND SALE AGREEMENTS WITH THE STATE OF CALIFORNIA, DEPARTMENT OF TRANSPORTATION FOR THE PURCHASE OF TWELVE SURPLUS PROPERTIES (1131 COLUMBIA STREET, 215 FAIRVIEW AVENUE, 302 FAIRVIEW AVENUE, 529 PROSPECT AVENUE, 530 ORANGE GROVE BOULEVARD, 534 ORANGE GROVE BOULEVARD, 535 MERIDIAN AVENUE, 901 BONITA DRIVE, 540 PROSPECT AVENUE, 1037 & 1039 GREVELIA STREET, 808 VALLEY VIEW ROAD AND 822 VALLEY VIEW ROAD) AND ACCEPTING THE PROPERTY FROM THE DEPARTMENT OF TRANSPORTATION PENDING APPROVAL FROM THE CALIFORNIA TRANSPORTATION COMMISSION**

**THE CITY COUNCIL OF THE CITY OF SOUTH PASADENA, CALIFORNIA, DOES RESOLVE AS FOLLOWS:**

**SECTION 1.** The City Council intends to purchase and accept the purchase from the State of California, Department of Transportation ("Caltrans") of the following properties: (i) 1131 Columbia Street; (ii) 215 Fairview Avenue (vacant land); (iii) 302 Fairview Avenue; (iv) 529 Prospect Avenue; (v) 530 Orange Grove Boulevard; (vi) 535 Orange Grove Boulevard; (vii) 535 Meridian Avenue; (viii) 901 Bonita Drive; (ix) 540 Prospect Avenue; (x) 1037 & 1039 Grevelia Street; (xi) 808 Valley View Road; and (xii) 822 Valley View Road ("Surplus Properties"). Pursuant to California Government Code Section 65402, the City Council finds that the proposed purchase of the Surplus Properties advances the goals and objectives of the General Plan, including but not limited to Program 1.b. of the Housing Element and presents no impediments to achieving the goals and objectives of the General Plan; and (ii) the acquisition of the Surplus Properties as residential property is in conformity with the City's General Plan.

**SECTION 2.** The City Council hereby approves those certain State Route 710 Sales Program Purchase and Sale Agreements for the Surplus Properties that are on deposit with the City Clerk's office for the amounts set forth therein and ratifies their previous execution by the City Manager ("Purchase and Sale Agreements"). The City Council authorizes any changes as the City Manager

and Caltrans may mutually agree to that are approved by the City Attorney's Office, including to any exhibits to the Purchase and Sale Agreements.

**SECTION 3.** The City Council hereby accepts the Surplus Properties from Caltrans pending approval of such sale by the California Transportation Commission.

**SECTION 4.** The City Council authorizes the City Manager and the City Attorney to take all actions necessary related to closing of escrow, including the payment of remainder of the purchase price and the execution of any other and all documents necessary or required to effectuate the close of escrow and the purchase of the Surplus Properties.

**SECTION 5.** This Resolution has been reviewed with respect to the applicability of the California Environmental Quality Act (Public Resources Code Section 21000 et seq.) ("CEQA"). Section 15061 (b)(3) of the CEQA Guidelines (common sense exemption) apply, as it can be "seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment". Further, Section 15301 of the CEQA Guidelines (existing facilities exemption) applies, as there is no expansion of an existing or former use in connection with approval of the acquisition. The City Council hereby finds that acquisition of the property qualifies for exemption from the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) of the Guidelines (common sense exemption) because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, and pursuant to Section 15031 of the Guidelines (existing facilities exemption) because there is no expansion of an existing or former use in connection with approval of the acquisition. There are no plans for changes of use of the property at this time, and therefore it can be seen with certainty that the change in ownership will result in no significant effects on the environment. If in the future there are plans to undertake a project involving the property, that future project will be subject to CEQA review and will be reviewed as appropriate.

**SECTION 6.** The City Clerk is directed to file a Notice of Exemption pursuant to CEQA Guidelines Section 15062.

**SECTION 7.** The City Manager or their designee shall administer the terms of the Purchase and Sale Agreements and take all actions necessary and convenient to effectuate the transaction contemplated therein.

**SECTION 8.** The City Clerk shall certify to the adoption of this resolution.

**PASSED, APPROVED AND ADOPTED** on this 4th day of March 2026.

Sheila Rossi, Mayor

**ATTEST:**

Nikima S. Newsome, Chief City Clerk

**APPROVED AS TO FORM:**

Roxanne Diaz, City Attorney

**I HEREBY CERTIFY** the foregoing resolution was duly adopted by the City Council of the City of South Pasadena, California, at a regular meeting held on the 4th of March 2026 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAINED:**

_____

Nikima S. Newsome, Chief City Clerk

# City Council Agenda Report

**ITEM NO. 11**

**DATE:** July 16, 2025

**FROM:** Todd Hileman, City Manager

**PREPARED BY:** Roxanne Diaz, City Attorney

**SUBJECT:** **CONSIDERATION OF ENTERING INTO AND APPROVING THE EXECUTION OF PURCHASE AND SALE AGREEMENTS WITH THE STATE OF CALIFORNIA, DEPARTMENT OF TRANSPORTATION FOR THE PURCHASE OF TWELVE SR 710 SURPLUS RESIDENTIAL PROPERTIES LOCATED IN THE CITY OF SOUTH PASADENA AND AUTHORIZE THE CITY MANAGER TO TAKE ALL NECESSARY ACTIONS RELATED THERETO**

## Recommendation

It is recommended that the City Council consider entering into and approving the execution of purchase and sale agreements with the State of California, Department of Transportation for the purchase of 12 unoccupied properties in the form negotiated and finalized by the City Attorney and the City Manager, and authorize the City Manager to execute the purchase and sale agreements and take all actions necessary thereto for the purchase, including but not limited to, the opening of escrow and the payment of the deposit required under the agreements.

## Background

In July 2022, the City transmitted to Caltrans a letter of interest to purchase certain surplus properties from Caltrans. At that time, the purchase process was governed by certain legislation commonly known as SB 381.

SB 381 provided that the City could purchase certain vacant historic surplus properties at the acquisition price paid by Caltrans and then sell them in their "as is" condition at fair market value. Under SB 381, all the proceeds from the sales are to be used for the development of affordable housing at a ratio of three affordable units to every one property purchased. Accordingly, in September 2024, the City completed the purchase of five historic properties from Caltrans. Thereafter, in conjunction with the City's real estate broker, Dave Knight and Associates, the properties were marketed for sale and escrow closed on all five properties in December 2024.

SB 381, however, treated vacant non-historic surplus properties differently. While the City was able to purchase the properties at the acquisition price paid by Caltrans, the properties were required to be rehabilitated by the City at the City's cost and then rented or sold at an affordable price. The issue, however, was that the acquisition cost coupled with the estimated rehabilitation costs made it economically infeasible not only to rehabilitate the property but more importantly to sell or rent the properties at an affordable price. Therefore, the City sought

a legislative solution and Assembly Bill 1038, sponsored by Assemblymember Mike Fong, and supported by then Senator Anthony Portantino, was signed into law on September 22, 2024 ("AB 1038").

AB 1038 removed the distinction between historic and non-historic properties and now under newly enacted Government Code Section 54239.6, the City is authorized to sell all unoccupied property it purchases from Caltrans to market-rate buyers and use the proceeds for the creation of affordable housing at the previous ratio of three affordable units for every one property purchased. This is the identical process the legislature provided for the City of Pasadena.

The City can now move forward with the purchase of all but one of the remaining properties offered to the City, of which there are thirteen in total. Of those thirteen, one property located on Glendon Way was the subject of litigation. While that litigation was resolved, there remains a lis pendens recorded on the property, which has delayed its sale to the City. A lis pendens is a public notice that a property has a pending lawsuit attached to it. Accordingly, there are twelve properties currently being offered to the City.

**Analysis**

As state above, the City can move forward with the purchase of twelve surplus properties from Caltrans under AB 1038. The sales price for these properties is the original acquisition price with no adjustment for inflation as show in the table below (collectively "Surplus Properties"):

| Property Address | Purchase Price |
|---|---|
| 1131 Columbia (historic) | $62,500 |
| 215 Fairview (vacant) | $31,265 |
| 302 Fairview | $22,750 |
| 529 Prospect | $321,000 |
| 530 Orange Grove | $310,000 |
| 534 Orange Grove | $42,000 |
| 535 Meridian | $550,000 |
| 901 Bonita Drive | $20,700 |
| 540 Prospect | $33,500 |
| 1037 & 1039 Grevelia | $28,000 |
| 808 Valley View | $34,000 |
| 822 Valley View | $34,300 |

Under Government Code Section 54239.6(b), the Surplus Properties can be resold at fair market value in their "as-is" condition. The City is required to use the sale proceeds to finance the production or acquisition of three affordable housing units for every one property sold. The City's current proposed affordable housing project with the Related Companies for 51 units at the southeast corner of El Centro Street and Mound Avenue can likely satisfy this requirement.

The Purchase and Sale Agreements require a $1,000 deposit into escrow that is non-refundable should escrow not close. After the full execution of the agreements, there is a 60-day "Inspection Period" to allow the City to conduct any additional tests, inspections, etc., as

the City deems appropriate. Notwithstanding, the agreements are clear that the City takes the Surplus Properties "as is" without any warranties or representations regarding their condition.

Staff is requesting that if the City Council is inclined to move forward, that its approval of the agreements is in the form negotiated and finalized by the City Attorney and the City Manager in order to allow the City Attorney's office to work with Caltrans on any revisions or clarifications to the agreements, including the exhibits. A sample agreement is included as Attachment 1. In addition, Staff is requesting authorization to the City Manager to take all actions necessary to facilitate the purchase including the opening of escrow and the payment of the $1,000 deposit for each property.

**Fiscal Impact**
The amount of $12,000 is currently what is required to move forward with the purchase and sale agreements and open escrow. The total purchase price including the deposit if $1,490,015. Prior to the close of escrow, Staff will return to the City Council to seek final approval of the purchase and at the time, we will identify the source of funding.

Attachment:
Attachment No. 1 - Sample Form of Purchase and Sale Agreement (2025)

# STATE ROUTE 710 SALES PROGRAM
# PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("**Agreement**") is entered into as of _____, 2025 by and between the State of California, Department of Transportation (**"Caltrans"**) and the City of South Pasadena, (**"Purchaser"**), a Municipal Corporation.

**Recitals**

A. Caltrans owns the real property located in Los Angeles County, California commonly known as: INSERT PROPERTY ADDRESS and more particularly described as set forth in ***Exhibit "A"***, respectively, attached hereto (**"Property"**).

B. The parties wish to provide terms and conditions for Purchaser's purchase of the Property from Caltrans. The State Route 710 Sales Program described in Government Code section 54235 et seq. (the "**Act**") and Title 21 Public Works Division 2 Department of Transportation, Chapter 9.5 (the **"Regulations"**) provide for the offering of State-owned, surplus residential properties to the City of South Pasadena at the Minimum Sales Price pursuant to 21 CCR § 1483, for the purpose of providing affordable housing to low- and moderate-income households. Purchaser and Caltrans acknowledge the Property is subject to the terms of this Agreement, the aforementioned law and regulations, and the Declaration of Covenants, Conditions, and Restrictions (**CC&Rs**), as defined below, to be recorded against the Property upon the close of escrow hereunder.

**NOW, THEREFORE,** in consideration of the foregoing premises, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

## SECTION 1. PURCHASE AND SALE

**1.01 Purchase and Sale.** Caltrans shall sell the Property to Purchaser, and Purchaser shall purchase the Property from Caltrans pursuant to the terms, limitations and conditions stated in this Agreement in accordance with the Act, the Regulations and other applicable laws, rules, and regulations (collectively, **"Applicable Laws"**).

**1.02 Conditions Precedent to Effectiveness.** This Agreement shall not become effective unless and until all the following conditions precedent are satisfied on or before the sixtieth (60) calendar day from the date Caltrans' sends this Agreement to Purchaser:

A. Purchaser shall have: (1) executed and returned two original executed counterparts of this Agreement via certified mail, return receipt requested, to Caltrans and sent a copy thereof to the Escrow Holder, and (2) deposited with Escrow Holder the entire Down Payment contemplated by Section 2.02(A) below;

B. Caltrans thereafter executes this Agreement and delivers a fully executed copy hereof to Escrow Holder; and

A failure of any such conditions to timely occur shall, without further notice or action, result in the full and immediate termination of any offer, obligation, liability or agreement of Caltrans to or with Purchaser or any other person with respect to the Property, whether hereunder or otherwise, immediately upon the expiration of such 60-day period, and Caltrans shall thereafter be free to offer, market and sell the Property to other persons, or otherwise dispose of the same, as Caltrans may, in its sole and absolute discretion determine.

**1.03 Information/Prior Due Diligence.** Purchaser hereby expressly acknowledges and agrees:

A. that it is a sophisticated real estate purchaser and/or investor;
B. that it is fully familiar with and understands the Applicable Laws and the CC&Rs, and the risks and obligations associated therewith and imposed on Purchaser and on the Property thereby, including the purchase thereof under this Agreement, and has had the same explained to it by its independent legal counsel and other advisors;
C. that during the Inspection Period permitted under this Agreement: (A) Purchaser will have full access to the Property and all documents, data, reports and information related thereto requested by Purchaser, and will have the opportunity to undertake and perform any and all additional due diligence, investigation, surveys, reports and studies, with respect thereto, including without limitation the current and past physical and environmental condition of the Property, the condition of title thereto, the compliance thereof with any applicable building codes, permits, approvals, agreements or encumbrances affecting the same (including Applicable Laws), the value thereof, the use, operation, management or occupancy thereof and/or the suitability for Purchaser's intended use thereof, and all other matters referenced in Section 9 below, and (B) Purchaser has obtained any and all financing commitments necessary or desirable to purchase, repair and/or rehabilitate the Property; and
D. that with the aid of such independent experts, contractors, consultants, advisors and professionals (including independent legal counsel and accountants) that it deems necessary, appropriate or desirable, Purchaser will, prior to the Closing Date hereof, evaluate and assess the Property and conduct such independent inquiry, feasibility investigation, inspections and due diligence with respect thereto as Purchaser and/or its advisors deem necessary, advisable or desirable, and will fully and unconditionally approve of and satisfy itself as to the same. As a result, there shall be no further access to the Property except as set forth in this Agreement and no further feasibility, inspection or similar rights or contingencies with respect to the purchase of the Property.
E. Notwithstanding anything herein to the contrary, until the date that is sixty (60)

days after the execution of this Agreement by both parties (Inspection Period), upon reasonable notice but without any contingencies hereunder, Purchaser may access the Property and conduct non-invasive inspection, investigations, tests, observations, inquiries and studies as Purchaser deems appropriate. Purchaser shall promptly pay all expenses arising out of such inspections and other work on or about the Property prior to the Closing Date and shall not allow any mechanic's or materialmen's liens to be recorded on the Property (or promptly cause to be removed or bonded over any such liens if recorded on the Property). Purchaser shall promptly repair any damage to the Property caused by Purchaser's investigations. Purchaser shall coordinate with Caltrans any entry on the Property, execute a waiver and indemnity in the form customarily required by Caltrans prior to entry on Caltrans' property and follow applicable health and safety protocols as reasonably required by Caltrans. Following such period, upon Caltrans' reasonable consent and conditions, Purchaser may obtain access to the Property for a limited number of entries.

F. Purchaser shall promptly notify Caltrans during the Inspection Period of any matters discovered in its review of the Property that would cause Purchaser to terminate this Agreement. If within ten days of such notice, Caltrans notifies Purchaser in writing that it will cure such matters, then Caltrans shall have the opportunity to cure such matters fourteen (14) days prior to the Closing Date. Purchaser has the right to terminate if Caltrans does not agree to cure or if the cure is not completed fourteen (14) (days) prior to the Closing Date. Purchaser has a right to inspect the Property to determine that the discoveries have been cured to its satisfaction. Upon any such termination, Escrow Holder shall remit the deposit to Purchaser.

**SECTION 2. PURCHASE PRICE**

**2.01 Purchase Price.** The purchase price for the Property shall be [INSERT SALE PRICE] (the "**Purchase Price**").

**2.02 Payment.** The Purchase Price shall be paid by Purchaser in cash, lawful money of the United States as set forth below, time being of the essence thereof:

A. **Deposit.** Immediately upon the execution of this Agreement, Purchaser shall deposit with Escrow Holder the sum of **One Thousand Dollars ($1,000.00)** (the "**Deposit**") in the form of a cashier's check, wire transfer or other immediately available funds. The entire Deposit shall be applicable to the Purchase Price, without interest, shall be non-refundable except as may be expressly set forth in this Agreement, and shall constitute liquidated damages to Caltrans in the event of Purchaser's default in acquiring the Property. Time is of the essence in making the Deposit into escrow, and as provided above is a condition precedent to the effectiveness of this Agreement.

B. **Cash at Close.** One (1) day prior to the close of Escrow (or by 1:00 p.m. of the

close of escrow for funds delivered by wire transfer) the Purchaser shall deposit the balance of the Purchase Price in the amount of [INSERT BALANCE OF PURCHASE PRICE] (the **"Cash Balance"**) with Escrow Holder in the form of a cashier's check, wire transfer or other immediately available funds for delivery to Caltrans upon close of escrow hereunder.

**2.03 Acknowledgement**. [Deleted.]

**2.04 No Seller Financing.** Purchaser acknowledges this Agreement is not a financing agreement and neither Caltrans nor any other governmental agency or department has at any time made any representations, warranties, promises or undertakings, express or implied, to provide any financing or other assistance with respect to all or any portion of the Purchase Price or any other obligations of Purchaser hereunder or with respect to the Property, or with respect to any repair, rehabilitation, updating or other activity contemplated by Purchaser with respect thereto. Purchaser has performed all due diligence regarding obtaining funding and/or financing with respect to the Property, including the purchase thereof hereunder, as provided in Section 1.03 above, and has satisfied itself as to the same.

**2.05 Change in Financial Condition.** If either: (i) Purchaser ultimately fails to secure funds for the Purchase Price in the timeframe specified herein, or (ii) the financial condition of the Purchaser changes prior to Close of Escrow so that it is unable to purchase the Property, then in either such event Purchaser shall be in default under this Agreement and Caltrans shall be entitled to exercise its rights and remedies pursuant to Section 12.02 below.

**2.06 Bonds, Taxes and Assessments.** Subject to the specific proration provisions set forth in Section 3.05 below, all real property taxes, supplemental taxes, special taxes, bonds and/ or assessments which are liens on or levied with respect to the Property shall be assumed by Purchaser at close of escrow without reduction of or adjustment to the Purchase Price.

## SECTION 3. ESCROW

**3.01 Opening.** The purchase and sale of the Property shall be consummated by means of Escrow No. _____(a single escrow) which has opened with _____ Title Company, _____, Suite_____, _____, CA, _____, Attn:_____Escrow Officer, email _____, Phone (___) ____-_____, Fax (___) _____-_____ ("**Title Company**" or "**Escrow Holder**").

**3.02 Closing.** The closing shall occur upon the recording of the Director's Deed for the Property, and shall occur when the conditions set forth in Article 5 below have all been satisfied or waived, but in no event later than **5:00 pm**_____, 2025 [the one hundred twentieth (120th) calendar day after the full execution of this Agreement]; provided, however, Caltrans shall, upon receipt of written request prior to such date

grant a one-time thirty (30) calendar day extension to close escrow, (such date, as may be extended, being the **"Closing Date"**).

If at any time prior to the Closing Date, the Property becomes occupied, whether legally or illegally, Caltrans shall notify the Purchaser and Purchaser shall have 30 days to decide whether to proceed with the purchase of the Property. If the 30 days falls outside the Closing Date, the Closing Date shall be extended 10 days past the 30-day expiration. If Purchaser declines to proceed with the purchase of the Property due to the legal or illegal occupation of the Property, this Agreement shall terminate pursuant to the terms hereof. Upon any such termination, Escrow Holder shall remit the deposit to Purchaser.

**3.03 Instructions.** This Agreement shall to the extent applicable, also act as escrow instructions. The parties agree to execute any additional escrow instructions required by the Escrow Holder provided the same shall be consistent with the terms of this Agreement and shall provide that as between the parties, in the event there are any inconsistencies between such supplemental instructions and this Agreement, the terms of this Agreement shall prevail. Escrow Holder is hereby designated the "real estate reporting person" for purposes of Section 6045 of the Internal Revenue Code of 1986, as amended, and Treasury Reg. 1.6045-4, and any instructions or settlement statements prepared by Escrow Holder shall so provide. Escrow Holder shall be responsible for filing any Form 1099-S with the Internal Revenue Service.

**3.04 Costs.** Charges and expenses incurred in connection with the closing hereunder shall be borne by the parties as follows:

A. Purchaser shall pay all: (A) escrow fees, (B) recording fees, (C) transfer taxes, (D) title insurance premiums and fees (whether for ALTA or CLTA coverage), endorsement coverage and survey costs, and (E) any other real estate transaction fees involved in this transaction;
B. If applicable, Purchaser shall pay for and obtain any city/county required inspections and/or occupancy permits, whether required for closing the sale/escrow transaction or not. Caltrans shall provide Purchaser access to the Property as necessary to comply with this provision; and
C. Each party shall bear their own legal, tax and professional fees and costs.

**3.05 Prorations.** All real property taxes, special taxes, assessments, bonds, and all other similar charges imposed or levied upon the Property by any governmental agency or special district, organization or body and any other obligations related to the Property shall be prorated at close as of the Closing Date. With respect to any prorations based upon an estimation, if and when the tax, assessment or other charge related thereto is segregated by the appropriate agency or other persons, within fifteen (15) days thereof, the parties shall adjust said prorations, as necessary, based on such final segregation and pay any such adjustment to the appropriate party. The provisions of this Section 3.05 shall survive the close of escrow and the delivery and recordation of the Director's Deed and CC&Rs hereunder.

**3.06 Escrow Deposits.** On or before the Closing Date, the parties shall make the following deposits into Escrow:

A. **By Caltrans.** At least one (1) business day prior to such closing, Caltrans shall deposit the following documents with Escrow Holder:

(i) an original **Director's Deed** for the Property duly executed by Caltrans and properly acknowledged and otherwise in recordable form, to be recorded in the Official Records of Los Angeles County, California against the Property described therein at close;

(ii) a counterpart original of the **CC&Rs** for the Property duly executed by Caltrans, and the Monitoring Entity properly acknowledged and otherwise in recordable form to be recorded in the Official Records of Los Angeles County, California against the Property described therein at close immediately following the recordation of the Director's Deed for the Property and prior to any financing obtained by Purchaser and to any other encumbrances or agreements being recorded at close with respect to such Property;

(iii) such Non-Foreign Affidavits pursuant to Sections 1445 and/or 7701 of the Internal Revenue Code, as amended, and such California Form 590s pursuant to applicable sections of the California Revenue and Taxation Code, as necessary to comply with such laws and close escrow hereunder, each in form and content reasonably satisfactory to Purchaser and Caltrans;

(iv) such other agreements or documents reasonably necessary from Caltrans to close escrow as may be expressly provided for herein.

B. **By Purchaser.** At least one (1) business day prior to such closing, Purchaser shall deposit the following funds and documents with Escrow Holder:

(i) the **Cash Balance** as provided in Subsection 2.02(b) above;

(ii) a counterpart original of the **CC&Rs** for the Property executed by Purchaser, properly acknowledged and otherwise in recordable form to be recorded in the Official Records of Los Angeles County, California against the Property described therein at close immediately following the recordation of the Director's Deed for such Property and prior to any financing obtained by Purchaser and to any other encumbrances or agreements being recorded at close with respect to such Property;

(iii) all other sums due from Purchaser as provided herein, including without limitation Purchaser's share of closing costs under Section 3.04 above, in the form of wire transfer or other immediately available funds;

(iv) to the extent Purchaser is an entity, certified copies of Purchaser's organizational documents and/or other entity resolutions or other authorizing documents authorizing the execution and delivery of this Agreement and the other documents and agreements contemplated herein, the consummation of all transactions contemplated hereby, and authorizing those persons signing on behalf of Purchaser to bind Purchaser; and

(v) such other agreements, documents, or funds reasonably necessary from Purchaser to close escrow as provided for herein.

**3.07** **Cancelling Escrow.** Caltrans may unilaterally cancel escrow if Purchaser fails to comply with Section 3.06(b) and/or Purchaser defaults after opening escrow but before close of escrow and such failure to comply or default is not remedied or cured within three (3) business days of Caltrans providing notice to Purchaser of such failure or default.

**SECTION 4. AGREEMENTS**

**4.01** **California Transportation Commission Approval and Governing Body Approval.** Purchaser understands and agrees that Caltrans' obligation to sell and convey the Property to Purchaser hereunder is subject to Caltrans first obtaining the written approval of the California Transportation Commission (**"CTC"**) to this Agreement and the sale of the Property hereunder prior to the Closing Date (the **"CTC Approval"**). In the event the CTC fails to approve the sale, all monies deposited into escrow hereunder by Purchaser will be refunded without interest. Caltrans makes no representations, assurances, or warranties, express or implied, concerning the CTC's timely or ultimate approval of this sale.

If applicable, Caltrans understands and agrees that, despite any provision in this Agreement to the contrary, Purchaser's obligation to purchase and accept the Property from Caltrans hereunder is subject to Purchaser first obtaining the written approval of its governing body to this Agreement and the purchase of the Property hereunder prior to the Closing Date. In the event the governing body fails to approve the sale, all monies deposited into escrow hereunder by Purchaser shall be refunded without interest. Purchaser makes no representations, assurances, or warranties, express or implied, concerning the timely or ultimate approval of this sale by its governing body.

**4.02** **Leases.** [Deleted.]

**4.03** **Covenants, Conditions and Restrictions.**

A. Purchaser acknowledges the purchase of the Property shall be subject to a declaration of covenants, conditions, and restrictions as required by Government Code section 54235 et seq. and the Regulations and agrees that Purchaser and its successors in interest shall be bound by the same. Therefore, prior to close, the parties hereto shall execute a Declaration of Covenants, Conditions and

Restrictions agreement in substantially the form of ***Exhibit "C"*** attached hereto (the **"CC&Rs"**) with respect to the Property, which shall, among other things impose certain ongoing restrictions on the use and occupancy of such Property, as well as imposing various limitations on the subsequent resale of such Property both as to whom it may be sold and the amount of equity or other compensation the Purchaser is entitled to retain upon such subsequent transfer. The CC&Rs shall be recorded immediately following the recordation of the Director's Deed for such Property and shall not be subordinated to any financing obtained by Purchaser with respect to such Property or any other agreements recorded against or otherwise first affecting the Property at close of escrow, except as authorized by the CC&Rs. After recordation, the original recorded CC&Rs for the Property shall be returned (mailed) by the Recorder's Office directly to Caltrans, who shall retain possession thereof. The CC&Rs shall constitute covenants and equitable servitudes that run with the land and shall bind Purchaser and all subsequent owners, lessees, occupants, lenders, encumbrancers, and others holding any interest in, lien on or claim to the Property. Purchaser agrees not to challenge or attempt to terminate, limit, or otherwise alter or amend the CC&Rs. The agreements of Purchaser under this Section 4.03 shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs hereunder.

B. **Historical Covenants**

☐ This Property is not subject to Historical Covenants.

☐ This Property is subject to Historical Covenants attached as Exhibit "__" to protect the historic value and characteristics of the Property. The Historical Covenants are in addition to the CC&Rs described in Section 4.03 A.

**4.04 Title.**

A. **Generally.** Purchaser understands and agrees that the right, title, and interest in the Property to be conveyed hereunder shall not exceed that currently vested in Caltrans (after taking into account any and all rights that may be reserved by Caltrans pursuant to the Director's Deed, the CC&Rs or any other agreement contained in or contemplated by this Agreement related to such Property), and that Caltrans will furnish no policy of title insurance with respect to the sale of the Property hereunder. If a policy of title insurance, endorsement or survey coverage is desired, Purchaser may obtain the same at Purchaser's sole expense, provided, however, in no event or circumstance shall obtaining any such title, endorsement or survey coverage) constitute any basis for extending the Closing Date contemplated hereunder. No later than ten business days prior to the expiration of the Inspection Period, Purchaser shall notify Caltrans in writing of its objection to any matter in the preliminary title report or on a survey. Caltrans shall have five business days to notify Purchaser of its election to cure the matter or not, and the absence of any notice shall be deemed an election not to cure the matter. Purchaser shall have the right to terminate this Agreement prior to the expiration of the Inspection Period if Caltrans does not agree to cure such matter, or if Caltrans agrees to but fails to cure the matter on or prior to Closing, then Purchaser shall have the right to terminate at such time. Upon any such termination, Escrow

Holder shall remit the deposit to Purchaser.

B. **Permitted Encumbrances.** At close of escrow hereunder the Property shall be conveyed to Purchaser by a Director's Deed in substantially the form of ***Exhibit "A"*** hereto (a **"Director's Deed"**), with title to the Property being subject to all of the following exceptions and matters (collectively, the **"Permitted Exceptions"**): (1) a lien to secure payment of real estate taxes, supplemental taxes, and special taxes, bonds and assessments; (2) any reservations or limitations contained in the Director's Deed or any prior deed(s) relating to the Property; (3) the CC&Rs; (4) all title exceptions and other matters shown in the preliminary report for such Property other than any items Caltrans has agreed to cure; (5) any and all other matters apparent from a physical inspection thereof and/or that might be revealed by a survey other than any items Caltrans has agreed to cure; and (6) all other matters created by or with the consent or knowledge of Purchaser, or otherwise disclosed or contemplated in this Agreement. Caltrans shall not have, and does not assume, any liability or obligation whatsoever for any encumbrances or other title matters affecting the Property, or the amendment, removal, or other disposition thereof, provided, however, Caltrans agrees not to encumber the Property or enter into any leases, licenses, and other occupancy agreements with respect to the Property ("Leases") during the Escrow Period without the consent of Purchaser.

**4.05 Operation during Escrow Period.** During the period commencing with the effectiveness of this Agreement until the close of escrow hereunder or termination of this Agreement, Caltrans will continue to operate the Property in substantially the same manner as operated as of the date of this Agreement and will not do, cause, or allow anything to be done with respect to the Property that would materially change, alter or modify the current operation of the Property as a vacant property without the prior written consent of Purchaser, which consent shall not be unreasonably withheld or delayed; provided, however, Caltrans shall not under any circumstances be responsible for or have any obligation or liability with respect to any such change, alteration or modification to the extent the same is caused by any tenant or occupant of a Property or any other person without Caltrans' consent or knowledge, or to the extent the same is otherwise beyond Caltrans' reasonable control. Additionally, notwithstanding the foregoing, Caltrans shall be entitled, at its election and without notice to or obtaining the consent of Purchaser, to take any and all actions and make any and all decisions with respect to the Property as Caltrans deems necessary or desirable, in its sole and absolute discretion, in addressing any emergency relating to the Property or the safety of any occupant thereof, making a Property compliant with applicable laws, and/or keeping and maintaining a Property in a safe and habitable condition.

**4.06 Purchaser's Agreements.** With respect to the period prior to the close of escrow Purchaser acknowledges and agrees as follows:

A. **No Changes.** Purchaser shall have no right to take any action with respect to the Property, including, without limitation changing, renewing or terminating any zoning designations, permits, approvals, certificates or other entitlements related thereto (or applying for any such new matters), giving any notices with respect to or otherwise amending or terminating any Leases related thereto, or making or

undertaking any repairs, alterations or additions to the Property and/or any improvements located thereon, in each case without the prior written consent of Caltrans, which may be conditioned or withheld in Caltrans' sole and absolute discretion.

B. **Restrictions.** Purchaser shall not use or take any actions, or permit or suffer its agents, employees, contractors or consultants (collectively, **"Agents"**) to use or take actions, with respect to the Property in a manner which would in any way: (i) interfere with any activities thereon, or the use or occupancy thereof; (ii) constitute a nuisance or result in waste; (iii) result in the cancellation of any insurance being maintained by or on behalf of Caltrans or any tenants, in the increase in the premiums for any such insurance or in the increase of any of Caltrans' other costs; or (iv) damage any improvements or personalty located thereon.

C. **Compliance with Laws Generally.** Purchaser and its Agents shall not enter any Property, nor shall they take any action with respect thereto (or permit or suffer anything to be done in, on or about the Property) which will in any manner violate any title conditions, maps, entitlements, permits, consents, agreements, Leases or any laws, ordinances, governmental rules or regulations now or hereafter in effect with respect thereto and/or the conduct of any activities thereon by Caltrans or any occupants.

D. **Liens.** Purchaser shall at all times keep the Property and Caltrans free from any liens and claims arising out of any and all actions taken, work and labor performed, materials or services furnished and/or damages or personal injuries caused by or on behalf of Purchaser in connection with any activity of Purchaser and/or its Agents with respect to the Property, whether occurring prior to or after the date hereof. Caltrans may require Purchaser to post, at Purchaser's sole cost and expense, a lien release bond or other undertaking, statutory or otherwise, in such amount as necessary to properly bond around any claim filed against Caltrans and/or the Property with respect to such activities (occurring prior to the close of escrow) of Purchaser or its Agents. The bonding obligations of Purchaser under this Subsection 4.06(d) shall be absolute and unconditional and shall survive the close of escrow and the delivery and recordation of the Director's Deed and CC&Rs hereunder and/or the expiration, revocation, or termination of this Agreement.

E. **Compliance with the Act & Regulations**. Purchaser shall at all times comply with the requirements of the Act and the Regulations.

## SECTION 5. CONDITIONS TO CLOSE

**5.01 Conditions to Purchaser's Obligation to Close**. The matters set forth in this Section 5.01 are conditions precedent to the close of escrow by Purchaser as contemplated in this Agreement, and the same may be declared satisfied or waived by Purchaser. In the event any such condition fails to be satisfied in accordance with the terms hereof through no fault of either party, Purchaser shall have the option of either: (i) waiving such condition and proceeding to close without adjustment of the Purchase Price or any of the other terms of this Agreement, or (ii) terminating this Agreement, in which case the

Deposit shall be refunded to Purchaser without interest, and neither party shall have any further rights, liabilities or obligations hereunder except paying their respective share of escrow costs incurred up to such date and observing those obligations expressly stated herein as surviving the termination of this Agreement.

A. **Title.** At closing, the Property shall be conveyed to the Purchaser pursuant to a Director's Deed subject to all the Permitted Exceptions applicable to such Property as contemplated by Section 4.04 hereof.
B. **CTC Approval and Governing Body Approval.** By the Closing Date, the CTC Approval shall and any governing body approval (if applicable) have been unconditionally obtained as contemplated by Section 4.01 hereof.
C. **Documents and Funds.** By the Closing Date, the escrow deposits referenced in Section 3.06(a) above shall have all been made by Caltrans, and the Escrow Holder shall be irrevocably committed to record the Director's Deed in the Official Records of Los Angeles County, California.
D. **Representations/Covenants.** At close: (i) all the representations of Caltrans contained in this Agreement shall be materially true and correct, and (ii) Caltrans shall have materially complied with its covenants contained in this Agreement.

**5.02 Conditions to Caltrans' Obligation to Close.** The matters set forth in this Section 5.02 are conditions precedent to the close of escrow by Caltrans as contemplated in this Agreement, and the same may be declared satisfied or waived by Caltrans. In the event any such condition fails to be satisfied in accordance with the terms hereof through no fault of either party, Caltrans shall have the option of either: (i) waiving such condition and proceeding to close without adjustment of the Purchase Price or any of the other terms of this Agreement, or (ii) terminating this Agreement, in which case the Deposit shall be refunded to Purchaser without interest, and neither party shall have any further rights, liabilities or obligations hereunder except paying their respective share of escrow costs incurred up to such date and observing those obligations expressly stated herein as surviving the termination of this Agreement.

A. **Balance of Purchase Price.** By the Closing Date, Purchaser shall have deposited the entire Cash Balance of the Purchase Price with Escrow Holder as provided in Section 2.02(b) hereof.
B. **CTC Approval.** By the Closing Date, the CTC Approval shall have been unconditionally obtained as contemplated by Section 4.01 hereof.
C. **Documents and Funds.** By the Closing Date, the escrow deposits referenced in Section 3.06(b) above shall have all been made by Purchaser and Escrow Holder shall be irrevocably committed to:
    (i) disburse the Cash Balance to Caltrans,
    (ii) record the Director's Deed, and CC&Rs immediately thereafter as contemplated herein, in the Official Records of Los Angeles County, California, and

(iii) deliver to Caltrans a fully executed counterpart original any other appropriate documents as contemplated by Section 3.06(b).

D. **Representations/Covenants.** At close: (i) all the representations of Purchaser contained in this Agreement shall be materially true and correct, and (ii) Purchaser shall have materially complied with its covenants contained in this Agreement.

**SECTION 6. POSSESSION**

Possession of the Property shall be delivered to Purchaser on the Closing Date subject to the Permitted Exceptions applicable to the Property.

**SECTION 7. BROKERS**

**7.01 Caltrans**. Caltrans has retained **Veterans Realty Group** to act as a Consultant in connection with the sale of the Property hereunder, and any compensation due to **Veterans Realty Group** in connection with the transactions contemplated by this Agreement shall be paid by Caltrans.

**7.02 No Other Brokers.** Except for Caltrans' retention of **Veterans Realty Group** above, each party hereby represents and warrants to the other party that no broker, finder, real estate agent or other person has been retained by it or is entitled to any commission, finder's fee or other compensation resulting from any action on its part with respect to the sale of the Property to Purchaser. Purchaser and Caltrans each agree to indemnify, defend, and hold the other and the Property harmless from and against any real estate brokerage commissions or finder's fees, and all costs and expenses (including attorneys' fees and costs) of investigating and defending any such claims, payable or alleged to be payable to any other persons in connection with this Agreement which such indemnifying party may have engaged or is claimed or alleged to have engaged. This section does not prohibit Purchaser from obtaining a broker at his/her own expense. The representations, warranties, indemnification, and other obligations set forth in this Section 7.02 shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs and/or the expiration, revocation, or termination of this Agreement.

**SECTION 8. REPRESENTATIONS & WARRANTIES**

**8.01 By Caltrans.** Caltrans hereby makes the following representations and warranties to Purchaser:

A. Authority. Subject to obtaining the CTC Approval, Caltrans has all requisite power and authority to enter into, deliver and perform this Agreement and all the other agreements contemplated herein and to be executed in connection herewith, and the person(s) executing this Agreement and all other agreements contemplated herein on behalf of Caltrans have been properly authorized to sign on behalf of and bind Caltrans in connection with performing the transactions contemplated herein.

B. Binding. Subject to obtaining the CTC Approval, this Agreement and all documents to be executed by Caltrans as provided herein, as of the date of execution shall, subject to the operation of any bankruptcy or similar laws, be the legal, valid and binding obligations of Caltrans.

C. Information. Except as otherwise set forth in this Agreement, Caltrans has no actual constructive knowledge of any information affecting the Property that had, has or would have a material effect on Purchaser's ability to use and operate the Property as contemplated by Purchaser. Caltrans has provided to Purchaser all material and factual information requested by the Purchaser and/or as required by law concerning the Property that is in Caltrans' possession, custody and control.

D. Compliance with the Act and Regulations: Caltrans conduct in this sales transaction has been in compliance with the Act and corresponding Regulations.

E. Claims. There is no claim, action, suit, arbitration, proceeding (including condemnation proceedings) or any investigation by or before any court or arbitration body, any governmental, administrative or regulatory authority, or any other body pending or, to Caltrans's knowledge, threatened with respect to the Property (collectively, "Allegations"). Caltrans is not aware of any basis or reason for any such Allegations. There is no order, judgment or decree of any court or arbitration body, any governmental, administrative or regulatory authority, or any other body, against Caltrans with respect to the Property or the sales transaction contemplated by this Agreement.

F. No Violation. Neither the execution and delivery of this Agreement, nor the performance by Caltrans of the sales transaction contemplated hereby, will contravene, conflict with, or result in a breach of any agreement, law, regulation, writ, injunction or decree of any court or governmental authority applicable to Caltrans or by which any of its properties is bound. Except for CTC Approval, Caltrans is not required to obtain any consent or authorization in order to complete the sales transaction contemplated by this Agreement.

G. Right to Purchase. Except pursuant to this Agreement, no third party has an option, right of first offer, right of first refusal, or other similar right to purchase the Property that currently remains in effect.

H. Environmental Matters. As requested by Purchaser and/or mandated by law, Caltrans has provided or made available for review copies of any material documents in its possession, custody and control of Caltrans regarding environmental condition of the Property ("Environmental Materials"). Except as set forth in the Environmental Materials, Caltrans is not aware of the existence of any Hazardous Substances (defined in Section 10 below) attributable to or affecting the Property. There have been no settlements reached by or with any third parties alleging the presence, disposal, release or threatened release of any Hazardous Substances from the use or operation of the Property.

I. Leases. The Property is not subject to any Leases, tenancy and/or similar

agreements conferring any right, title or interest in the Property to a third party.

J. Contracts. Other than as disclosed in the title reports provided by the Title Company and this Agreement, there are no agreements affecting the Property.

Each of the representations made by Caltrans in this Agreement shall be true and correct on the date hereof, and shall be deemed to be made again as of the close of escrow provided for herein, and shall then be true and correct in all material respects. Caltrans shall promptly provide written notice to Purchaser of any developments or information that would make the representations set forth above untrue. The representations and warranties set forth in this Section 8.01 shall expressly survive the close of escrow as described in Section 13.12 below.

**8.02 By Purchaser.** Purchaser and the specific parties signing this Agreement on behalf of Purchaser hereby makes the following representations and warranties to Caltrans:

A. Organization. Purchaser is a public body, corporate and politic duly organized, validly existing and in good standing under the laws of the State of California which has the power and authority to enter into this Agreement and to consummate the transactions contemplated hereby.
B. Authority. Subject to obtaining governing body approval, Purchaser has all requisite power and authority to enter into, deliver, and perform this Agreement and all the other agreements contemplated herein and to be executed in connection herewith, and the person(s) executing this Agreement and the other agreements contemplated herein on behalf of Purchaser have been properly authorized to sign on behalf of and bind Purchaser in connection with performing the transactions contemplated herein.
C. Binding. This Agreement and all documents to be executed by Purchaser as contemplated hereunder shall, subject to the operation of any applicable bankruptcy or similar laws, be the legal, valid and binding obligations of Purchaser, and shall not materially violate any law, agreement, order or decree to which Purchaser is a party or is subject.
D. Litigation. There are no pending or threatened, suits or actions affecting Purchaser which would materially affect Purchaser's ability to enter into or perform its obligations under this Agreement or the documents executed in connection herewith.
E. Information / Compliance. All applications, information, financial statements, and other materials provided by Purchaser or its Agents to Caltrans pursuant to or in connection with the Act, the Regulations and or this Agreement are true, correct and not materially misleading; and Purchaser is in compliance with the Act and the Regulations as relates to the Property and the purchase thereof under this Agreement.
F. No Bankruptcy. Purchaser is not the subject of any pending or threatened bankruptcy proceedings, whether voluntary or involuntary.

Each of the representations and warranties made by Purchaser in this Agreement, or on

any document or instrument delivered pursuant hereto shall be true and correct on the date hereof, and shall be deemed to be made again as of close of escrow provided for herein, and shall then be true and correct in all material respects. The representations and warranties of Purchaser contained in this Section 8.02 shall survive the close of escrow and the delivery and recordation of the Director's Deed and CC&Rs.

**SECTION 9. "AS-IS", WAIVERS AND RELEASE**

Purchaser acknowledges and agrees that, except as set forth in this Agreement, neither Caltrans nor any of its respective employees, agents, managers, members, partners, officers, interest holders, attorneys, contractors or consultants, including without limitation the California Department of Housing and Community Development **("HCD")**, (Caltrans and such other persons being collectively, the **"Seller Parties"**) have made or are making, and specifically negate and disclaim making, any representations, warranties, guaranties, promises, covenants or assurances of any kind or character, whether express, implied, written, oral, past, present or future concerning or with respect to the Property, or the condition or status thereof, including without limitation, the suitability for any purpose or the profitability of owning and operating the Property; the value thereof; the existence or non-existence of any patent or latent defects affecting the same; the physical or environmental condition or status thereof (including without limitation the existence of any mold, lead paint, radon gas or other environmental health hazards); the rental or other income generated thereby; the expenses or costs associated therewith; the size and square footage of the parcel or the improvements located thereon, the age or condition of the such improvements, or the location of property lines or setbacks (or the location of the improvements with respect thereto); the zoning thereof; the condition of title thereto; the existence, necessity or satisfaction of any local, state or federal approvals, permits or certificates for the entitlement, ownership, operation, use or occupancy thereof as contemplated by Purchaser or any tenants, occupants or any future owners thereof; the feasibility of or cost associated with obtaining any such approvals; the compliance of the Property with any and all applicable local, state or federal laws, codes and ordinances; or any other matter.

Purchaser further acknowledges that Purchaser, with the help of its independent experts, contractors, consultants, professionals (including independent legal counsel and accountants), and advisors, prior to the Closing Date, will conduct its independent feasibility, investigation, and due diligence inquiry as described in Section 1.03 above with respect to the Property and will fully satisfy itself as to all matters relating thereto. Except for the representations and warranties of Caltrans set forth in this Agreement, Purchaser is relying solely and exclusively on such independent due diligence in executing this Agreement and purchasing the Property hereunder, and not on any representations, warranties, guaranties, promises, covenants or assurances of any kind or character by Caltrans or any other Seller Parties; and the Property is being purchased **"AS-IS" / "WHERE-IS"** at close in its present condition with all defects and faults, both patent and latent, whether known or unknown, presently existing or that may hereafter arise.

Effective on the Closing Date, Purchaser hereby fully and expressly releases Caltrans, HCD

and all of the other Seller Parties and their respective agents, employees, attorneys, consultants, successors and assigns from any and all demands, claims, liabilities, amounts, actions, costs, judgments, expenses and damages (including, without limitation, attorneys' fees, witness fees and court costs) related to or arising from the Property, or the condition or status of thereof or any other matter relating thereto, including without limitation the matters referenced in the first paragraph of this Section 9, (collectively, the "**Released Matters**"); and Purchaser hereby covenants not to sue, and hereby fully and expressly waives and relinquishes any and all rights and remedies Purchaser may have against, Caltrans, HCD and the other Seller Parties and their respective agents, employees, attorneys, consultants, successors and assigns, or any of them, at law, in equity or otherwise, related to or arising from the Released Matters. However, nothing contained herein shall release or be deemed to release Caltrans from claims arising from its fraud or a breach of any representation or warranty by Caltrans contained in this Agreement (the "Preserved Matters"). Preserved Matters shall not be considered Released Matters. Purchaser acknowledges and agrees that the release, waiver and discharge given by Purchaser hereunder to Caltrans, HCD and the other released parties extends to all Released Matters described above, whether known or unknown, foreseen or unforeseen, patent or latent, which Purchaser may now or hereafter have against Caltrans, HCD or such other persons; and in connection with such release, waiver and discharge, Purchaser hereby expressly waives the benefit of the provisions of California Civil Code Section 1542, which provides as follows:

> **"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."**

Purchaser has read this Section 9, has had the effect and content thereof explained to Purchaser by independent legal counsel, and fully understands and appreciates the same. Purchaser understands and acknowledges that, among other things, the consequence of this waiver of California Civil Code section 1542 is that even if Purchaser should eventually discover any claims or suffer any losses or damages arising from the Released Matters, Purchaser would not be able to make any claim against Caltrans, HCD or the other released persons with respect thereto. Purchaser acknowledges that these consequences apply even as to claims, losses or damages resulting from the Released Matters that may exist as of the date of this Agreement or in the future, but which Purchaser does not know exist, or does not anticipate, and which, if known or anticipated, would materially affect Purchaser's decision to execute this Agreement. The waivers, releases, covenants not to sue and discharges contained in this Section 9 are a material portion of the consideration to Caltrans in agreeing to enter into this Agreement and shall survive the close of escrow and the delivery and recordation of Director's Deed and the CC&Rs in perpetuity.

**SECTION 10. <u>INDEMNIFICATION</u>**

Following the closing of the transaction contemplated herein, except as provided below, Purchaser shall, at its sole cost and expense, indemnify, defend and hold Caltrans and its officers, agents, employees, attorneys and consultants, including without limitation, HCD, and their respective successors and assigns (collectively, the **"Indemnified Parties"**), free and harmless from and against any and all liabilities, demands, claims and costs (including remediation, reimbursement or contribution costs or claims), damages, losses, and expenses (including and without limitation to attorneys' fees, legal expenses and court costs, and consultant's fees, and investigation and remediation costs) of whatever kind or nature incurred or suffered by, or threatened against, any Property or any Indemnified Party(ies) resulting from or arising out of or by reason of any matter pertaining to the condition or status of the Property, including without limitation, the existence of any Hazardous Substances or Hazardous Substance Conditions in, on, under or about the Property (collectively, "Claims"). Except as provided below, this indemnity is intended to address any and all liability for which Caltrans may now or at any time hereafter be partially or entirely responsible in connection with the contamination, environmental or physical condition or status of any Property, including the prior operation thereof, due to its mere ownership or operation of such Property. As used in this Agreement, the term **"Hazardous Substance"** shall mean any substance whose nature and/or quantity of existence, use, manufacture, disposal or effect, render it subject to federal, state, or local regulation, investigation, remediation or removal as potentially injurious to public health or welfare, including the Comprehensive Environmental Response Compensation and Liability Act or Resource Conservation and Recovery Act as now in effect; and the term **"Hazardous Substance Condition"** shall mean the existence in, on, under or about the Property of a hazardous substance that requires remediation, removal, mitigation and/or other action pursuant to applicable law. This indemnification shall in no event apply to (i) Claims to which Caltrans representations and warranties apply, (ii) any Claims involving Caltrans' willful misconduct, gross negligence or fraud, and (iii) any Claims relating to challenges to Caltrans' acquisition or disposition of the Property.

Purchaser's indemnification and defense of any matters contemplated in this Section 10 for or on behalf of the Property or any Indemnified Parties shall be made by counsel reasonably acceptable to the Indemnified Parties; shall commence immediately upon any such claim or matter being made, threatened, or asserted against Indemnified Parties or the Property without the necessity of the Indemnified Parties first contesting or defending the same, suffering or incurring any loss or adverse disposition, or otherwise taking or failing to take any other action; and shall apply to all such matters regardless of any action, failure or negligence of the Indemnified Parties, it being the express intent that the indemnification, defense and hold harmless obligations of this Section 10 apply to all matters referenced herein except to the extent caused by the gross negligence or willful misconduct of the Indemnified Parties. In the event Purchaser refuses to initiate or continue pursuing to completion any such defense or other obligations hereunder, Indemnitee shall be entitled to undertake, assume, and/or conclude the same, all at Purchaser's sole cost and expense, with counsel selected by Indemnitee. The obligations of Purchaser under this Section 10 shall be absolute and unconditional, and shall survive the close of escrow and the delivery and recordation of the Director's Deed and the

CC&Rs.

**SECTION 11. CASUALTY/CONDEMNATION**

In the event any casualty or condemnation proceeding occurs or is commenced with respect to the Property after the effectiveness hereof but prior to the close of escrow, Caltrans shall notify Purchaser of the same in writing within ten (10) business days after Caltrans has knowledge of the same, and either of the following shall occur:

(A) If Purchaser does not elect to cancel within seven (7) business days after receipt of such notice by Purchaser, the parties shall continue to proceed under this Agreement and close without adjustment to the Purchase Price or any of the other provisions of this Agreement, in which event upon the close of escrow, Caltrans shall assign to Purchaser all of its interest in any such insurance or condemnation proceeds, compensation, award, or other payments or relief resulting from such casualty or condemnation proceedings; or

(B) If Purchaser elects to cancel, and Purchaser provides written notification to Caltrans of its election to terminate this Agreement within such 7-day period, then this Agreement shall terminate, the Deposit shall be returned to Purchaser without interest, and Caltrans shall retain all proceeds, compensation, awards, payments and other benefits or relief related to such casualty and condemnation with respect to the Property.

**SECTION 12. REMEDIES**

**12.01 Of Purchaser.** If the closing does not occur as a result of Caltrans' default under this Agreement, then, provided Purchaser is not in default hereunder, Purchaser may, at its election proceed with either of the following mutually exclusive alternatives as its sole and exclusive remedy:

A. Terminate the Agreement, whereupon: (1) the Deposit shall be returned to Purchaser without interest, (2) Purchaser may seek reimbursement from Caltrans of any and all hard third-party costs and expenses incurred by Purchaser in connection the investigation of the Property or the negotiation and execution of this Agreement, as evidenced by invoices delivered to Caltrans, up to the maximum aggregate amount of fifteen thousand Dollars ($15,000), and (3) neither party shall have any further obligation or liability to the other under this Agreement except for provisions of this Agreement which expressly state that they shall survive the termination of this Agreement; or

B. File in a court of competent jurisdiction an action for specific performance to cause Caltrans to convey the Property to Purchaser in accordance with the terms and conditions of this Agreement; but Purchaser shall not be entitled to recover

any monetary damages (whether compensatory, consequential, exemplary, punitive or other) from Caltrans in connection with such default other than seeking its reasonable attorneys' fees in connection with such action.

**PURCHASER ACKNOWLEDGES AND AGREES THAT THE LIMITATIONS ON REMEDIES AGAINST CALTRANS SET FORTH IN THIS SECTION 12.01 ARE A MATERIAL INDUCEMENT FOR CALTRANS TO ENTER INTO THIS AGREEMENT, AND PURCHASER AGREES THAT SUCH LIMITATIONS ARE REASONABLE AND ENFORCEABLE IN ACCORDANCE WITH THEIR TERMS.**

**12.02 Of Caltrans. LIQUIDATED DAMAGES. PURCHASER AND CALTRANS AGREE THAT SHOULD PURCHASER FAIL TO COMPLETE THE PURCHASE OF THE PROPERTY AS HEREIN PROVIDED BY REASON OF DEFAULT OF PURCHASER, THE PARTIES HERETO, BY INITIALING THIS SECTION 12.02 IN THE SPACE PROVIDED BELOW, AGREE THAT IT WOULD BE IMPRACTICAL OR EXTREMELY DIFFICULT TO ASCERTAIN OR FIX ACTUAL DAMAGES TO CALTRANS AS A RESULT OF SUCH FAILURE OR DEFAULT BY PURCHASER, THAT UNDER THE CIRCUMSTANCES EXISTING AS OF THE DATE OF THIS AGREEMENT THE ENTIRE DEPOSIT PROVIDED FOR IN SECTION 2.02(A) ABOVE IS A REASONABLE ESTIMATE OF CALTRANS' DAMAGES, AND THAT AS CALTRANS' SOLE AND EXCLUSIVE REMEDIES ON ACCOUNT OF SUCH BREACH, CALTRANS SHALL BE ENTITLED TO: (1) RETAIN SAID DEPOSIT AS LIQUIDATED DAMAGES FOR SUCH BREACH BY PURCHASER AND (2) TERMINATE THIS AGREEMENT. THE PAYMENT OF SUCH AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO CALTRANS PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677.**

**THE PROVISIONS HEREOF RELATE ONLY TO CALTRANS' DAMAGES FOR PURCHASER'S DEFAULTS IN ITS AGREEMENT TO PURCHASE THE PROPERTY AS PROVIDED HEREIN. NOTHING CONTAINED HEREIN SHALL LIMIT OR PRECLUDE, OR BE DEEMED TO LIMIT OR PRECLUDE, THE EXERCISE OR ENFORCEMENT BY CALTRANS OF ANY RIGHTS WHICH EXPRESSLY SURVIVE THE TERMINATION OF THIS AGREEMENT.**

**Purchaser's Initials: _____ Caltrans' Initials: _____**

**SECTION 13. MISCELLANEOUS**

**13.01 Headings.** This Agreement shall be construed as a whole, and the subject headings of the paragraphs and subparagraphs of this Agreement are included for convenience only and shall not affect the construction or interpretation of any of its provisions or define the provisions in the portions of this Agreement to which they pertain.

**13.02 Assignment.** Purchaser may not assign this Agreement, or any portion hereof or any of its rights or interests hereunder, without the express prior written consent of Caltrans, which consent may be conditioned or withheld in Caltrans' sole and absolute discretion, except as set forth herein. Purchaser may, without Caltrans' consent, but upon notice to Caltrans and Escrow Holder, assign any or all of its rights in, to or under this

Agreement to an entity or instrumentality that is wholly controlled by Purchaser. No such assignment (regardless of whether consented to by Caltrans) shall relieve or release Purchaser from any of its obligations hereunder. As a condition to the effectiveness of such assignment, all assignees shall execute an assumption agreement reasonably acceptable to Caltrans under which the proposed assignee agrees to fully assume and be bound by all the terms of this Agreement to be observed or performed by Purchaser.

Caltrans shall be free to assign this Agreement, or any portion hereof or any of its rights or interests hereunder, without the consent or approval of Purchaser.

**13.03 Entire Agreement / Amendment.** This Agreement (including all exhibits and schedules hereto and other agreements referenced herein) constitute the entire agreement between the parties pertaining to the subject matter contained herein and supersede all prior written or oral agreements, representations and understandings of the parties relating to the subject matter herein. There are no representations, agreements, arrangements, or understandings, oral or written, relating to the subject matter which are not fully expressed herein. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by all the parties hereto.

This Agreement does not affect the enforceability of other written contracts related to the use and resale of the Property or to preserving the historic nature of the Property.

**13.04 Counterparts.** This Agreement may be executed simultaneously in one or more identical counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. This Agreement shall be fully effective and binding on all parties hereto, as if one or more copies thereof had been executed by all the parties hereto, when all the parties have executed identical counterparts hereof, even though no single counterpart has been executed by all the parties hereto.

**13.05 Binding / Successor & Assigns.** Except to the extent assignment hereof is prohibited, this Agreement shall be binding on, and shall inure to the benefit of, the parties hereto and their successors and assigns.

**13.06 Attorneys' Fees.** If any legal action, arbitration or other proceeding is brought by either party involving a dispute between the parties arising out of the interpretation or enforcement of any condition or provision hereof, or by reason of any breach arising hereunder or the sale of the Property, the prevailing party shall be entitled to recover its reasonable attorneys' fees, court costs and expert witness fees incurred in such action or proceeding in addition to any other relief to which such party may be entitled.

**13.07 Further Acts.** Each party agrees to perform any further acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions in this Agreement.

**13.08 Limited Third-Party Beneficiaries.** Subject to the remainder of this Section 13.08,

this Agreement is for the sole benefit of the parties hereto and there are no third-party beneficiaries, intended or otherwise. Notwithstanding the foregoing, HCD and the other Seller Parties (and other released persons) are intended third-party beneficiaries of Section 9 hereof, and HCD and the other Indemnified Parties are intended third party beneficiaries of Section 10 hereof.

**13.09 Notices.** All notices, requests, demands, and other communications required or desired under this Agreement shall be in writing and shall be given by any of the following methods: (i) personal service at the address set forth below, (ii) email transmission in the manner set forth below, or (iii) depositing such notice in the United States mail postage prepaid, addressed to the other as follows:

Caltrans
Division of Right of Way – SR-710, MS6
100 South Main Street
Los Angeles, CA 90012

City of South Pasadena
1414 Mission Street
South Pasadena, CA 91030

Any notice given by personal service shall be deemed given when received, as verified by a written receipt or proof of service. Any notice given by email transmission shall be deemed given when transmitted, as evidenced by printed email; and any notice given by regular mail shall be deemed given on the fifth (5th) business day after its deposit in the United States mail postage prepaid.

Either party may change its address for purposes of this paragraph by giving the other party written notice of the new address to the other party at the address contained herein.

**13.10 Governing Law.** This Agreement has been prepared, negotiated, and entered into in the State of California and shall be governed by, construed and enforced in accordance with the internal laws of the State of California and according to its fair meaning, and not in favor of or against any party. Any action or proceeding relating or arising out of this Agreement shall be filed, if a State action, in the Superior Court of the State of California for the County of Los Angeles.

**13.11 Severability.** If any provision of this Agreement, or the application thereof to any person or circumstance, is held invalid or unenforceable by any court or arbitrator, it is the intent of the parties that all the other provisions of this Agreement, and the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall be construed to be fully valid, enforceable and binding on the parties to the fullest extent permitted by law.

**13.12 Survival / No Merger.** All covenants, representations, warranties, and other agreements under this Agreement which are expressly stated herein as surviving the close of escrow shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs in perpetuity, and shall not merge with or into the Director's Deed or the CC&Rs (or be terminated, limited or otherwise affected thereby).

**13.13 Time is of the Essence.** Time is of the essence of this Agreement in respect to all provisions of this Agreement that specify a time for performance, including the closing of escrow provided for herein, and failure to comply with this provision shall be a material breach of this Agreement.

**13.14 Days / Saturdays, Sundays, and Holidays.** Unless otherwise expressly stated, all time periods referred to herein shall be deemed to mean calendar days. If any date by which an election or a notice shall be given, or by which an action shall be taken, hereunder falls on a Saturday, Sunday, federal or state holiday, then the date by which such election or notice shall be given or such action shall be taken is extended to 5:00 p.m. on the next business day following such Saturday, Sunday, federal or state holiday.

**13.15 Waiver.** Waiver by one party of the performance of any covenant, condition or promise shall not invalidate this Agreement, nor shall it be a waiver by such party of such covenant, condition or promise in the future or of any other covenant, condition, or promise hereunder. Any waiver, to be effective, shall be express, in writing and signed by the waiving party, and shall be delivered to the other party. The exercise by a party of any remedy provided in this Agreement or at law shall not prevent the exercise by that party of any other remedy provided in this Agreement or at law.

**13.16 Construction.** As used in this Agreement, the masculine, feminine, or neuter gender and the singular or plural numbers shall each be deemed to include the other whenever the context so indicates. Each party hereto acknowledges and agrees that each has had independent counsel review and participated in the negotiation and drafting of this Agreement, and each hereby fully waives the application of any law, statute or rule of construction or interpretation, including without limitation California Civil Code Section 1654, to the effect that any ambiguities are to be construed against the drafting party.

**13.17 Exhibits.** All exhibits and schedules attached to this Agreement are hereby incorporated by reference herein and specifically made a part of this Agreement.

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

CALTRANS:

Recommended for Approval by:

STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION

By: _____ Date: _____
Angus Chan
Senior Right of Way Agent

By: _____ Date: _____
Heriberto Salazar
Office Chief, 710 Sales

Approved:

By: _____ Date: _____
Dan Murdoch
Deputy District Director, Right of Way

PURCHASER:

By: _____ Date: _____

By: _____ Date: _____

SAMPLE

## Attached Exhibits

| | |
|---|---|
| ***Exhibits "A"*** | *Director's Deed/Legal Description of Property* |
| ***Exhibit "B"*** | *Deleted* |
| ***Exhibit "C"*** | *Declaration of Covenants, Conditions & Restrictions* |
| ***Exhibit "D"*** | Historical Covenants (only included if applicable) |

SAMPLE

# STATE ROUTE 710 SALES PROGRAM
# PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("**Agreement**") is entered into as of June 4, 2025, by and between the State of California, Department of Transportation ("**Caltrans**") and the City of South Pasadena, a Municipal Corporation.

**Recitals**

A. Caltrans owns the real property located in Los Angeles County, California commonly known as: **1131 Columbia St., South Pasadena, CA 91030** and more particularly described as set forth in ***Exhibit "A"***, respectively, attached hereto ("**Property**").

B. The parties wish to provide terms and conditions for Purchaser's purchase of the Property from Caltrans. The State Route 710 Sales Program described in Government Code section 54235 et seq. (the "**Act**") and Title 21 Public Works Division 2 Department of Transportation, Chapter 9.5 (the "**Regulations**") provide for the offering of State-owned, surplus residential properties to the City of South Pasadena at the Minimum Sales Price pursuant to 21 CCR § 1483(a)(1), for the purpose of providing affordable housing to low- and moderate-income households. Purchaser and Caltrans acknowledge the Property is subject to the terms of this Agreement, the aforementioned law and regulations, and the Declaration of Covenants, Conditions, and Restrictions (**CC&Rs**), as defined below, to be recorded against the Property upon the close of escrow hereunder.

**NOW, THEREFORE,** in consideration of the foregoing premises, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

## SECTION 1. PURCHASE AND SALE

**1.01 Purchase and Sale.** Caltrans shall sell the Property to Purchaser, and Purchaser shall purchase the Property from Caltrans pursuant to the terms, limitations and conditions stated in this Agreement in accordance with the Act, the Regulations and other applicable laws, rules, and regulations (collectively, "**Applicable Laws**").

**1.02 Conditions Precedent to Effectiveness.** This Agreement shall not become effective unless and until all the following conditions precedent are satisfied on or before the sixtieth (60) calendar day from the date Caltrans' sends this Agreement to Purchaser:

A. Purchaser shall have: (1) executed and returned two original executed counterparts of this Agreement via certified mail, return receipt requested, to Caltrans and sent a copy thereof to the Escrow Holder, and (2) deposited with Escrow Holder the entire Down Payment contemplated by Section 2.02(A) below;

B. Caltrans thereafter executes this Agreement and delivers a fully executed copy hereof to Escrow Holder; and

A failure of any such conditions to timely occur shall, without further notice or action, result in the full and immediate termination of any offer, obligation, liability or agreement of Caltrans to or with Purchaser or any other person with respect to the Property, whether hereunder or otherwise, immediately upon the expiration of such 60-day period, and Caltrans shall thereafter be free to offer, market and sell the Property to other persons, or otherwise dispose of the same, as Caltrans may, in its sole and absolute discretion determine.

**1.03 Information/Prior Due Diligence.** Purchaser hereby expressly acknowledges and agrees:

A. that it is a sophisticated real estate purchaser and/or investor;
B. that it is fully familiar with and understands the Applicable Laws and the CC&Rs, and the risks and obligations associated therewith and imposed on Purchaser and on the Property thereby, including the purchase thereof under this Agreement, and has had the same explained to it by its independent legal counsel and other advisors;
C. that during the Inspection Period permitted under this Agreement: (A) Purchaser will have full access to the Property and all documents, data, reports and information related thereto requested by Purchaser, and will have the opportunity to undertake and perform any and all additional due diligence, investigation, surveys, reports and studies, with respect thereto, including without limitation the current and past physical and environmental condition of the Property, the condition of title thereto, the compliance thereof with any applicable building codes, permits, approvals, agreements or encumbrances affecting the same (including Applicable Laws), the value thereof, the use, operation, management or occupancy thereof and/or the suitability for Purchaser's intended use thereof, and all other matters referenced in Section 9 below, and (B) Purchaser has obtained any and all financing commitments necessary or desirable to purchase, repair and/or rehabilitate the Property; and
D. that with the aid of such independent experts, contractors, consultants, advisors and professionals (including independent legal counsel and accountants) that it deems necessary, appropriate or desirable, Purchaser will, prior to the Closing Date hereof, evaluate and assess the Property and conduct such independent inquiry, feasibility investigation, inspections and due diligence with respect thereto as Purchaser and/or its advisors deem necessary, advisable or desirable, and will fully and unconditionally approve of and satisfy itself as to the same. As a result, there shall be no further access to the Property except as set forth in this Agreement and no further feasibility, inspection or similar rights or contingencies with respect to the purchase of the Property.
E. Notwithstanding anything herein to the contrary, until the date that is sixty (60)

days after the execution of this Agreement by both parties (Inspection Period), upon reasonable notice but without any contingencies hereunder, Purchaser may access the Property and conduct non-invasive inspection, investigations, tests, observations, inquiries and studies as Purchaser deems appropriate. Purchaser shall promptly pay all expenses arising out of such inspections and other work on or about the Property prior to the Closing Date and shall not allow any mechanic's or materialmen's liens to be recorded on the Property (or promptly cause to be removed or bonded over any such liens if recorded on the Property). Purchaser shall promptly repair any damage to the Property caused by Purchaser's investigations. Purchaser shall coordinate with Caltrans any entry on the Property, execute a waiver and indemnity in the form customarily required by Caltrans prior to entry on Caltrans' property and follow applicable health and safety protocols as reasonably required by Caltrans. Following such period, upon Caltrans' reasonable consent and conditions, Purchaser may obtain access to the Property for a limited number of entries.

F. Purchaser shall promptly notify Caltrans during the Inspection Period of any matters discovered in its review of the Property that would cause Purchaser to terminate this Agreement. If within ten days of such notice, Caltrans notifies Purchaser in writing that it will cure such matters, then Caltrans shall have the opportunity to cure such matters fourteen (14) days prior to the Closing Date. Purchaser has the right to terminate if Caltrans does not agree to cure or if the cure is not completed fourteen (14) (days) prior to the Closing Date. Purchaser has a right to inspect the Property to determine that the discoveries have been cured to its satisfaction. Upon any such termination, Escrow Holder shall remit the deposit to Purchaser.

**SECTION 2. PURCHASE PRICE**

**2.01 Purchase Price.** The purchase price for the Property shall be **Sixty-Two Thousand Five Hundred Dollars and zero cents ($62,500.00)** (the **"Purchase Price"**).

**2.02 Payment.** The Purchase Price shall be paid by Purchaser in cash, lawful money of the United States as set forth below, time being of the essence thereof:

A. **Deposit.** Immediately upon the execution of this Agreement, Purchaser shall deposit with Escrow Holder the sum of **One Thousand Dollars ($1,000.00)** (the **"Deposit"**) in the form of a cashier's check, wire transfer or other immediately available funds. The entire Deposit shall be applicable to the Purchase Price, without interest, shall be non-refundable except as may be expressly set forth in this Agreement, and shall constitute liquidated damages to Caltrans in the event of Purchaser's default in acquiring the Property. Time is of the essence in making the Deposit into escrow, and as provided above is a condition precedent to the effectiveness of this Agreement.

B. **Cash at Close.** One (1) day prior to the close of Escrow (or by 1:00 p.m. of the

close of escrow for funds delivered by wire transfer) the Purchaser shall deposit the balance of the Purchase Price in the amount of **Sixty-One Thousand Five Hundred Dollars and zero cents ($61,500.00)** (the **"Cash Balance"**) with Escrow Holder in the form of a cashier's check, wire transfer or other immediately available funds for delivery to Caltrans upon close of escrow hereunder.

**2.03 Acknowledgement.** [Deleted.]

**2.04 No Seller Financing.** Purchaser acknowledges this Agreement is not a financing agreement and neither Caltrans nor any other governmental agency or department has at any time made any representations, warranties, promises or undertakings, express or implied, to provide any financing or other assistance with respect to all or any portion of the Purchase Price or any other obligations of Purchaser hereunder or with respect to the Property, or with respect to any repair, rehabilitation, updating or other activity contemplated by Purchaser with respect thereto. Purchaser has performed all due diligence regarding obtaining funding and/or financing with respect to the Property, including the purchase thereof hereunder, as provided in Section 1.03 above, and has satisfied itself as to the same.

**2.05 Change in Financial Condition.** If either: (i) Purchaser ultimately fails to secure funds for the Purchase Price in the timeframe specified herein, or (ii) the financial condition of the Purchaser changes prior to Close of Escrow so that it is unable to purchase the Property, then in either such event Purchaser shall be in default under this Agreement and Caltrans shall be entitled to exercise its rights and remedies pursuant to Section 12.02 below.

**2.06 Bonds, Taxes and Assessments.** Subject to the specific proration provisions set forth in Section 3.05 below, all real property taxes, supplemental taxes, special taxes, bonds and/ or assessments which are liens on or levied with respect to the Property shall be assumed by Purchaser at close of escrow without reduction of or adjustment to the Purchase Price.

## SECTION 3. ESCROW

**3.01 Opening.** The purchase and sale of the Property shall be consummated by means of Escrow No. OC2509846-TL (a single escrow) which has opened with Fidelity National Title Company, 4400 MacArthur Blvd., Suite 500, Newport Beach, CA, 92660, Attn: Trinh Le, Escrow Officer, email: tlee@fnf.com, Phone (949) 788-2836 (**"Title Company"** or **"Escrow Holder"**).

**3.02 Closing.** The closing shall occur upon the recording of the Director's Deed for the Property, and shall occur when the conditions set forth in Article 5 below have all been satisfied or waived, but in no event later than **5:00 pm**_____, 2025 [the one hundred twentieth (120th) calendar day after the full execution of this Agreement]; provided, however, Caltrans shall, upon receipt of written request prior to such date, grant a one-time thirty (30) calendar day extension to close escrow, (such date, as may

be extended, being the **"Closing Date"**).

If at any time prior to the Closing Date, the Property becomes occupied, whether legally or illegally, Caltrans shall notify the Purchaser and Purchaser shall have 30 days to decide whether to proceed with the purchase of the Property. If the 30 days falls outside the Closing Date, the Closing Date shall be extended 10 days past the 30-day expiration. If Purchaser declines to proceed with the purchase of the Property due to the legal or illegal occupation of the Property, this Agreement shall terminate pursuant to the terms hereof. Upon any such termination, Escrow Holder shall remit the deposit to Purchaser.

**3.03 Instructions.** This Agreement shall to the extent applicable, also act as escrow instructions. The parties agree to execute any additional escrow instructions required by the Escrow Holder provided the same shall be consistent with the terms of this Agreement and shall provide that as between the parties, in the event there are any inconsistencies between such supplemental instructions and this Agreement, the terms of this Agreement shall prevail. Escrow Holder is hereby designated the "real estate reporting person" for purposes of Section 6045 of the Internal Revenue Code of 1986, as amended, and Treasury Reg. 1.6045-4, and any instructions or settlement statements prepared by Escrow Holder shall so provide. Escrow Holder shall be responsible for filing any Form 1099-S with the Internal Revenue Service.

**3.04 Costs.** Charges and expenses incurred in connection with the closing hereunder shall be borne by the parties as follows:

A. Purchaser shall pay all: (A) escrow fees, (B) recording fees, (C) transfer taxes, (D) title insurance premiums and fees (whether for ALTA or CLTA coverage), endorsement coverage and survey costs, and (E) any other real estate transaction fees involved in this transaction;

B. If applicable, Purchaser shall pay for and obtain any city/county required inspections and/or occupancy permits, whether required for closing the sale/escrow transaction or not. Caltrans shall provide Purchaser access to the Property as necessary to comply with this provision; and

C. Each party shall bear their own legal, tax and professional fees and costs.

**3.05 Prorations.** All real property taxes, special taxes, assessments, bonds, and all other similar charges imposed or levied upon the Property by any governmental agency or special district, organization or body and any other obligations related to the Property shall be prorated at close as of the Closing Date. With respect to any prorations based upon an estimation, if and when the tax, assessment or other charge related thereto is segregated by the appropriate agency or other persons, within fifteen (15) days thereof, the parties shall adjust said prorations, as necessary, based on such final segregation and pay any such adjustment to the appropriate party. The provisions of this Section 3.05 shall survive the close of escrow and the delivery and recordation of the Director's Deed and CC&Rs hereunder.

**3.06** **Escrow Deposits.** On or before the Closing Date, the parties shall make the following deposits into Escrow:

A. **By Caltrans.** At least one (1) business day prior to such closing, Caltrans shall deposit the following documents with Escrow Holder:

(i) an original **Director's Deed** for the Property duly executed by Caltrans and properly acknowledged and otherwise in recordable form, to be recorded in the Official Records of Los Angeles County, California against the Property described therein at close;

(ii) a counterpart original of the **CC&Rs** for the Property duly executed by Caltrans, and the Monitoring Entity properly acknowledged and otherwise in recordable form to be recorded in the Official Records of Los Angeles County, California against the Property described therein at close immediately following the recordation of the Director's Deed for the Property and prior to any financing obtained by Purchaser and to any other encumbrances or agreements being recorded at close with respect to such Property;

(iii) such Non-Foreign Affidavits pursuant to Sections 1445 and/or 7701 of the Internal Revenue Code, as amended, and such California Form 590s pursuant to applicable sections of the California Revenue and Taxation Code, as necessary to comply with such laws and close escrow hereunder, each in form and content reasonably satisfactory to Purchaser and Caltrans;

(iv) such other agreements or documents reasonably necessary from Caltrans to close escrow as may be expressly provided for herein.

B. **By Purchaser.** At least one (1) business day prior to such closing, Purchaser shall deposit the following funds and documents with Escrow Holder:

(i) the **Cash Balance** as provided in Subsection 2.02(b) above;

(ii) a counterpart original of the **CC&Rs** for the Property executed by Purchaser, properly acknowledged and otherwise in recordable form to be recorded in the Official Records of Los Angeles County, California against the Property described therein at close immediately following the recordation of the Director's Deed for such Property and prior to any financing obtained by Purchaser and to any other encumbrances or agreements being recorded at close with respect to such Property;

(iii) all other sums due from Purchaser as provided herein, including without limitation Purchaser's share of closing costs under Section 3.04 above, in the form of wire transfer or other immediately available funds;

(iv) to the extent Purchaser is an entity, certified copies of Purchaser's organizational documents and/or other entity resolutions or other authorizing documents authorizing the execution and delivery of this Agreement and the other documents and agreements contemplated herein, the consummation of all transactions contemplated hereby, and authorizing those persons signing on behalf of Purchaser to bind Purchaser; and

(v) such other agreements, documents, or funds reasonably necessary from Purchaser to close escrow as provided for herein.

**3.07 Cancelling Escrow.** Caltrans may unilaterally cancel escrow if Purchaser fails to comply with Section 3.06(b) and/or Purchaser defaults after opening escrow but before close of escrow and such failure to comply or default is not remedied or cured within three (3) business days of Caltrans providing notice to Purchaser of such failure or default.

## SECTION 4. AGREEMENTS

**4.01 California Transportation Commission Approval and Governing Body Approval.** Purchaser understands and agrees that Caltrans' obligation to sell and convey the Property to Purchaser hereunder is subject to Caltrans first obtaining the written approval of the California Transportation Commission (**"CTC"**) to this Agreement and the sale of the Property hereunder prior to the Closing Date (the **"CTC Approval"**). In the event the CTC fails to approve the sale, all monies deposited into escrow hereunder by Purchaser will be refunded without interest. Caltrans makes no representations, assurances, or warranties, express or implied, concerning the CTC's timely or ultimate approval of this sale.

If applicable, Caltrans understands and agrees that, despite any provision in this Agreement to the contrary, Purchaser's obligation to purchase and accept the Property from Caltrans hereunder is subject to Purchaser first obtaining the written approval of its governing body to this Agreement and the purchase of the Property hereunder prior to the Closing Date. In the event the governing body fails to approve the sale, all monies deposited into escrow hereunder by Purchaser shall be refunded without interest. Purchaser makes no representations, assurances, or warranties, express or implied, concerning the timely or ultimate approval of this sale by its governing body.

**4.02 Leases.** [Deleted.]

**4.03 Covenants, Conditions and Restrictions.**

A. Purchaser acknowledges the purchase of the Property shall be subject to a declaration of covenants, conditions, and restrictions as required by Government Code section 54235 et seq. and the Regulations and agrees that Purchaser and its successors in interest shall be bound by the same. Therefore, prior to close, the parties hereto shall execute a Declaration of Covenants, Conditions and

Restrictions agreement in substantially the form of ***Exhibit "C"*** attached hereto (the **"CC&Rs"**) with respect to the Property, which shall, among other things impose certain ongoing restrictions on the use and occupancy of such Property, as well as imposing various limitations on the subsequent resale of such Property both as to whom it may be sold and the amount of equity or other compensation the Purchaser is entitled to retain upon such subsequent transfer. The CC&Rs shall be recorded immediately following the recordation of the Director's Deed for such Property and shall not be subordinated to any financing obtained by Purchaser with respect to such Property or any other agreements recorded against or otherwise first affecting the Property at close of escrow, except as authorized by the CC&Rs. After recordation, the original recorded CC&Rs for the Property shall be returned (mailed) by the Recorder's Office directly to Caltrans, who shall retain possession thereof. The CC&Rs shall constitute covenants and equitable servitudes that run with the land and shall bind Purchaser and all subsequent owners, lessees, occupants, lenders, encumbrancers, and others holding any interest in, lien on or claim to the Property. Purchaser agrees not to challenge or attempt to terminate, limit, or otherwise alter or amend the CC&Rs. The agreements of Purchaser under this Section 4.03 shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs hereunder.

B. **Historical Covenants**

☐ This Property is not subject to Historical Covenants.

☒ This Property is subject to Historical Covenants attached as **Exhibit "D"** to protect the historic value and characteristics of the Property. The Historical Covenants are in addition to the CC&Rs described in Section 4.03 A.

**4.04 Title.**

A. **Generally.** Purchaser understands and agrees that the right, title, and interest in the Property to be conveyed hereunder shall not exceed that currently vested in Caltrans (after taking into account any and all rights that may be reserved by Caltrans pursuant to the Director's Deed, the CC&Rs or any other agreement contained in or contemplated by this Agreement related to such Property), and that Caltrans will furnish no policy of title insurance with respect to the sale of the Property hereunder. If a policy of title insurance, endorsement or survey coverage is desired, Purchaser may obtain the same at Purchaser's sole expense, provided, however, in no event or circumstance shall obtaining any such title, endorsement or survey coverage) constitute any basis for extending the Closing Date contemplated hereunder. No later than ten business days prior to the expiration of the Inspection Period, Purchaser shall notify Caltrans in writing of its objection to any matter in the preliminary title report or on a survey. Caltrans shall have five business days to notify Purchaser of its election to cure the matter or not, and the absence of any notice shall be deemed an election not to cure the matter. Purchaser shall have the right to terminate this Agreement prior to the expiration of the Inspection Period if Caltrans does not agree to cure such matter, or if Caltrans agrees to but fails to cure the matter on or prior to Closing, then Purchaser shall have the right to terminate at such time. Upon any such termination, Escrow

Holder shall remit the deposit to Purchaser.

B. **Permitted Encumbrances.** At close of escrow hereunder the Property shall be conveyed to Purchaser by a Director's Deed in substantially the form of ***Exhibit "A"*** hereto (a **"Director's Deed"**), with title to the Property being subject to all of the following exceptions and matters (collectively, the **"Permitted Exceptions"**): (1) a lien to secure payment of real estate taxes, supplemental taxes, and special taxes, bonds and assessments; (2) any reservations or limitations contained in the Director's Deed or any prior deed(s) relating to the Property; (3) the CC&Rs; (4) all title exceptions and other matters shown in the preliminary report for such Property other than any items Caltrans has agreed to cure; (5) any and all other matters apparent from a physical inspection thereof and/or that might be revealed by a survey other than any items Caltrans has agreed to cure; and (6) all other matters created by or with the consent or knowledge of Purchaser, or otherwise disclosed or contemplated in this Agreement. Caltrans shall not have, and does not assume, any liability or obligation whatsoever for any encumbrances or other title matters affecting the Property, or the amendment, removal, or other disposition thereof, provided, however, Caltrans agrees not to encumber the Property or enter into any leases, licenses, and other occupancy agreements with respect to the Property ("Leases") during the Escrow Period without the consent of Purchaser.

**4.05 Operation during Escrow Period.** During the period commencing with the effectiveness of this Agreement until the close of escrow hereunder or termination of this Agreement, Caltrans will continue to operate the Property in substantially the same manner as operated as of the date of this Agreement and will not do, cause, or allow anything to be done with respect to the Property that would materially change, alter or modify the current operation of the Property as a vacant property without the prior written consent of Purchaser, which consent shall not be unreasonably withheld or delayed; provided, however, Caltrans shall not under any circumstances be responsible for or have any obligation or liability with respect to any such change, alteration or modification to the extent the same is caused by any tenant or occupant of a Property or any other person without Caltrans' consent or knowledge, or to the extent the same is otherwise beyond Caltrans' reasonable control. Additionally, notwithstanding the foregoing, Caltrans shall be entitled, at its election and without notice to or obtaining the consent of Purchaser, to take any and all actions and make any and all decisions with respect to the Property as Caltrans deems necessary or desirable, in its sole and absolute discretion, in addressing any emergency relating to the Property or the safety of any occupant thereof, making a Property compliant with applicable laws, and/or keeping and maintaining a Property in a safe and habitable condition.

**4.06 Purchaser's Agreements.** With respect to the period prior to the close of escrow Purchaser acknowledges and agrees as follows:

A. **No Changes.** Purchaser shall have no right to take any action with respect to the Property, including, without limitation changing, renewing or terminating any zoning designations, permits, approvals, certificates or other entitlements related thereto (or applying for any such new matters), giving any notices with respect to or otherwise amending or terminating any Leases related thereto, or making or

undertaking any repairs, alterations or additions to the Property and/or any improvements located thereon, in each case without the prior written consent of Caltrans, which may be conditioned or withheld in Caltrans' sole and absolute discretion.

B. **Restrictions.** Purchaser shall not use or take any actions, or permit or suffer its agents, employees, contractors or consultants (collectively, **"Agents"**) to use or take actions, with respect to the Property in a manner which would in any way: (i) interfere with any activities thereon, or the use or occupancy thereof; (ii) constitute a nuisance or result in waste; (iii) result in the cancellation of any insurance being maintained by or on behalf of Caltrans or any tenants, in the increase in the premiums for any such insurance or in the increase of any of Caltrans' other costs; or (iv) damage any improvements or personalty located thereon.

C. **Compliance with Laws Generally.** Purchaser and its Agents shall not enter any Property, nor shall they take any action with respect thereto (or permit or suffer anything to be done in, on or about the Property) which will in any manner violate any title conditions, maps, entitlements, permits, consents, agreements, Leases or any laws, ordinances, governmental rules or regulations now or hereafter in effect with respect thereto and/or the conduct of any activities thereon by Caltrans or any occupants.

D. **Liens.** Purchaser shall at all times keep the Property and Caltrans free from any liens and claims arising out of any and all actions taken, work and labor performed, materials or services furnished and/or damages or personal injuries caused by or on behalf of Purchaser in connection with any activity of Purchaser and/or its Agents with respect to the Property, whether occurring prior to or after the date hereof. Caltrans may require Purchaser to post, at Purchaser's sole cost and expense, a lien release bond or other undertaking, statutory or otherwise, in such amount as necessary to properly bond around any claim filed against Caltrans and/or the Property with respect to such activities (occurring prior to the close of escrow) of Purchaser or its Agents. The bonding obligations of Purchaser under this Subsection 4.06(d) shall be absolute and unconditional and shall survive the close of escrow and the delivery and recordation of the Director's Deed and CC&Rs hereunder and/or the expiration, revocation, or termination of this Agreement.

E. **Compliance with the Act & Regulations**. Purchaser shall at all times comply with the requirements of the Act and the Regulations.

## SECTION 5. CONDITIONS TO CLOSE

**5.01 Conditions to Purchaser's Obligation to Close.** The matters set forth in this Section 5.01 are conditions precedent to the close of escrow by Purchaser as contemplated in this Agreement, and the same may be declared satisfied or waived by Purchaser. In the event any such condition fails to be satisfied in accordance with the terms hereof through no fault of either party, Purchaser shall have the option of either: (i) waiving such condition and proceeding to close without adjustment of the Purchase Price or any of the other terms of this Agreement, or (ii) terminating this Agreement, in which case the

Deposit shall be refunded to Purchaser without interest, and neither party shall have any further rights, liabilities or obligations hereunder except paying their respective share of escrow costs incurred up to such date and observing those obligations expressly stated herein as surviving the termination of this Agreement.

A. **Title.** At closing, the Property shall be conveyed to the Purchaser pursuant to a Director's Deed subject to all the Permitted Exceptions applicable to such Property as contemplated by Section 4.04 hereof.
B. **CTC Approval and Governing Body Approval.** By the Closing Date, the CTC Approval shall and any governing body approval (if applicable) have been unconditionally obtained as contemplated by Section 4.01 hereof.
C. **Documents and Funds.** By the Closing Date, the escrow deposits referenced in Section 3.06(a) above shall have all been made by Caltrans, and the Escrow Holder shall be irrevocably committed to record the Director's Deed in the Official Records of Los Angeles County, California.
D. **Representations/Covenants.** At close: (i) all the representations of Caltrans contained in this Agreement shall be materially true and correct, and (ii) Caltrans shall have materially complied with its covenants contained in this Agreement.

**5.02 Conditions to Caltrans' Obligation to Close.** The matters set forth in this Section 5.02 are conditions precedent to the close of escrow by Caltrans as contemplated in this Agreement, and the same may be declared satisfied or waived by Caltrans. In the event any such condition fails to be satisfied in accordance with the terms hereof through no fault of either party, Caltrans shall have the option of either: (i) waiving such condition and proceeding to close without adjustment of the Purchase Price or any of the other terms of this Agreement, or (ii) terminating this Agreement, in which case the Deposit shall be refunded to Purchaser without interest, and neither party shall have any further rights, liabilities or obligations hereunder except paying their respective share of escrow costs incurred up to such date and observing those obligations expressly stated herein as surviving the termination of this Agreement.

A. **Balance of Purchase Price.** By the Closing Date, Purchaser shall have deposited the entire Cash Balance of the Purchase Price with Escrow Holder as provided in Section 2.02(b) hereof.
B. **CTC Approval.** By the Closing Date, the CTC Approval shall have been unconditionally obtained as contemplated by Section 4.01 hereof.
C. **Documents and Funds.** By the Closing Date, the escrow deposits referenced in Section 3.06(b) above shall have all been made by Purchaser and Escrow Holder shall be irrevocably committed to:
    (i) disburse the Cash Balance to Caltrans,
    (ii) record the Director's Deed, and CC&Rs immediately thereafter as contemplated herein, in the Official Records of Los Angeles County, California, and
    (iii) deliver to Caltrans a fully executed counterpart original any other appropriate documents as contemplated by Section 3.06(b).

D. **Representations/Covenants.** At close: (i) all the representations of Purchaser contained in this Agreement shall be materially true and correct, and (ii) Purchaser shall have materially complied with its covenants contained in this Agreement.

**SECTION 6. POSSESSION**

Possession of the Property shall be delivered to Purchaser on the Closing Date subject to the Permitted Exceptions applicable to the Property.

**SECTION 7. BROKERS**

**7.01 Caltrans.** Caltrans has retained **Veterans Realty Group** to act as a Consultant in connection with the sale of the Property hereunder, and any compensation due to **Veterans Realty Group** in connection with the transactions contemplated by this Agreement shall be paid by Caltrans.

**7.02 No Other Brokers.** Except for Caltrans' retention of **Veterans Realty Group** above, each party hereby represents and warrants to the other party that no broker, finder, real estate agent or other person has been retained by it or is entitled to any commission, finder's fee or other compensation resulting from any action on its part with respect to the sale of the Property to Purchaser. Purchaser and Caltrans each agree to indemnify, defend, and hold the other and the Property harmless from and against any real estate brokerage commissions or finder's fees, and all costs and expenses (including attorneys' fees and costs) of investigating and defending any such claims, payable or alleged to be payable to any other persons in connection with this Agreement which such indemnifying party may have engaged or is claimed or alleged to have engaged. This section does not prohibit Purchaser from obtaining a broker at his/her own expense. The representations, warranties, indemnification, and other obligations set forth in this Section 7.02 shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs and/or the expiration, revocation, or termination of this Agreement.

**SECTION 8. REPRESENTATIONS & WARRANTIES**

**8.01 By Caltrans.** Caltrans hereby makes the following representations and warranties to Purchaser:

A. Authority. Subject to obtaining the CTC Approval, Caltrans has all requisite power and authority to enter into, deliver and perform this Agreement and all the other agreements contemplated herein and to be executed in connection herewith, and the person(s) executing this Agreement and all other agreements contemplated herein on behalf of Caltrans have been properly authorized to sign on behalf of and bind Caltrans in connection with performing the transactions contemplated herein.

B. Binding. Subject to obtaining the CTC Approval, this Agreement and all documents to be executed by Caltrans as provided herein, as of the date of

execution shall, subject to the operation of any bankruptcy or similar laws, be the legal, valid and binding obligations of Caltrans.

C. Information. Except as otherwise set forth in this Agreement, Caltrans has no actual constructive knowledge of any information affecting the Property that had, has or would have a material effect on Purchaser's ability to use and operate the Property as contemplated by Purchaser. Caltrans has provided to Purchaser all material and factual information requested by the Purchaser and/or as required by law concerning the Property that is in Caltrans' possession, custody and control.

D. Compliance with the Act and Regulations: Caltrans conduct in this sales transaction has been in compliance with the Act and corresponding Regulations.

E. Claims. There is no claim, action, suit, arbitration, proceeding (including condemnation proceedings) or any investigation by or before any court or arbitration body, any governmental, administrative or regulatory authority, or any other body pending or, to Caltrans's knowledge, threatened with respect to the Property (collectively, "Allegations"). Caltrans is not aware of any basis or reason for any such Allegations. There is no order, judgment or decree of any court or arbitration body, any governmental, administrative or regulatory authority, or any other body, against Caltrans with respect to the Property or the sales transaction contemplated by this Agreement.

F. No Violation. Neither the execution and delivery of this Agreement, nor the performance by Caltrans of the sales transaction contemplated hereby, will contravene, conflict with, or result in a breach of any agreement, law, regulation, writ, injunction or decree of any court or governmental authority applicable to Caltrans or by which any of its properties is bound. Except for CTC Approval, Caltrans is not required to obtain any consent or authorization in order to complete the sales transaction contemplated by this Agreement.

G. Right to Purchase. Except pursuant to this Agreement, no third party has an option, right of first offer, right of first refusal, or other similar right to purchase the Property that currently remains in effect.

H. Environmental Matters. As requested by Purchaser and/or mandated by law, Caltrans has provided or made available for review copies of any material documents in its possession, custody and control of Caltrans regarding environmental condition of the Property ("Environmental Materials"). Except as set forth in the Environmental Materials, Caltrans is not aware of the existence of any Hazardous Substances (defined in Section 10 below) attributable to or affecting the Property. There have been no settlements reached by or with any third parties alleging the presence, disposal, release or threatened release of any Hazardous Substances from the use or operation of the Property.

I. Leases. The Property is not subject to any Leases, tenancy and/or similar agreements conferring any right, title or interest in the Property to a third party.

J. Contracts. Other than as disclosed in the title reports provided by the Title

Company and this Agreement, there are no agreements affecting the Property.

Each of the representations made by Caltrans in this Agreement shall be true and correct on the date hereof, and shall be deemed to be made again as of the close of escrow provided for herein, and shall then be true and correct in all material respects. Caltrans shall promptly provide written notice to Purchaser of any developments or information that would make the representations set forth above untrue. The representations and warranties set forth in this Section 8.01 shall expressly survive the close of escrow as described in Section 13.12 below.

**8.02 By Purchaser.** Purchaser and the specific parties signing this Agreement on behalf of Purchaser hereby makes the following representations and warranties to Caltrans:

A. Organization. Purchaser is a municipal corporation duly organized, validly existing and in good standing under the laws of the State of California which has the power and authority to enter into this Agreement and to consummate the transactions contemplated hereby.
B. Authority. Subject to obtaining governing body approval, Purchaser has all requisite power and authority to enter into, deliver, and perform this Agreement and all the other agreements contemplated herein and to be executed in connection herewith, and the person(s) executing this Agreement and the other agreements contemplated herein on behalf of Purchaser have been properly authorized to sign on behalf of and bind Purchaser in connection with performing the transactions contemplated herein.
C. Binding. This Agreement and all documents to be executed by Purchaser as contemplated hereunder shall, subject to the operation of any applicable bankruptcy or similar laws, be the legal, valid and binding obligations of Purchaser, and shall not materially violate any law, agreement, order or decree to which Purchaser is a party or is subject.
D. Litigation. There are no pending or threatened, suits or actions affecting Purchaser which would materially affect Purchaser's ability to enter into or perform its obligations under this Agreement or the documents executed in connection herewith.
E. Information / Compliance. All applications, information, financial statements, and other materials provided by Purchaser or its Agents to Caltrans pursuant to or in connection with the Act, the Regulations and or this Agreement are true, correct and not materially misleading; and Purchaser is in compliance with the Act and the Regulations as relates to the Property and the purchase thereof under this Agreement.
F. No Bankruptcy. Purchaser is not the subject of any pending or threatened bankruptcy proceedings, whether voluntary or involuntary.

Each of the representations and warranties made by Purchaser in this Agreement, or on any document or instrument delivered pursuant hereto shall be true and correct on the date hereof, and shall be deemed to be made again as of close of escrow provided for herein, and shall then be true and correct in all material respects. The representations

and warranties of Purchaser contained in this Section 8.02 shall survive the close of escrow and the delivery and recordation of the Director's Deed and CC&Rs.

**SECTION 9. "AS-IS", WAIVERS AND RELEASE**

Purchaser acknowledges and agrees that, except as set forth in this Agreement, neither Caltrans nor any of its respective employees, agents, managers, members, partners, officers, interest holders, attorneys, contractors or consultants, including without limitation the California Department of Housing and Community Development **("HCD")**, (Caltrans and such other persons being collectively, the **"Seller Parties"**) have made or are making, and specifically negate and disclaim making, any representations, warranties, guaranties, promises, covenants or assurances of any kind or character, whether express, implied, written, oral, past, present or future concerning or with respect to the Property, or the condition or status thereof, including without limitation, the suitability for any purpose or the profitability of owning and operating the Property; the value thereof; the existence or non-existence of any patent or latent defects affecting the same; the physical or environmental condition or status thereof (including without limitation the existence of any mold, lead paint, radon gas or other environmental health hazards); the rental or other income generated thereby; the expenses or costs associated therewith; the size and square footage of the parcel or the improvements located thereon, the age or condition of the such improvements, or the location of property lines or setbacks (or the location of the improvements with respect thereto); the zoning thereof; the condition of title thereto; the existence, necessity or satisfaction of any local, state or federal approvals, permits or certificates for the entitlement, ownership, operation, use or occupancy thereof as contemplated by Purchaser or any tenants, occupants or any future owners thereof; the feasibility of or cost associated with obtaining any such approvals; the compliance of the Property with any and all applicable local, state or federal laws, codes and ordinances; or any other matter.

Purchaser further acknowledges that Purchaser, with the help of its independent experts, contractors, consultants, professionals (including independent legal counsel and accountants), and advisors, prior to the Closing Date, will conduct its independent feasibility, investigation, and due diligence inquiry as described in Section 1.03 above with respect to the Property and will fully satisfy itself as to all matters relating thereto. Except for the representations and warranties of Caltrans set forth in this Agreement, Purchaser is relying solely and exclusively on such independent due diligence in executing this Agreement and purchasing the Property hereunder, and not on any representations, warranties, guaranties, promises, covenants or assurances of any kind or character by Caltrans or any other Seller Parties; and the Property is being purchased **"AS-IS" / "WHERE-IS"** at close in its present condition with all defects and faults, both patent and latent, whether known or unknown, presently existing or that may hereafter arise.

Effective on the Closing Date, Purchaser hereby fully and expressly releases Caltrans, HCD and all of the other Seller Parties and their respective agents, employees, attorneys, consultants, successors and assigns from any and all demands, claims, liabilities, amounts, actions, costs, judgments, expenses and damages (including, without limitation,

attorneys' fees, witness fees and court costs) related to or arising from the Property, or the condition or status of thereof or any other matter relating thereto, including without limitation the matters referenced in the first paragraph of this Section 9, (collectively, the "**Released Matters**"); and Purchaser hereby covenants not to sue, and hereby fully and expressly waives and relinquishes any and all rights and remedies Purchaser may have against, Caltrans, HCD and the other Seller Parties and their respective agents, employees, attorneys, consultants, successors and assigns, or any of them, at law, in equity or otherwise, related to or arising from the Released Matters. However, nothing contained herein shall release or be deemed to release Caltrans from claims arising from its fraud or a breach of any representation or warranty by Caltrans contained in this Agreement (the "Preserved Matters"). Preserved Matters shall not be considered Released Matters. Purchaser acknowledges and agrees that the release, waiver and discharge given by Purchaser hereunder to Caltrans, HCD and the other released parties extends to all Released Matters described above, whether known or unknown, foreseen or unforeseen, patent or latent, which Purchaser may now or hereafter have against Caltrans, HCD or such other persons; and in connection with such release, waiver and discharge, Purchaser hereby expressly waives the benefit of the provisions of California Civil Code Section 1542, which provides as follows:

> **"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."**

Purchaser has read this Section 9, has had the effect and content thereof explained to Purchaser by independent legal counsel, and fully understands and appreciates the same. Purchaser understands and acknowledges that, among other things, the consequence of this waiver of California Civil Code section 1542 is that even if Purchaser should eventually discover any claims or suffer any losses or damages arising from the Released Matters, Purchaser would not be able to make any claim against Caltrans, HCD or the other released persons with respect thereto. Purchaser acknowledges that these consequences apply even as to claims, losses or damages resulting from the Released Matters that may exist as of the date of this Agreement or in the future, but which Purchaser does not know exist, or does not anticipate, and which, if known or anticipated, would materially affect Purchaser's decision to execute this Agreement. The waivers, releases, covenants not to sue and discharges contained in this Section 9 are a material portion of the consideration to Caltrans in agreeing to enter into this Agreement and shall survive the close of escrow and the delivery and recordation of Director's Deed and the CC&Rs in perpetuity.

**SECTION 10. <u>INDEMNIFICATION</u>**

Following the closing of the transaction contemplated herein, except as provided below,

Purchaser shall, at its sole cost and expense, indemnify, defend and hold Caltrans and its officers, agents, employees, attorneys and consultants, including without limitation, HCD, and their respective successors and assigns (collectively, the **"Indemnified Parties"**), free and harmless from and against any and all liabilities, demands, claims and costs (including remediation, reimbursement or contribution costs or claims), damages, losses, and expenses (including and without limitation to attorneys' fees, legal expenses and court costs, and consultant's fees, and investigation and remediation costs) of whatever kind or nature incurred or suffered by, or threatened against, any Property or any Indemnified Party(ies) resulting from or arising out of or by reason of any matter pertaining to the condition or status of the Property, including without limitation, the existence of any Hazardous Substances or Hazardous Substance Conditions in, on, under or about the Property (collectively, "Claims"). Except as provided below, this indemnity is intended to address any and all liability for which Caltrans may now or at any time hereafter be partially or entirely responsible in connection with the contamination, environmental or physical condition or status of any Property, including the prior operation thereof, due to its mere ownership or operation of such Property. As used in this Agreement, the term **"Hazardous Substance"** shall mean any substance whose nature and/or quantity of existence, use, manufacture, disposal or effect, render it subject to federal, state, or local regulation, investigation, remediation or removal as potentially injurious to public health or welfare, including the Comprehensive Environmental Response Compensation and Liability Act or Resource Conservation and Recovery Act as now in effect; and the term **"Hazardous Substance Condition"** shall mean the existence in, on, under or about the Property of a hazardous substance that requires remediation, removal, mitigation and/or other action pursuant to applicable law. This indemnification shall in no event apply to (i) Claims to which Caltrans representations and warranties apply, (ii) any Claims involving Caltrans' willful misconduct, gross negligence or fraud, and (iii) any Claims relating to challenges to Caltrans' acquisition or disposition of the Property.

Purchaser's indemnification and defense of any matters contemplated in this Section 10 for or on behalf of the Property or any Indemnified Parties shall be made by counsel reasonably acceptable to the Indemnified Parties; shall commence immediately upon any such claim or matter being made, threatened, or asserted against Indemnified Parties or the Property without the necessity of the Indemnified Parties first contesting or defending the same, suffering or incurring any loss or adverse disposition, or otherwise taking or failing to take any other action; and shall apply to all such matters regardless of any action, failure or negligence of the Indemnified Parties, it being the express intent that the indemnification, defense and hold harmless obligations of this Section 10 apply to all matters referenced herein except to the extent caused by the gross negligence or willful misconduct of the Indemnified Parties. In the event Purchaser refuses to initiate or continue pursuing to completion any such defense or other obligations hereunder, Indemnitee shall be entitled to undertake, assume, and/or conclude the same, all at Purchaser's sole cost and expense, with counsel selected by Indemnitee. The obligations of Purchaser under this Section 10 shall be absolute and unconditional, and shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs.

**SECTION 11. CASUALTY/CONDEMNATION**

In the event any casualty or condemnation proceeding occurs or is commenced with respect to the Property after the effectiveness hereof but prior to the close of escrow, Caltrans shall notify Purchaser of the same in writing within ten (10) business days after Caltrans has knowledge of the same, and either of the following shall occur:

(A) If Purchaser does not elect to cancel within seven (7) business days after receipt of such notice by Purchaser, the parties shall continue to proceed under this Agreement and close without adjustment to the Purchase Price or any of the other provisions of this Agreement, in which event upon the close of escrow, Caltrans shall assign to Purchaser all of its interest in any such insurance or condemnation proceeds, compensation, award, or other payments or relief resulting from such casualty or condemnation proceedings; or

(B) If Purchaser elects to cancel, and Purchaser provides written notification to Caltrans of its election to terminate this Agreement within such 7-day period, then this Agreement shall terminate, the Deposit shall be returned to Purchaser without interest, and Caltrans shall retain all proceeds, compensation, awards, payments and other benefits or relief related to such casualty and condemnation with respect to the Property.

**SECTION 12. REMEDIES**

**12.01 Of Purchaser.** If the closing does not occur as a result of Caltrans' default under this Agreement, then, provided Purchaser is not in default hereunder, Purchaser may, at its election proceed with either of the following mutually exclusive alternatives as its sole and exclusive remedy:

A. Terminate the Agreement, whereupon: (1) the Deposit shall be returned to Purchaser without interest, (2) Purchaser may seek reimbursement from Caltrans of any and all hard third-party costs and expenses incurred by Purchaser in connection the investigation of the Property or the negotiation and execution of this Agreement, as evidenced by invoices delivered to Caltrans, up to the maximum aggregate amount of fifteen thousand Dollars ($15,000), and (3) neither party shall have any further obligation or liability to the other under this Agreement except for provisions of this Agreement which expressly state that they shall survive the termination of this Agreement; or

B. File in a court of competent jurisdiction an action for specific performance to cause Caltrans to convey the Property to Purchaser in accordance with the terms and conditions of this Agreement; but Purchaser shall not be entitled to recover any monetary damages (whether compensatory, consequential, exemplary, punitive or other) from Caltrans in connection with such default other than seeking

its reasonable attorneys' fees in connection with such action.

**PURCHASER ACKNOWLEDGES AND AGREES THAT THE LIMITATIONS ON REMEDIES AGAINST CALTRANS SET FORTH IN THIS SECTION 12.01 ARE A MATERIAL INDUCEMENT FOR CALTRANS TO ENTER INTO THIS AGREEMENT, AND PURCHASER AGREES THAT SUCH LIMITATIONS ARE REASONABLE AND ENFORCEABLE IN ACCORDANCE WITH THEIR TERMS.**

**12.02 Of Caltrans. LIQUIDATED DAMAGES. PURCHASER AND CALTRANS AGREE THAT SHOULD PURCHASER FAIL TO COMPLETE THE PURCHASE OF THE PROPERTY AS HEREIN PROVIDED BY REASON OF DEFAULT OF PURCHASER, THE PARTIES HERETO, BY INITIALING THIS SECTION 12.02 IN THE SPACE PROVIDED BELOW, AGREE THAT IT WOULD BE IMPRACTICAL OR EXTREMELY DIFFICULT TO ASCERTAIN OR FIX ACTUAL DAMAGES TO CALTRANS AS A RESULT OF SUCH FAILURE OR DEFAULT BY PURCHASER, THAT UNDER THE CIRCUMSTANCES EXISTING AS OF THE DATE OF THIS AGREEMENT THE ENTIRE DEPOSIT PROVIDED FOR IN SECTION 2.02(A) ABOVE IS A REASONABLE ESTIMATE OF CALTRANS' DAMAGES, AND THAT AS CALTRANS' SOLE AND EXCLUSIVE REMEDIES ON ACCOUNT OF SUCH BREACH, CALTRANS SHALL BE ENTITLED TO: (1) RETAIN SAID DEPOSIT AS LIQUIDATED DAMAGES FOR SUCH BREACH BY PURCHASER AND (2) TERMINATE THIS AGREEMENT. THE PAYMENT OF SUCH AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO CALTRANS PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677.**

**THE PROVISIONS HEREOF RELATE ONLY TO CALTRANS' DAMAGES FOR PURCHASER'S DEFAULTS IN ITS AGREEMENT TO PURCHASE THE PROPERTY AS PROVIDED HEREIN. NOTHING CONTAINED HEREIN SHALL LIMIT OR PRECLUDE, OR BE DEEMED TO LIMIT OR PRECLUDE, THE EXERCISE OR ENFORCEMENT BY CALTRANS OF ANY RIGHTS WHICH EXPRESSLY SURVIVE THE TERMINATION OF THIS AGREEMENT.**

**Purchaser's Initials:** _____ **Caltrans' Initials:** _____

**SECTION 13. MISCELLANEOUS**

**13.01 Headings.** This Agreement shall be construed as a whole, and the subject headings of the paragraphs and subparagraphs of this Agreement are included for convenience only and shall not affect the construction or interpretation of any of its provisions or define the provisions in the portions of this Agreement to which they pertain.

**13.02 Assignment.** Purchaser may not assign this Agreement, or any portion hereof or any of its rights or interests hereunder, without the express prior written consent of Caltrans, which consent may be conditioned or withheld in Caltrans' sole and absolute discretion, except as set forth herein. Purchaser may, without Caltrans' consent, but upon notice to Caltrans and Escrow Holder, assign any or all of its rights in, to or under this Agreement to an entity or instrumentality that is wholly controlled by Purchaser. No such assignment (regardless of whether consented to by Caltrans) shall relieve or release

its reasonable attorneys' fees in connection with such action.

**PURCHASER ACKNOWLEDGES AND AGREES THAT THE LIMITATIONS ON REMEDIES AGAINST CALTRANS SET FORTH IN THIS SECTION 12.01 ARE A MATERIAL INDUCEMENT FOR CALTRANS TO ENTER INTO THIS AGREEMENT, AND PURCHASER AGREES THAT SUCH LIMITATIONS ARE REASONABLE AND ENFORCEABLE IN ACCORDANCE WITH THEIR TERMS.**

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**Purchaser's Initials:** _____ **Caltrans' Initials:** Ae

**SECTION 13. MISCELLANEOUS**

**13.01 Headings.** This Agreement shall be construed as a whole, and the subject headings of the paragraphs and subparagraphs of this Agreement are included for convenience only and shall not affect the construction or interpretation of any of its provisions or define the provisions in the portions of this Agreement to which they pertain.

**13.02 Assignment.** Purchaser may not assign this Agreement, or any portion hereof or any of its rights or interests hereunder, without the express prior written consent of Caltrans, which consent may be conditioned or withheld in Caltrans' sole and absolute discretion, except as set forth herein. Purchaser may, without Caltrans' consent, but upon notice to Caltrans and Escrow Holder, assign any or all of its rights in, to or under this Agreement to an entity or instrumentality that is wholly controlled by Purchaser. No such assignment (regardless of whether consented to by Caltrans) shall relieve or release

Purchaser from any of its obligations hereunder. As a condition to the effectiveness of such assignment, all assignees shall execute an assumption agreement reasonably acceptable to Caltrans under which the proposed assignee agrees to fully assume and be bound by all the terms of this Agreement to be observed or performed by Purchaser.

Caltrans shall be free to assign this Agreement, or any portion hereof or any of its rights or interests hereunder, without the consent or approval of Purchaser.

**13.03 Entire Agreement / Amendment.** This Agreement (including all exhibits and schedules hereto and other agreements referenced herein) constitute the entire agreement between the parties pertaining to the subject matter contained herein and supersede all prior written or oral agreements, representations and understandings of the parties relating to the subject matter herein. There are no representations, agreements, arrangements, or understandings, oral or written, relating to the subject matter which are not fully expressed herein. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by all the parties hereto.

This Agreement does not affect the enforceability of other written contracts related to the use and resale of the Property or to preserving the historic nature of the Property.

**13.04 Counterparts.** This Agreement may be executed simultaneously in one or more identical counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. This Agreement shall be fully effective and binding on all parties hereto, as if one or more copies thereof had been executed by all the parties hereto, when all the parties have executed identical counterparts hereof, even though no single counterpart has been executed by all the parties hereto.

**13.05 Binding / Successor & Assigns.** Except to the extent assignment hereof is prohibited, this Agreement shall be binding on, and shall inure to the benefit of, the parties hereto and their successors and assigns.

**13.06 Attorneys' Fees.** If any legal action, arbitration or other proceeding is brought by either party involving a dispute between the parties arising out of the interpretation or enforcement of any condition or provision hereof, or by reason of any breach arising hereunder or the sale of the Property, the prevailing party shall be entitled to recover its reasonable attorneys' fees, court costs and expert witness fees incurred in such action or proceeding in addition to any other relief to which such party may be entitled.

**13.07 Further Acts.** Each party agrees to perform any further acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions in this Agreement.

**13.08 Limited Third-Party Beneficiaries.** Subject to the remainder of this Section 13.08,

this Agreement is for the sole benefit of the parties hereto and there are no third-party beneficiaries, intended or otherwise. Notwithstanding the foregoing, HCD and the other Seller Parties (and other released persons) are intended third-party beneficiaries of Section 9 hereof, and HCD and the other Indemnified Parties are intended third party beneficiaries of Section 10 hereof.

**13.09 Notices.** All notices, requests, demands, and other communications required or desired under this Agreement shall be in writing and shall be given by any of the following methods: (i) personal service at the address set forth below, (ii) email transmission in the manner set forth below, or (iii) depositing such notice in the United States mail postage prepaid, addressed to the other as follows:

Caltrans
Division of Right of Way – SR-710, MS6
100 South Main Street
Los Angeles, CA 90012

City of South Pasadena
City Manager
1414 Mission Street
South Pasadena, CA 91030

Any notice given by personal service shall be deemed given when received, as verified by a written receipt or proof of service. Any notice given by email transmission shall be deemed given when transmitted, as evidenced by printed email; and any notice given by regular mail shall be deemed given on the fifth (5th) business day after its deposit in the United States mail postage prepaid.

Either party may change its address for purposes of this paragraph by giving the other party written notice of the new address to the other party at the address contained herein.

**13.10 Governing Law.** This Agreement has been prepared, negotiated, and entered into in the State of California and shall be governed by, construed and enforced in accordance with the internal laws of the State of California and according to its fair meaning, and not in favor of or against any party. Any action or proceeding relating or arising out of this Agreement shall be filed, if a State action, in the Superior Court of the State of California for the County of Los Angeles.

**13.11 Severability.** If any provision of this Agreement, or the application thereof to any person or circumstance, is held invalid or unenforceable by any court or arbitrator, it is the intent of the parties that all the other provisions of this Agreement, and the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall be construed to be fully valid, enforceable and binding on the parties to the fullest extent permitted by law.

**13.12 Survival / No Merger.** All covenants, representations, warranties, and other agreements under this Agreement which are expressly stated herein as surviving the close of escrow shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs in perpetuity, and shall not merge with or into the Director's Deed or the CC&Rs (or be terminated, limited or otherwise affected thereby).

**13.13 Time is of the Essence.** Time is of the essence of this Agreement in respect to all provisions of this Agreement that specify a time for performance, including the closing of escrow provided for herein, and failure to comply with this provision shall be a material breach of this Agreement.

**13.14 Days / Saturdays, Sundays, and Holidays.** Unless otherwise expressly stated, all time periods referred to herein shall be deemed to mean calendar days. If any date by which an election or a notice shall be given, or by which an action shall be taken, hereunder falls on a Saturday, Sunday, federal or state holiday, then the date by which such election or notice shall be given or such action shall be taken is extended to 5:00 p.m. on the next business day following such Saturday, Sunday, federal or state holiday.

**13.15 Waiver.** Waiver by one party of the performance of any covenant, condition or promise shall not invalidate this Agreement, nor shall it be a waiver by such party of such covenant, condition or promise in the future or of any other covenant, condition, or promise hereunder. Any waiver, to be effective, shall be express, in writing and signed by the waiving party, and shall be delivered to the other party. The exercise by a party of any remedy provided in this Agreement or at law shall not prevent the exercise by that party of any other remedy provided in this Agreement or at law.

**13.16 Construction.** As used in this Agreement, the masculine, feminine, or neuter gender and the singular or plural numbers shall each be deemed to include the other whenever the context so indicates. Each party hereto acknowledges and agrees that each has had independent counsel review and participated in the negotiation and drafting of this Agreement, and each hereby fully waives the application of any law, statute or rule of construction or interpretation, including without limitation California Civil Code Section 1654, to the effect that any ambiguities are to be construed against the drafting party.

**13.17 Exhibits.** All exhibits and schedules attached to this Agreement are hereby incorporated by reference herein and specifically made a part of this Agreement.

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

CALTRANS:

Recommended for Approval by:

STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION

By: _____ Date: _____
Angus Chan
Senior Right of Way Agent

By: _____ Date: _____
Heriberto Salazar
Office Chief, 710 Sales

Approved:

By: _____ Date: _____
Dan Murdoch
Deputy District Director, Right of Way

PURCHASER:

By: _____ Date: 11-19-2025
L. Todd Hileman
City Manager

Attest:

By: _____ Date: 11-19-2025
Deputy City Clerk

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

CALTRANS:

Recommended for Approval by:

STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION

By: _____ Date: NOV 17, 2025
Angus Chan
Senior Right of Way Agent

By: _____ Date: 11-20-25
Heriberto Salazar
Office Chief, 710 Sales

Approved:

By: _____ Date: 11/20/25
Dan Murdoch
Deputy District Director, Right of Way

PURCHASER: CITY OF SOUTH PASADENA

By: _____ Date: _____
Todd Hileman, City Manager
City of South Pasadena

Attest:

By: _____ Date: _____
Deputy City Clerk

## Attached Exhibits

| | |
|---|---|
| ***Exhibits "A"*** | *Director's Deed/Legal Description of Property* |
| ***Exhibit "B"*** | *Deleted* |
| ***Exhibit "C"*** | *Declaration of Covenants, Conditions & Restrictions* |
| ***Exhibit "D"*** | Historical Covenants (only included if applicable) |

# STATE ROUTE 710 SALES PROGRAM
# PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("**Agreement**") is entered into as of June 4, 2025, by and between the State of California, Department of Transportation ("**Caltrans**") and the City of South Pasadena, a Municipal Corporation.

**Recitals**

A. Caltrans owns the real property located in Los Angeles County, California commonly known as: **215 Fairview Ave., South Pasadena, CA 91030** and more particularly described as set forth in ***Exhibit "A"***, respectively, attached hereto ("**Property**").

B. The parties wish to provide terms and conditions for Purchaser's purchase of the Property from Caltrans. The State Route 710 Sales Program described in Government Code section 54235 et seq. (the "**Act**") and Title 21 Public Works Division 2 Department of Transportation, Chapter 9.5 (the "**Regulations**") provide for the offering of State-owned, surplus residential properties to the City of South Pasadena at the Minimum Sales Price pursuant to 21 CCR § 1483(a)(1), for the purpose of providing affordable housing to low- and moderate-income households. Purchaser and Caltrans acknowledge the Property is subject to the terms of this Agreement, the aforementioned law and regulations, and the Declaration of Covenants, Conditions, and Restrictions (**CC&Rs**), as defined below, to be recorded against the Property upon the close of escrow hereunder.

**NOW, THEREFORE,** in consideration of the foregoing premises, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

## SECTION 1. PURCHASE AND SALE

**1.01 Purchase and Sale.** Caltrans shall sell the Property to Purchaser, and Purchaser shall purchase the Property from Caltrans pursuant to the terms, limitations and conditions stated in this Agreement in accordance with the Act, the Regulations and other applicable laws, rules, and regulations (collectively, "**Applicable Laws**").

**1.02 Conditions Precedent to Effectiveness.** This Agreement shall not become effective unless and until all the following conditions precedent are satisfied on or before the sixtieth (60) calendar day from the date Caltrans' sends this Agreement to Purchaser:

A. Purchaser shall have: (1) executed and returned two original executed counterparts of this Agreement via certified mail, return receipt requested, to Caltrans and sent a copy thereof to the Escrow Holder, and (2) deposited with Escrow Holder the entire Down Payment contemplated by Section 2.02(A) below;

B. Caltrans thereafter executes this Agreement and delivers a fully executed copy hereof to Escrow Holder; and

A failure of any such conditions to timely occur shall, without further notice or action, result in the full and immediate termination of any offer, obligation, liability or agreement of Caltrans to or with Purchaser or any other person with respect to the Property, whether hereunder or otherwise, immediately upon the expiration of such 60-day period, and Caltrans shall thereafter be free to offer, market and sell the Property to other persons, or otherwise dispose of the same, as Caltrans may, in its sole and absolute discretion determine.

**1.03 Information/Prior Due Diligence.** Purchaser hereby expressly acknowledges and agrees:

A. that it is a sophisticated real estate purchaser and/or investor;
B. that it is fully familiar with and understands the Applicable Laws and the CC&Rs, and the risks and obligations associated therewith and imposed on Purchaser and on the Property thereby, including the purchase thereof under this Agreement, and has had the same explained to it by its independent legal counsel and other advisors;
C. that during the Inspection Period permitted under this Agreement: (A) Purchaser will have full access to the Property and all documents, data, reports and information related thereto requested by Purchaser, and will have the opportunity to undertake and perform any and all additional due diligence, investigation, surveys, reports and studies, with respect thereto, including without limitation the current and past physical and environmental condition of the Property, the condition of title thereto, the compliance thereof with any applicable building codes, permits, approvals, agreements or encumbrances affecting the same (including Applicable Laws), the value thereof, the use, operation, management or occupancy thereof and/or the suitability for Purchaser's intended use thereof, and all other matters referenced in Section 9 below, and (B) Purchaser has obtained any and all financing commitments necessary or desirable to purchase, repair and/or rehabilitate the Property; and
D. that with the aid of such independent experts, contractors, consultants, advisors and professionals (including independent legal counsel and accountants) that it deems necessary, appropriate or desirable, Purchaser will, prior to the Closing Date hereof, evaluate and assess the Property and conduct such independent inquiry, feasibility investigation, inspections and due diligence with respect thereto as Purchaser and/or its advisors deem necessary, advisable or desirable, and will fully and unconditionally approve of and satisfy itself as to the same. As a result, there shall be no further access to the Property except as set forth in this Agreement and no further feasibility, inspection or similar rights or contingencies with respect to the purchase of the Property.
E. Notwithstanding anything herein to the contrary, until the date that is sixty (60)

days after the execution of this Agreement by both parties (Inspection Period), upon reasonable notice but without any contingencies hereunder, Purchaser may access the Property and conduct non-invasive inspection, investigations, tests, observations, inquiries and studies as Purchaser deems appropriate. Purchaser shall promptly pay all expenses arising out of such inspections and other work on or about the Property prior to the Closing Date and shall not allow any mechanic's or materialmen's liens to be recorded on the Property (or promptly cause to be removed or bonded over any such liens if recorded on the Property). Purchaser shall promptly repair any damage to the Property caused by Purchaser's investigations. Purchaser shall coordinate with Caltrans any entry on the Property, execute a waiver and indemnity in the form customarily required by Caltrans prior to entry on Caltrans' property and follow applicable health and safety protocols as reasonably required by Caltrans. Following such period, upon Caltrans' reasonable consent and conditions, Purchaser may obtain access to the Property for a limited number of entries.

F. Purchaser shall promptly notify Caltrans during the Inspection Period of any matters discovered in its review of the Property that would cause Purchaser to terminate this Agreement. If within ten days of such notice, Caltrans notifies Purchaser in writing that it will cure such matters, then Caltrans shall have the opportunity to cure such matters fourteen (14) days prior to the Closing Date. Purchaser has the right to terminate if Caltrans does not agree to cure or if the cure is not completed fourteen (14) (days) prior to the Closing Date. Purchaser has a right to inspect the Property to determine that the discoveries have been cured to its satisfaction. Upon any such termination, Escrow Holder shall remit the deposit to Purchaser.

**SECTION 2. PURCHASE PRICE**

**2.01 Purchase Price.** The purchase price for the Property shall be **Thirty-One Thousand Two Hundred Sixty-Five Dollars and zero cents ($31,265.00)** (the **"Purchase Price"**).

**2.02 Payment.** The Purchase Price shall be paid by Purchaser in cash, lawful money of the United States as set forth below, time being of the essence thereof:

A. **Deposit.** Immediately upon the execution of this Agreement, Purchaser shall deposit with Escrow Holder the sum of **One Thousand Dollars ($1,000.00)** (the **"Deposit"**) in the form of a cashier's check, wire transfer or other immediately available funds. The entire Deposit shall be applicable to the Purchase Price, without interest, shall be non-refundable except as may be expressly set forth in this Agreement, and shall constitute liquidated damages to Caltrans in the event of Purchaser's default in acquiring the Property. Time is of the essence in making the Deposit into escrow, and as provided above is a condition precedent to the effectiveness of this Agreement.

B. **Cash at Close.** One (1) day prior to the close of Escrow (or by 1:00 p.m. of the

close of escrow for funds delivered by wire transfer) the Purchaser shall deposit the balance of the Purchase Price in the amount of **Thirty Thousand Two Hundred Sixty-Five Dollars and zero cents ($30,265.00)** (the **"Cash Balance"**) with Escrow Holder in the form of a cashier's check, wire transfer or other immediately available funds for delivery to Caltrans upon close of escrow hereunder.

**2.03 Acknowledgement.** [Deleted.]

**2.04 No Seller Financing.** Purchaser acknowledges this Agreement is not a financing agreement and neither Caltrans nor any other governmental agency or department has at any time made any representations, warranties, promises or undertakings, express or implied, to provide any financing or other assistance with respect to all or any portion of the Purchase Price or any other obligations of Purchaser hereunder or with respect to the Property, or with respect to any repair, rehabilitation, updating or other activity contemplated by Purchaser with respect thereto. Purchaser has performed all due diligence regarding obtaining funding and/or financing with respect to the Property, including the purchase thereof hereunder, as provided in Section 1.03 above, and has satisfied itself as to the same.

**2.05 Change in Financial Condition.** If either: (i) Purchaser ultimately fails to secure funds for the Purchase Price in the timeframe specified herein, or (ii) the financial condition of the Purchaser changes prior to Close of Escrow so that it is unable to purchase the Property, then in either such event Purchaser shall be in default under this Agreement and Caltrans shall be entitled to exercise its rights and remedies pursuant to Section 12.02 below.

**2.06 Bonds, Taxes and Assessments.** Subject to the specific proration provisions set forth in Section 3.05 below, all real property taxes, supplemental taxes, special taxes, bonds and/ or assessments which are liens on or levied with respect to the Property shall be assumed by Purchaser at close of escrow without reduction of or adjustment to the Purchase Price.

## SECTION 3. ESCROW

**3.01 Opening.** The purchase and sale of the Property shall be consummated by means of Escrow No. OC2509847-TL (a single escrow) which has opened with Fidelity National Title Company, 4400 MacArthur Blvd., Suite 500, Newport Beach, CA, 92660, Attn: Trinh Le, Escrow Officer, email: tlee@fnf.com, Phone (949) 788-2836 (**"Title Company"** or **"Escrow Holder").**

**3.02 Closing.** The closing shall occur upon the recording of the Director's Deed for the Property, and shall occur when the conditions set forth in Article 5 below have all been satisfied or waived, but in no event later than **5:00 pm**_____, 2025 [the one hundred twentieth (120th) calendar day after the full execution of this Agreement]; provided, however, Caltrans shall, upon receipt of written request prior to such date,

grant a one-time thirty (30) calendar day extension to close escrow, (such date, as may be extended, being the **"Closing Date"**).

If at any time prior to the Closing Date, the Property becomes occupied, whether legally or illegally, Caltrans shall notify the Purchaser and Purchaser shall have 30 days to decide whether to proceed with the purchase of the Property. If the 30 days falls outside the Closing Date, the Closing Date shall be extended 10 days past the 30-day expiration. If Purchaser declines to proceed with the purchase of the Property due to the legal or illegal occupation of the Property, this Agreement shall terminate pursuant to the terms hereof. Upon any such termination, Escrow Holder shall remit the deposit to Purchaser.

**3.03 Instructions.** This Agreement shall to the extent applicable, also act as escrow instructions. The parties agree to execute any additional escrow instructions required by the Escrow Holder provided the same shall be consistent with the terms of this Agreement and shall provide that as between the parties, in the event there are any inconsistencies between such supplemental instructions and this Agreement, the terms of this Agreement shall prevail. Escrow Holder is hereby designated the "real estate reporting person" for purposes of Section 6045 of the Internal Revenue Code of 1986, as amended, and Treasury Reg. 1.6045-4, and any instructions or settlement statements prepared by Escrow Holder shall so provide. Escrow Holder shall be responsible for filing any Form 1099-S with the Internal Revenue Service.

**3.04 Costs.** Charges and expenses incurred in connection with the closing hereunder shall be borne by the parties as follows:

A. Purchaser shall pay all: (A) escrow fees, (B) recording fees, (C) transfer taxes, (D) title insurance premiums and fees (whether for ALTA or CLTA coverage), endorsement coverage and survey costs, and (E) any other real estate transaction fees involved in this transaction;

B. If applicable, Purchaser shall pay for and obtain any city/county required inspections and/or occupancy permits, whether required for closing the sale/escrow transaction or not. Caltrans shall provide Purchaser access to the Property as necessary to comply with this provision; and

C. Each party shall bear their own legal, tax and professional fees and costs.

**3.05 Prorations.** All real property taxes, special taxes, assessments, bonds, and all other similar charges imposed or levied upon the Property by any governmental agency or special district, organization or body and any other obligations related to the Property shall be prorated at close as of the Closing Date. With respect to any prorations based upon an estimation, if and when the tax, assessment or other charge related thereto is segregated by the appropriate agency or other persons, within fifteen (15) days thereof, the parties shall adjust said prorations, as necessary, based on such final segregation and pay any such adjustment to the appropriate party. The provisions of this Section 3.05 shall survive the close of escrow and the delivery and recordation of the Director's Deed and CC&Rs hereunder.

**3.06** **Escrow Deposits.** On or before the Closing Date, the parties shall make the following deposits into Escrow:

A. **By Caltrans.** At least one (1) business day prior to such closing, Caltrans shall deposit the following documents with Escrow Holder:

(i) an original **Director's Deed** for the Property duly executed by Caltrans and properly acknowledged and otherwise in recordable form, to be recorded in the Official Records of Los Angeles County, California against the Property described therein at close;

(ii) a counterpart original of the **CC&Rs** for the Property duly executed by Caltrans, and the Monitoring Entity properly acknowledged and otherwise in recordable form to be recorded in the Official Records of Los Angeles County, California against the Property described therein at close immediately following the recordation of the Director's Deed for the Property and prior to any financing obtained by Purchaser and to any other encumbrances or agreements being recorded at close with respect to such Property;

(iii) such Non-Foreign Affidavits pursuant to Sections 1445 and/or 7701 of the Internal Revenue Code, as amended, and such California Form 590s pursuant to applicable sections of the California Revenue and Taxation Code, as necessary to comply with such laws and close escrow hereunder, each in form and content reasonably satisfactory to Purchaser and Caltrans;

(iv) such other agreements or documents reasonably necessary from Caltrans to close escrow as may be expressly provided for herein.

B. **By Purchaser.** At least one (1) business day prior to such closing, Purchaser shall deposit the following funds and documents with Escrow Holder:

(i) the **Cash Balance** as provided in Subsection 2.02(b) above;

(ii) a counterpart original of the **CC&Rs** for the Property executed by Purchaser, properly acknowledged and otherwise in recordable form to be recorded in the Official Records of Los Angeles County, California against the Property described therein at close immediately following the recordation of the Director's Deed for such Property and prior to any financing obtained by Purchaser and to any other encumbrances or agreements being recorded at close with respect to such Property;

(iii) all other sums due from Purchaser as provided herein, including without limitation Purchaser's share of closing costs under Section 3.04 above, in the form of wire transfer or other immediately available funds;

(iv) to the extent Purchaser is an entity, certified copies of Purchaser's organizational documents and/or other entity resolutions or other authorizing documents authorizing the execution and delivery of this Agreement and the other documents and agreements contemplated herein, the consummation of all transactions contemplated hereby, and authorizing those persons signing on behalf of Purchaser to bind Purchaser; and

(v) such other agreements, documents, or funds reasonably necessary from Purchaser to close escrow as provided for herein.

**3.07** **Cancelling Escrow.** Caltrans may unilaterally cancel escrow if Purchaser fails to comply with Section 3.06(b) and/or Purchaser defaults after opening escrow but before close of escrow and such failure to comply or default is not remedied or cured within three (3) business days of Caltrans providing notice to Purchaser of such failure or default.

## SECTION 4. AGREEMENTS

**4.01** **California Transportation Commission Approval and Governing Body Approval.** Purchaser understands and agrees that Caltrans' obligation to sell and convey the Property to Purchaser hereunder is subject to Caltrans first obtaining the written approval of the California Transportation Commission (**"CTC"**) to this Agreement and the sale of the Property hereunder prior to the Closing Date (the **"CTC Approval"**). In the event the CTC fails to approve the sale, all monies deposited into escrow hereunder by Purchaser will be refunded without interest. Caltrans makes no representations, assurances, or warranties, express or implied, concerning the CTC's timely or ultimate approval of this sale.

If applicable, Caltrans understands and agrees that, despite any provision in this Agreement to the contrary, Purchaser's obligation to purchase and accept the Property from Caltrans hereunder is subject to Purchaser first obtaining the written approval of its governing body to this Agreement and the purchase of the Property hereunder prior to the Closing Date. In the event the governing body fails to approve the sale, all monies deposited into escrow hereunder by Purchaser shall be refunded without interest. Purchaser makes no representations, assurances, or warranties, express or implied, concerning the timely or ultimate approval of this sale by its governing body.

**4.02** **Leases.** [Deleted.]

**4.03** **Covenants, Conditions and Restrictions.**

A. Purchaser acknowledges the purchase of the Property shall be subject to a declaration of covenants, conditions, and restrictions as required by Government Code section 54235 et seq. and the Regulations and agrees that Purchaser and its successors in interest shall be bound by the same. Therefore, prior to close, the parties hereto shall execute a Declaration of Covenants, Conditions and

Restrictions agreement in substantially the form of ***Exhibit "C"*** attached hereto (the "**CC&Rs**") with respect to the Property, which shall, among other things impose certain ongoing restrictions on the use and occupancy of such Property, as well as imposing various limitations on the subsequent resale of such Property both as to whom it may be sold and the amount of equity or other compensation the Purchaser is entitled to retain upon such subsequent transfer. The CC&Rs shall be recorded immediately following the recordation of the Director's Deed for such Property and shall not be subordinated to any financing obtained by Purchaser with respect to such Property or any other agreements recorded against or otherwise first affecting the Property at close of escrow, except as authorized by the CC&Rs. After recordation, the original recorded CC&Rs for the Property shall be returned (mailed) by the Recorder's Office directly to Caltrans, who shall retain possession thereof. The CC&Rs shall constitute covenants and equitable servitudes that run with the land and shall bind Purchaser and all subsequent owners, lessees, occupants, lenders, encumbrancers, and others holding any interest in, lien on or claim to the Property. Purchaser agrees not to challenge or attempt to terminate, limit, or otherwise alter or amend the CC&Rs. The agreements of Purchaser under this Section 4.03 shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs hereunder.

B. **Historical Covenants**

☒ This Property is not subject to Historical Covenants.

☐ This Property is subject to Historical Covenants attached as Exhibit "__" to protect the historic value and characteristics of the Property. The Historical Covenants are in addition to the CC&Rs described in Section 4.03 A.

**4.04 Title.**

A. **Generally.** Purchaser understands and agrees that the right, title, and interest in the Property to be conveyed hereunder shall not exceed that currently vested in Caltrans (after taking into account any and all rights that may be reserved by Caltrans pursuant to the Director's Deed, the CC&Rs or any other agreement contained in or contemplated by this Agreement related to such Property), and that Caltrans will furnish no policy of title insurance with respect to the sale of the Property hereunder. If a policy of title insurance, endorsement or survey coverage is desired, Purchaser may obtain the same at Purchaser's sole expense, provided, however, in no event or circumstance shall obtaining any such title, endorsement or survey coverage) constitute any basis for extending the Closing Date contemplated hereunder. No later than ten business days prior to the expiration of the Inspection Period, Purchaser shall notify Caltrans in writing of its objection to any matter in the preliminary title report or on a survey. Caltrans shall have five business days to notify Purchaser of its election to cure the matter or not, and the absence of any notice shall be deemed an election not to cure the matter. Purchaser shall have the right to terminate this Agreement prior to the expiration of the Inspection Period if Caltrans does not agree to cure such matter, or if Caltrans agrees to but fails to cure the matter on or prior to Closing, then Purchaser shall have the right to terminate at such time. Upon any such termination, Escrow

Holder shall remit the deposit to Purchaser.

B. **Permitted Encumbrances.** At close of escrow hereunder the Property shall be conveyed to Purchaser by a Director's Deed in substantially the form of ***Exhibit "A"*** hereto (a **"Director's Deed"**), with title to the Property being subject to all of the following exceptions and matters (collectively, the **"Permitted Exceptions"**): (1) a lien to secure payment of real estate taxes, supplemental taxes, and special taxes, bonds and assessments; (2) any reservations or limitations contained in the Director's Deed or any prior deed(s) relating to the Property; (3) the CC&Rs; (4) all title exceptions and other matters shown in the preliminary report for such Property other than any items Caltrans has agreed to cure; (5) any and all other matters apparent from a physical inspection thereof and/or that might be revealed by a survey other than any items Caltrans has agreed to cure; and (6) all other matters created by or with the consent or knowledge of Purchaser, or otherwise disclosed or contemplated in this Agreement. Caltrans shall not have, and does not assume, any liability or obligation whatsoever for any encumbrances or other title matters affecting the Property, or the amendment, removal, or other disposition thereof, provided, however, Caltrans agrees not to encumber the Property or enter into any leases, licenses, and other occupancy agreements with respect to the Property ("Leases") during the Escrow Period without the consent of Purchaser.

**4.05 Operation during Escrow Period.** During the period commencing with the effectiveness of this Agreement until the close of escrow hereunder or termination of this Agreement, Caltrans will continue to operate the Property in substantially the same manner as operated as of the date of this Agreement and will not do, cause, or allow anything to be done with respect to the Property that would materially change, alter or modify the current operation of the Property as a vacant property without the prior written consent of Purchaser, which consent shall not be unreasonably withheld or delayed; provided, however, Caltrans shall not under any circumstances be responsible for or have any obligation or liability with respect to any such change, alteration or modification to the extent the same is caused by any tenant or occupant of a Property or any other person without Caltrans' consent or knowledge, or to the extent the same is otherwise beyond Caltrans' reasonable control. Additionally, notwithstanding the foregoing, Caltrans shall be entitled, at its election and without notice to or obtaining the consent of Purchaser, to take any and all actions and make any and all decisions with respect to the Property as Caltrans deems necessary or desirable, in its sole and absolute discretion, in addressing any emergency relating to the Property or the safety of any occupant thereof, making a Property compliant with applicable laws, and/or keeping and maintaining a Property in a safe and habitable condition.

**4.06 Purchaser's Agreements.** With respect to the period prior to the close of escrow Purchaser acknowledges and agrees as follows:

A. **No Changes.** Purchaser shall have no right to take any action with respect to the Property, including, without limitation changing, renewing or terminating any zoning designations, permits, approvals, certificates or other entitlements related thereto (or applying for any such new matters), giving any notices with respect to or otherwise amending or terminating any Leases related thereto, or making or

undertaking any repairs, alterations or additions to the Property and/or any improvements located thereon, in each case without the prior written consent of Caltrans, which may be conditioned or withheld in Caltrans' sole and absolute discretion.

B. **Restrictions.** Purchaser shall not use or take any actions, or permit or suffer its agents, employees, contractors or consultants (collectively, **"Agents"**) to use or take actions, with respect to the Property in a manner which would in any way: (i) interfere with any activities thereon, or the use or occupancy thereof; (ii) constitute a nuisance or result in waste; (iii) result in the cancellation of any insurance being maintained by or on behalf of Caltrans or any tenants, in the increase in the premiums for any such insurance or in the increase of any of Caltrans' other costs; or (iv) damage any improvements or personalty located thereon.

C. **Compliance with Laws Generally.** Purchaser and its Agents shall not enter any Property, nor shall they take any action with respect thereto (or permit or suffer anything to be done in, on or about the Property) which will in any manner violate any title conditions, maps, entitlements, permits, consents, agreements, Leases or any laws, ordinances, governmental rules or regulations now or hereafter in effect with respect thereto and/or the conduct of any activities thereon by Caltrans or any occupants.

D. **Liens.** Purchaser shall at all times keep the Property and Caltrans free from any liens and claims arising out of any and all actions taken, work and labor performed, materials or services furnished and/or damages or personal injuries caused by or on behalf of Purchaser in connection with any activity of Purchaser and/or its Agents with respect to the Property, whether occurring prior to or after the date hereof. Caltrans may require Purchaser to post, at Purchaser's sole cost and expense, a lien release bond or other undertaking, statutory or otherwise, in such amount as necessary to properly bond around any claim filed against Caltrans and/or the Property with respect to such activities (occurring prior to the close of escrow) of Purchaser or its Agents. The bonding obligations of Purchaser under this Subsection 4.06(d) shall be absolute and unconditional and shall survive the close of escrow and the delivery and recordation of the Director's Deed and CC&Rs hereunder and/or the expiration, revocation, or termination of this Agreement.

E. **Compliance with the Act & Regulations**. Purchaser shall at all times comply with the requirements of the Act and the Regulations.

## SECTION 5. CONDITIONS TO CLOSE

**5.01 Conditions to Purchaser's Obligation to Close.** The matters set forth in this Section 5.01 are conditions precedent to the close of escrow by Purchaser as contemplated in this Agreement, and the same may be declared satisfied or waived by Purchaser. In the event any such condition fails to be satisfied in accordance with the terms hereof through no fault of either party, Purchaser shall have the option of either: (i) waiving such condition and proceeding to close without adjustment of the Purchase Price or any of the other terms of this Agreement, or (ii) terminating this Agreement, in which case the

Deposit shall be refunded to Purchaser without interest, and neither party shall have any further rights, liabilities or obligations hereunder except paying their respective share of escrow costs incurred up to such date and observing those obligations expressly stated herein as surviving the termination of this Agreement.

A. **Title.** At closing, the Property shall be conveyed to the Purchaser pursuant to a Director's Deed subject to all the Permitted Exceptions applicable to such Property as contemplated by Section 4.04 hereof.
B. **CTC Approval and Governing Body Approval.** By the Closing Date, the CTC Approval shall and any governing body approval (if applicable) have been unconditionally obtained as contemplated by Section 4.01 hereof.
C. **Documents and Funds.** By the Closing Date, the escrow deposits referenced in Section 3.06(a) above shall have all been made by Caltrans, and the Escrow Holder shall be irrevocably committed to record the Director's Deed in the Official Records of Los Angeles County, California.
D. **Representations/Covenants.** At close: (i) all the representations of Caltrans contained in this Agreement shall be materially true and correct, and (ii) Caltrans shall have materially complied with its covenants contained in this Agreement.

**5.02 Conditions to Caltrans' Obligation to Close.** The matters set forth in this Section 5.02 are conditions precedent to the close of escrow by Caltrans as contemplated in this Agreement, and the same may be declared satisfied or waived by Caltrans. In the event any such condition fails to be satisfied in accordance with the terms hereof through no fault of either party, Caltrans shall have the option of either: (i) waiving such condition and proceeding to close without adjustment of the Purchase Price or any of the other terms of this Agreement, or (ii) terminating this Agreement, in which case the Deposit shall be refunded to Purchaser without interest, and neither party shall have any further rights, liabilities or obligations hereunder except paying their respective share of escrow costs incurred up to such date and observing those obligations expressly stated herein as surviving the termination of this Agreement.

A. **Balance of Purchase Price.** By the Closing Date, Purchaser shall have deposited the entire Cash Balance of the Purchase Price with Escrow Holder as provided in Section 2.02(b) hereof.
B. **CTC Approval.** By the Closing Date, the CTC Approval shall have been unconditionally obtained as contemplated by Section 4.01 hereof.
C. **Documents and Funds.** By the Closing Date, the escrow deposits referenced in Section 3.06(b) above shall have all been made by Purchaser and Escrow Holder shall be irrevocably committed to:
    (i) disburse the Cash Balance to Caltrans,
    (ii) record the Director's Deed, and CC&Rs immediately thereafter as contemplated herein, in the Official Records of Los Angeles County, California, and
    (iii) deliver to Caltrans a fully executed counterpart original any other appropriate documents as contemplated by Section 3.06(b).

D. **Representations/Covenants.** At close: (i) all the representations of Purchaser contained in this Agreement shall be materially true and correct, and (ii) Purchaser shall have materially complied with its covenants contained in this Agreement.

**SECTION 6. POSSESSION**

Possession of the Property shall be delivered to Purchaser on the Closing Date subject to the Permitted Exceptions applicable to the Property.

**SECTION 7. BROKERS**

**7.01 Caltrans.** Caltrans has retained **Veterans Realty Group** to act as a Consultant in connection with the sale of the Property hereunder, and any compensation due to **Veterans Realty Group** in connection with the transactions contemplated by this Agreement shall be paid by Caltrans.

**7.02 No Other Brokers.** Except for Caltrans' retention of **Veterans Realty Group** above, each party hereby represents and warrants to the other party that no broker, finder, real estate agent or other person has been retained by it or is entitled to any commission, finder's fee or other compensation resulting from any action on its part with respect to the sale of the Property to Purchaser. Purchaser and Caltrans each agree to indemnify, defend, and hold the other and the Property harmless from and against any real estate brokerage commissions or finder's fees, and all costs and expenses (including attorneys' fees and costs) of investigating and defending any such claims, payable or alleged to be payable to any other persons in connection with this Agreement which such indemnifying party may have engaged or is claimed or alleged to have engaged. This section does not prohibit Purchaser from obtaining a broker at his/her own expense. The representations, warranties, indemnification, and other obligations set forth in this Section 7.02 shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs and/or the expiration, revocation, or termination of this Agreement.

**SECTION 8. REPRESENTATIONS & WARRANTIES**

**8.01 By Caltrans.** Caltrans hereby makes the following representations and warranties to Purchaser:

A. Authority. Subject to obtaining the CTC Approval, Caltrans has all requisite power and authority to enter into, deliver and perform this Agreement and all the other agreements contemplated herein and to be executed in connection herewith, and the person(s) executing this Agreement and all other agreements contemplated herein on behalf of Caltrans have been properly authorized to sign on behalf of and bind Caltrans in connection with performing the transactions contemplated herein.

B. Binding. Subject to obtaining the CTC Approval, this Agreement and all documents to be executed by Caltrans as provided herein, as of the date of

execution shall, subject to the operation of any bankruptcy or similar laws, be the legal, valid and binding obligations of Caltrans.

C. Information. Except as otherwise set forth in this Agreement, Caltrans has no actual constructive knowledge of any information affecting the Property that had, has or would have a material effect on Purchaser's ability to use and operate the Property as contemplated by Purchaser. Caltrans has provided to Purchaser all material and factual information requested by the Purchaser and/or as required by law concerning the Property that is in Caltrans' possession, custody and control.

D. Compliance with the Act and Regulations: Caltrans conduct in this sales transaction has been in compliance with the Act and corresponding Regulations.

E. Claims. There is no claim, action, suit, arbitration, proceeding (including condemnation proceedings) or any investigation by or before any court or arbitration body, any governmental, administrative or regulatory authority, or any other body pending or, to Caltrans's knowledge, threatened with respect to the Property (collectively, "Allegations"). Caltrans is not aware of any basis or reason for any such Allegations. There is no order, judgment or decree of any court or arbitration body, any governmental, administrative or regulatory authority, or any other body, against Caltrans with respect to the Property or the sales transaction contemplated by this Agreement.

F. No Violation. Neither the execution and delivery of this Agreement, nor the performance by Caltrans of the sales transaction contemplated hereby, will contravene, conflict with, or result in a breach of any agreement, law, regulation, writ, injunction or decree of any court or governmental authority applicable to Caltrans or by which any of its properties is bound. Except for CTC Approval, Caltrans is not required to obtain any consent or authorization in order to complete the sales transaction contemplated by this Agreement.

G. Right to Purchase. Except pursuant to this Agreement, no third party has an option, right of first offer, right of first refusal, or other similar right to purchase the Property that currently remains in effect.

H. Environmental Matters. As requested by Purchaser and/or mandated by law, Caltrans has provided or made available for review copies of any material documents in its possession, custody and control of Caltrans regarding environmental condition of the Property ("Environmental Materials"). Except as set forth in the Environmental Materials, Caltrans is not aware of the existence of any Hazardous Substances (defined in Section 10 below) attributable to or affecting the Property. There have been no settlements reached by or with any third parties alleging the presence, disposal, release or threatened release of any Hazardous Substances from the use or operation of the Property.

I. Leases. The Property is not subject to any Leases, tenancy and/or similar agreements conferring any right, title or interest in the Property to a third party.

J. Contracts. Other than as disclosed in the title reports provided by the Title

Company and this Agreement, there are no agreements affecting the Property.

Each of the representations made by Caltrans in this Agreement shall be true and correct on the date hereof, and shall be deemed to be made again as of the close of escrow provided for herein, and shall then be true and correct in all material respects. Caltrans shall promptly provide written notice to Purchaser of any developments or information that would make the representations set forth above untrue. The representations and warranties set forth in this Section 8.01 shall expressly survive the close of escrow as described in Section 13.12 below.

**8.02 By Purchaser.** Purchaser and the specific parties signing this Agreement on behalf of Purchaser hereby makes the following representations and warranties to Caltrans:

A. Organization. Purchaser is a municipal corporation duly organized, validly existing and in good standing under the laws of the State of California which has the power and authority to enter into this Agreement and to consummate the transactions contemplated hereby.
B. Authority. Subject to obtaining governing body approval, Purchaser has all requisite power and authority to enter into, deliver, and perform this Agreement and all the other agreements contemplated herein and to be executed in connection herewith, and the person(s) executing this Agreement and the other agreements contemplated herein on behalf of Purchaser have been properly authorized to sign on behalf of and bind Purchaser in connection with performing the transactions contemplated herein.
C. Binding. This Agreement and all documents to be executed by Purchaser as contemplated hereunder shall, subject to the operation of any applicable bankruptcy or similar laws, be the legal, valid and binding obligations of Purchaser, and shall not materially violate any law, agreement, order or decree to which Purchaser is a party or is subject.
D. Litigation. There are no pending or threatened, suits or actions affecting Purchaser which would materially affect Purchaser's ability to enter into or perform its obligations under this Agreement or the documents executed in connection herewith.
E. Information / Compliance. All applications, information, financial statements, and other materials provided by Purchaser or its Agents to Caltrans pursuant to or in connection with the Act, the Regulations and or this Agreement are true, correct and not materially misleading; and Purchaser is in compliance with the Act and the Regulations as relates to the Property and the purchase thereof under this Agreement.
F. No Bankruptcy. Purchaser is not the subject of any pending or threatened bankruptcy proceedings, whether voluntary or involuntary.

Each of the representations and warranties made by Purchaser in this Agreement, or on any document or instrument delivered pursuant hereto shall be true and correct on the date hereof, and shall be deemed to be made again as of close of escrow provided for herein, and shall then be true and correct in all material respects. The representations

and warranties of Purchaser contained in this Section 8.02 shall survive the close of escrow and the delivery and recordation of the Director's Deed and CC&Rs.

**SECTION 9. "AS-IS", WAIVERS AND RELEASE**

Purchaser acknowledges and agrees that, except as set forth in this Agreement, neither Caltrans nor any of its respective employees, agents, managers, members, partners, officers, interest holders, attorneys, contractors or consultants, including without limitation the California Department of Housing and Community Development **("HCD")**, (Caltrans and such other persons being collectively, the **"Seller Parties"**) have made or are making, and specifically negate and disclaim making, any representations, warranties, guaranties, promises, covenants or assurances of any kind or character, whether express, implied, written, oral, past, present or future concerning or with respect to the Property, or the condition or status thereof, including without limitation, the suitability for any purpose or the profitability of owning and operating the Property; the value thereof; the existence or non-existence of any patent or latent defects affecting the same; the physical or environmental condition or status thereof (including without limitation the existence of any mold, lead paint, radon gas or other environmental health hazards); the rental or other income generated thereby; the expenses or costs associated therewith; the size and square footage of the parcel or the improvements located thereon, the age or condition of the such improvements, or the location of property lines or setbacks (or the location of the improvements with respect thereto); the zoning thereof; the condition of title thereto; the existence, necessity or satisfaction of any local, state or federal approvals, permits or certificates for the entitlement, ownership, operation, use or occupancy thereof as contemplated by Purchaser or any tenants, occupants or any future owners thereof; the feasibility of or cost associated with obtaining any such approvals; the compliance of the Property with any and all applicable local, state or federal laws, codes and ordinances; or any other matter.

Purchaser further acknowledges that Purchaser, with the help of its independent experts, contractors, consultants, professionals (including independent legal counsel and accountants), and advisors, prior to the Closing Date, will conduct its independent feasibility, investigation, and due diligence inquiry as described in Section 1.03 above with respect to the Property and will fully satisfy itself as to all matters relating thereto. Except for the representations and warranties of Caltrans set forth in this Agreement, Purchaser is relying solely and exclusively on such independent due diligence in executing this Agreement and purchasing the Property hereunder, and not on any representations, warranties, guaranties, promises, covenants or assurances of any kind or character by Caltrans or any other Seller Parties; and the Property is being purchased **"AS-IS" / "WHERE-IS"** at close in its present condition with all defects and faults, both patent and latent, whether known or unknown, presently existing or that may hereafter arise.

Effective on the Closing Date, Purchaser hereby fully and expressly releases Caltrans, HCD and all of the other Seller Parties and their respective agents, employees, attorneys, consultants, successors and assigns from any and all demands, claims, liabilities, amounts, actions, costs, judgments, expenses and damages (including, without limitation,

attorneys' fees, witness fees and court costs) related to or arising from the Property, or the condition or status of thereof or any other matter relating thereto, including without limitation the matters referenced in the first paragraph of this Section 9, (collectively, the **"Released Matters"**); and Purchaser hereby covenants not to sue, and hereby fully and expressly waives and relinquishes any and all rights and remedies Purchaser may have against, Caltrans, HCD and the other Seller Parties and their respective agents, employees, attorneys, consultants, successors and assigns, or any of them, at law, in equity or otherwise, related to or arising from the Released Matters. However, nothing contained herein shall release or be deemed to release Caltrans from claims arising from its fraud or a breach of any representation or warranty by Caltrans contained in this Agreement (the "Preserved Matters"). Preserved Matters shall not be considered Released Matters. Purchaser acknowledges and agrees that the release, waiver and discharge given by Purchaser hereunder to Caltrans, HCD and the other released parties extends to all Released Matters described above, whether known or unknown, foreseen or unforeseen, patent or latent, which Purchaser may now or hereafter have against Caltrans, HCD or such other persons; and in connection with such release, waiver and discharge, Purchaser hereby expressly waives the benefit of the provisions of California Civil Code Section 1542, which provides as follows:

> **"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."**

Purchaser has read this Section 9, has had the effect and content thereof explained to Purchaser by independent legal counsel, and fully understands and appreciates the same. Purchaser understands and acknowledges that, among other things, the consequence of this waiver of California Civil Code section 1542 is that even if Purchaser should eventually discover any claims or suffer any losses or damages arising from the Released Matters, Purchaser would not be able to make any claim against Caltrans, HCD or the other released persons with respect thereto. Purchaser acknowledges that these consequences apply even as to claims, losses or damages resulting from the Released Matters that may exist as of the date of this Agreement or in the future, but which Purchaser does not know exist, or does not anticipate, and which, if known or anticipated, would materially affect Purchaser's decision to execute this Agreement. The waivers, releases, covenants not to sue and discharges contained in this Section 9 are a material portion of the consideration to Caltrans in agreeing to enter into this Agreement and shall survive the close of escrow and the delivery and recordation of Director's Deed and the CC&Rs in perpetuity.

**SECTION 10. <u>INDEMNIFICATION</u>**

Following the closing of the transaction contemplated herein, except as provided below,

Purchaser shall, at its sole cost and expense, indemnify, defend and hold Caltrans and its officers, agents, employees, attorneys and consultants, including without limitation, HCD, and their respective successors and assigns (collectively, the **"Indemnified Parties"**), free and harmless from and against any and all liabilities, demands, claims and costs (including remediation, reimbursement or contribution costs or claims), damages, losses, and expenses (including and without limitation to attorneys' fees, legal expenses and court costs, and consultant's fees, and investigation and remediation costs) of whatever kind or nature incurred or suffered by, or threatened against, any Property or any Indemnified Party(ies) resulting from or arising out of or by reason of any matter pertaining to the condition or status of the Property, including without limitation, the existence of any Hazardous Substances or Hazardous Substance Conditions in, on, under or about the Property (collectively, "Claims"). Except as provided below, this indemnity is intended to address any and all liability for which Caltrans may now or at any time hereafter be partially or entirely responsible in connection with the contamination, environmental or physical condition or status of any Property, including the prior operation thereof, due to its mere ownership or operation of such Property. As used in this Agreement, the term **"Hazardous Substance"** shall mean any substance whose nature and/or quantity of existence, use, manufacture, disposal or effect, render it subject to federal, state, or local regulation, investigation, remediation or removal as potentially injurious to public health or welfare, including the Comprehensive Environmental Response Compensation and Liability Act or Resource Conservation and Recovery Act as now in effect; and the term **"Hazardous Substance Condition"** shall mean the existence in, on, under or about the Property of a hazardous substance that requires remediation, removal, mitigation and/or other action pursuant to applicable law. This indemnification shall in no event apply to (i) Claims to which Caltrans representations and warranties apply, (ii) any Claims involving Caltrans' willful misconduct, gross negligence or fraud, and (iii) any Claims relating to challenges to Caltrans' acquisition or disposition of the Property.

Purchaser's indemnification and defense of any matters contemplated in this Section 10 for or on behalf of the Property or any Indemnified Parties shall be made by counsel reasonably acceptable to the Indemnified Parties; shall commence immediately upon any such claim or matter being made, threatened, or asserted against Indemnified Parties or the Property without the necessity of the Indemnified Parties first contesting or defending the same, suffering or incurring any loss or adverse disposition, or otherwise taking or failing to take any other action; and shall apply to all such matters regardless of any action, failure or negligence of the Indemnified Parties, it being the express intent that the indemnification, defense and hold harmless obligations of this Section 10 apply to all matters referenced herein except to the extent caused by the gross negligence or willful misconduct of the Indemnified Parties. In the event Purchaser refuses to initiate or continue pursuing to completion any such defense or other obligations hereunder, Indemnitee shall be entitled to undertake, assume, and/or conclude the same, all at Purchaser's sole cost and expense, with counsel selected by Indemnitee. The obligations of Purchaser under this Section 10 shall be absolute and unconditional, and shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs.

**SECTION 11. CASUALTY/CONDEMNATION**

In the event any casualty or condemnation proceeding occurs or is commenced with respect to the Property after the effectiveness hereof but prior to the close of escrow, Caltrans shall notify Purchaser of the same in writing within ten (10) business days after Caltrans has knowledge of the same, and either of the following shall occur:

(A) If Purchaser does not elect to cancel within seven (7) business days after receipt of such notice by Purchaser, the parties shall continue to proceed under this Agreement and close without adjustment to the Purchase Price or any of the other provisions of this Agreement, in which event upon the close of escrow, Caltrans shall assign to Purchaser all of its interest in any such insurance or condemnation proceeds, compensation, award, or other payments or relief resulting from such casualty or condemnation proceedings; or

(B) If Purchaser elects to cancel, and Purchaser provides written notification to Caltrans of its election to terminate this Agreement within such 7-day period, then this Agreement shall terminate, the Deposit shall be returned to Purchaser without interest, and Caltrans shall retain all proceeds, compensation, awards, payments and other benefits or relief related to such casualty and condemnation with respect to the Property.

**SECTION 12. REMEDIES**

**12.01 Of Purchaser.** If the closing does not occur as a result of Caltrans' default under this Agreement, then, provided Purchaser is not in default hereunder, Purchaser may, at its election proceed with either of the following mutually exclusive alternatives as its sole and exclusive remedy:

A. Terminate the Agreement, whereupon: (1) the Deposit shall be returned to Purchaser without interest, (2) Purchaser may seek reimbursement from Caltrans of any and all hard third-party costs and expenses incurred by Purchaser in connection the investigation of the Property or the negotiation and execution of this Agreement, as evidenced by invoices delivered to Caltrans, up to the maximum aggregate amount of fifteen thousand Dollars ($15,000), and (3) neither party shall have any further obligation or liability to the other under this Agreement except for provisions of this Agreement which expressly state that they shall survive the termination of this Agreement; or

B. File in a court of competent jurisdiction an action for specific performance to cause Caltrans to convey the Property to Purchaser in accordance with the terms and conditions of this Agreement; but Purchaser shall not be entitled to recover any monetary damages (whether compensatory, consequential, exemplary, punitive or other) from Caltrans in connection with such default other than seeking

its reasonable attorneys' fees in connection with such action.

**PURCHASER ACKNOWLEDGES AND AGREES THAT THE LIMITATIONS ON REMEDIES AGAINST CALTRANS SET FORTH IN THIS SECTION 12.01 ARE A MATERIAL INDUCEMENT FOR CALTRANS TO ENTER INTO THIS AGREEMENT, AND PURCHASER AGREES THAT SUCH LIMITATIONS ARE REASONABLE AND ENFORCEABLE IN ACCORDANCE WITH THEIR TERMS.**

**12.02 Of Caltrans. LIQUIDATED DAMAGES. PURCHASER AND CALTRANS AGREE THAT SHOULD PURCHASER FAIL TO COMPLETE THE PURCHASE OF THE PROPERTY AS HEREIN PROVIDED BY REASON OF DEFAULT OF PURCHASER, THE PARTIES HERETO, BY INITIALING THIS SECTION 12.02 IN THE SPACE PROVIDED BELOW, AGREE THAT IT WOULD BE IMPRACTICAL OR EXTREMELY DIFFICULT TO ASCERTAIN OR FIX ACTUAL DAMAGES TO CALTRANS AS A RESULT OF SUCH FAILURE OR DEFAULT BY PURCHASER, THAT UNDER THE CIRCUMSTANCES EXISTING AS OF THE DATE OF THIS AGREEMENT THE ENTIRE DEPOSIT PROVIDED FOR IN SECTION 2.02(A) ABOVE IS A REASONABLE ESTIMATE OF CALTRANS' DAMAGES, AND THAT AS CALTRANS' SOLE AND EXCLUSIVE REMEDIES ON ACCOUNT OF SUCH BREACH, CALTRANS SHALL BE ENTITLED TO: (1) RETAIN SAID DEPOSIT AS LIQUIDATED DAMAGES FOR SUCH BREACH BY PURCHASER AND (2) TERMINATE THIS AGREEMENT. THE PAYMENT OF SUCH AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO CALTRANS PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677.**

**THE PROVISIONS HEREOF RELATE ONLY TO CALTRANS' DAMAGES FOR PURCHASER'S DEFAULTS IN ITS AGREEMENT TO PURCHASE THE PROPERTY AS PROVIDED HEREIN. NOTHING CONTAINED HEREIN SHALL LIMIT OR PRECLUDE, OR BE DEEMED TO LIMIT OR PRECLUDE, THE EXERCISE OR ENFORCEMENT BY CALTRANS OF ANY RIGHTS WHICH EXPRESSLY SURVIVE THE TERMINATION OF THIS AGREEMENT.**

**Purchaser's Initials:** _____ **Caltrans' Initials:** _____

**SECTION 13. MISCELLANEOUS**

**13.01 Headings.** This Agreement shall be construed as a whole, and the subject headings of the paragraphs and subparagraphs of this Agreement are included for convenience only and shall not affect the construction or interpretation of any of its provisions or define the provisions in the portions of this Agreement to which they pertain.

**13.02 Assignment.** Purchaser may not assign this Agreement, or any portion hereof or any of its rights or interests hereunder, without the express prior written consent of Caltrans, which consent may be conditioned or withheld in Caltrans' sole and absolute discretion, except as set forth herein. Purchaser may, without Caltrans' consent, but upon notice to Caltrans and Escrow Holder, assign any or all of its rights in, to or under this Agreement to an entity or instrumentality that is wholly controlled by Purchaser. No such assignment (regardless of whether consented to by Caltrans) shall relieve or release

its reasonable attorneys' fees in connection with such action.

**PURCHASER ACKNOWLEDGES AND AGREES THAT THE LIMITATIONS ON REMEDIES AGAINST CALTRANS SET FORTH IN THIS SECTION 12.01 ARE A MATERIAL INDUCEMENT FOR CALTRANS TO ENTER INTO THIS AGREEMENT, AND PURCHASER AGREES THAT SUCH LIMITATIONS ARE REASONABLE AND ENFORCEABLE IN ACCORDANCE WITH THEIR TERMS.**

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**Purchaser's Initials:** _____ **Caltrans' Initials:** A. C

**SECTION 13. MISCELLANEOUS**

**13.01 Headings.** This Agreement shall be construed as a whole, and the subject headings of the paragraphs and subparagraphs of this Agreement are included for convenience only and shall not affect the construction or interpretation of any of its provisions or define the provisions in the portions of this Agreement to which they pertain.

**13.02 Assignment.** Purchaser may not assign this Agreement, or any portion hereof or any of its rights or interests hereunder, without the express prior written consent of Caltrans, which consent may be conditioned or withheld in Caltrans' sole and absolute discretion, except as set forth herein. Purchaser may, without Caltrans' consent, but upon notice to Caltrans and Escrow Holder, assign any or all of its rights in, to or under this Agreement to an entity or instrumentality that is wholly controlled by Purchaser. No such assignment (regardless of whether consented to by Caltrans) shall relieve or release

Purchaser from any of its obligations hereunder. As a condition to the effectiveness of such assignment, all assignees shall execute an assumption agreement reasonably acceptable to Caltrans under which the proposed assignee agrees to fully assume and be bound by all the terms of this Agreement to be observed or performed by Purchaser.

Caltrans shall be free to assign this Agreement, or any portion hereof or any of its rights or interests hereunder, without the consent or approval of Purchaser.

**13.03 Entire Agreement / Amendment.** This Agreement (including all exhibits and schedules hereto and other agreements referenced herein) constitute the entire agreement between the parties pertaining to the subject matter contained herein and supersede all prior written or oral agreements, representations and understandings of the parties relating to the subject matter herein. There are no representations, agreements, arrangements, or understandings, oral or written, relating to the subject matter which are not fully expressed herein. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by all the parties hereto.

This Agreement does not affect the enforceability of other written contracts related to the use and resale of the Property or to preserving the historic nature of the Property.

**13.04 Counterparts.** This Agreement may be executed simultaneously in one or more identical counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. This Agreement shall be fully effective and binding on all parties hereto, as if one or more copies thereof had been executed by all the parties hereto, when all the parties have executed identical counterparts hereof, even though no single counterpart has been executed by all the parties hereto.

**13.05 Binding / Successor & Assigns.** Except to the extent assignment hereof is prohibited, this Agreement shall be binding on, and shall inure to the benefit of, the parties hereto and their successors and assigns.

**13.06 Attorneys' Fees.** If any legal action, arbitration or other proceeding is brought by either party involving a dispute between the parties arising out of the interpretation or enforcement of any condition or provision hereof, or by reason of any breach arising hereunder or the sale of the Property, the prevailing party shall be entitled to recover its reasonable attorneys' fees, court costs and expert witness fees incurred in such action or proceeding in addition to any other relief to which such party may be entitled.

**13.07 Further Acts.** Each party agrees to perform any further acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions in this Agreement.

**13.08 Limited Third-Party Beneficiaries.** Subject to the remainder of this Section 13.08,

this Agreement is for the sole benefit of the parties hereto and there are no third-party beneficiaries, intended or otherwise. Notwithstanding the foregoing, HCD and the other Seller Parties (and other released persons) are intended third-party beneficiaries of Section 9 hereof, and HCD and the other Indemnified Parties are intended third party beneficiaries of Section 10 hereof.

**13.09 Notices.** All notices, requests, demands, and other communications required or desired under this Agreement shall be in writing and shall be given by any of the following methods: (i) personal service at the address set forth below, (ii) email transmission in the manner set forth below, or (iii) depositing such notice in the United States mail postage prepaid, addressed to the other as follows:

Caltrans
Division of Right of Way – SR-710, MS6
100 South Main Street
Los Angeles, CA 90012

City of South Pasadena
City Manager
1414 Mission Street
South Pasadena, CA 91030

Any notice given by personal service shall be deemed given when received, as verified by a written receipt or proof of service. Any notice given by email transmission shall be deemed given when transmitted, as evidenced by printed email; and any notice given by regular mail shall be deemed given on the fifth (5th) business day after its deposit in the United States mail postage prepaid.

Either party may change its address for purposes of this paragraph by giving the other party written notice of the new address to the other party at the address contained herein.

**13.10 Governing Law.** This Agreement has been prepared, negotiated, and entered into in the State of California and shall be governed by, construed and enforced in accordance with the internal laws of the State of California and according to its fair meaning, and not in favor of or against any party. Any action or proceeding relating or arising out of this Agreement shall be filed, if a State action, in the Superior Court of the State of California for the County of Los Angeles.

**13.11 Severability.** If any provision of this Agreement, or the application thereof to any person or circumstance, is held invalid or unenforceable by any court or arbitrator, it is the intent of the parties that all the other provisions of this Agreement, and the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall be construed to be fully valid, enforceable and binding on the parties to the fullest extent permitted by law.

**13.12 Survival / No Merger.** All covenants, representations, warranties, and other agreements under this Agreement which are expressly stated herein as surviving the close of escrow shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs in perpetuity, and shall not merge with or into the Director's Deed or the CC&Rs (or be terminated, limited or otherwise affected thereby).

**13.13 Time is of the Essence.** Time is of the essence of this Agreement in respect to all provisions of this Agreement that specify a time for performance, including the closing of escrow provided for herein, and failure to comply with this provision shall be a material breach of this Agreement.

**13.14 Days / Saturdays, Sundays, and Holidays.** Unless otherwise expressly stated, all time periods referred to herein shall be deemed to mean calendar days. If any date by which an election or a notice shall be given, or by which an action shall be taken, hereunder falls on a Saturday, Sunday, federal or state holiday, then the date by which such election or notice shall be given or such action shall be taken is extended to 5:00 p.m. on the next business day following such Saturday, Sunday, federal or state holiday.

**13.15 Waiver.** Waiver by one party of the performance of any covenant, condition or promise shall not invalidate this Agreement, nor shall it be a waiver by such party of such covenant, condition or promise in the future or of any other covenant, condition, or promise hereunder. Any waiver, to be effective, shall be express, in writing and signed by the waiving party, and shall be delivered to the other party. The exercise by a party of any remedy provided in this Agreement or at law shall not prevent the exercise by that party of any other remedy provided in this Agreement or at law.

**13.16 Construction.** As used in this Agreement, the masculine, feminine, or neuter gender and the singular or plural numbers shall each be deemed to include the other whenever the context so indicates. Each party hereto acknowledges and agrees that each has had independent counsel review and participated in the negotiation and drafting of this Agreement, and each hereby fully waives the application of any law, statute or rule of construction or interpretation, including without limitation California Civil Code Section 1654, to the effect that any ambiguities are to be construed against the drafting party.

**13.17 Exhibits.** All exhibits and schedules attached to this Agreement are hereby incorporated by reference herein and specifically made a part of this Agreement.

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

CALTRANS:

Recommended for Approval by:

STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION

By: _____ Date: _____
Angus Chan
Senior Right of Way Agent

By: _____ Date: _____
Heriberto Salazar
Office Chief, 710 Sales

Approved:

By: _____ Date: _____
Dan Murdoch
Deputy District Director, Right of Way

PURCHASER: CITY OF SOUTH PASADENA

By: _____ Date: 11/12/2025
Todd Hileman, City Manager
City of South Pasadena

Attest:

By: _____ Date: 11/12/2025
Deputy City Clerk

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

CALTRANS:

Recommended for Approval by:

STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION

By: _____ Date: Nov 17, 2025
Angus Chan
Senior Right of Way Agent

By: _____ Date: 11-20-25
Heriberto Salazar
Office Chief, 710 Sales

Approved:

By: _____ Date: 11/20/25
Dan Murdoch
Deputy District Director, Right of Way

PURCHASER: CITY OF SOUTH PASADENA

By: _____ Date: _____
Todd Hileman, City Manager
City of South Pasadena

Attest:

By: _____ Date: _____
Deputy City Clerk

## Attached Exhibits

| | |
|---|---|
| ***Exhibits "A"*** | *Director's Deed/Legal Description of Property* |
| ***Exhibit "B"*** | *Deleted* |
| ***Exhibit "C"*** | *Declaration of Covenants, Conditions & Restrictions* |
| ***Exhibit "D"*** | Historical Covenants (only included if applicable) |

# STATE ROUTE 710 SALES PROGRAM
# PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("**Agreement**") is entered into as of June 4, 2025, by and between the State of California, Department of Transportation ("**Caltrans**") and the City of South Pasadena, a Municipal Corporation.

**Recitals**

A. Caltrans owns the real property located in Los Angeles County, California commonly known as: **302 Fairview Ave., South Pasadena, CA 91030** and more particularly described as set forth in ***Exhibit "A"***, respectively, attached hereto ("**Property**").

B. The parties wish to provide terms and conditions for Purchaser's purchase of the Property from Caltrans. The State Route 710 Sales Program described in Government Code section 54235 et seq. (the "**Act**") and Title 21 Public Works Division 2 Department of Transportation, Chapter 9.5 (the "**Regulations**") provide for the offering of State-owned, surplus residential properties to the City of South Pasadena at the Minimum Sales Price pursuant to 21 CCR § 1483(a)(1), for the purpose of providing affordable housing to low- and moderate-income households. Purchaser and Caltrans acknowledge the Property is subject to the terms of this Agreement, the aforementioned law and regulations, and the Declaration of Covenants, Conditions, and Restrictions (**CC&Rs**), as defined below, to be recorded against the Property upon the close of escrow hereunder.

**NOW, THEREFORE,** in consideration of the foregoing premises, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

**SECTION 1. PURCHASE AND SALE**

**1.01 Purchase and Sale.** Caltrans shall sell the Property to Purchaser, and Purchaser shall purchase the Property from Caltrans pursuant to the terms, limitations and conditions stated in this Agreement in accordance with the Act, the Regulations and other applicable laws, rules, and regulations (collectively, "**Applicable Laws**").

**1.02 Conditions Precedent to Effectiveness.** This Agreement shall not become effective unless and until all the following conditions precedent are satisfied on or before the sixtieth (60) calendar day from the date Caltrans' sends this Agreement to Purchaser:

A. Purchaser shall have: (1) executed and returned two original executed counterparts of this Agreement via certified mail, return receipt requested, to Caltrans and sent a copy thereof to the Escrow Holder, and (2) deposited with Escrow Holder the entire Down Payment contemplated by Section 2.02(A) below;

B. Caltrans thereafter executes this Agreement and delivers a fully executed copy hereof to Escrow Holder; and

A failure of any such conditions to timely occur shall, without further notice or action, result in the full and immediate termination of any offer, obligation, liability or agreement of Caltrans to or with Purchaser or any other person with respect to the Property, whether hereunder or otherwise, immediately upon the expiration of such 60-day period, and Caltrans shall thereafter be free to offer, market and sell the Property to other persons, or otherwise dispose of the same, as Caltrans may, in its sole and absolute discretion determine.

**1.03 Information/Prior Due Diligence.** Purchaser hereby expressly acknowledges and agrees:

A. that it is a sophisticated real estate purchaser and/or investor;
B. that it is fully familiar with and understands the Applicable Laws and the CC&Rs, and the risks and obligations associated therewith and imposed on Purchaser and on the Property thereby, including the purchase thereof under this Agreement, and has had the same explained to it by its independent legal counsel and other advisors;
C. that during the Inspection Period permitted under this Agreement: (A) Purchaser will have full access to the Property and all documents, data, reports and information related thereto requested by Purchaser, and will have the opportunity to undertake and perform any and all additional due diligence, investigation, surveys, reports and studies, with respect thereto, including without limitation the current and past physical and environmental condition of the Property, the condition of title thereto, the compliance thereof with any applicable building codes, permits, approvals, agreements or encumbrances affecting the same (including Applicable Laws), the value thereof, the use, operation, management or occupancy thereof and/or the suitability for Purchaser's intended use thereof, and all other matters referenced in Section 9 below, and (B) Purchaser has obtained any and all financing commitments necessary or desirable to purchase, repair and/or rehabilitate the Property; and
D. that with the aid of such independent experts, contractors, consultants, advisors and professionals (including independent legal counsel and accountants) that it deems necessary, appropriate or desirable, Purchaser will, prior to the Closing Date hereof, evaluate and assess the Property and conduct such independent inquiry, feasibility investigation, inspections and due diligence with respect thereto as Purchaser and/or its advisors deem necessary, advisable or desirable, and will fully and unconditionally approve of and satisfy itself as to the same. As a result, there shall be no further access to the Property except as set forth in this Agreement and no further feasibility, inspection or similar rights or contingencies with respect to the purchase of the Property.
E. Notwithstanding anything herein to the contrary, until the date that is sixty (60)

days after the execution of this Agreement by both parties (Inspection Period), upon reasonable notice but without any contingencies hereunder, Purchaser may access the Property and conduct non-invasive inspection, investigations, tests, observations, inquiries and studies as Purchaser deems appropriate. Purchaser shall promptly pay all expenses arising out of such inspections and other work on or about the Property prior to the Closing Date and shall not allow any mechanic's or materialmen's liens to be recorded on the Property (or promptly cause to be removed or bonded over any such liens if recorded on the Property). Purchaser shall promptly repair any damage to the Property caused by Purchaser's investigations. Purchaser shall coordinate with Caltrans any entry on the Property, execute a waiver and indemnity in the form customarily required by Caltrans prior to entry on Caltrans' property and follow applicable health and safety protocols as reasonably required by Caltrans. Following such period, upon Caltrans' reasonable consent and conditions, Purchaser may obtain access to the Property for a limited number of entries.

F. Purchaser shall promptly notify Caltrans during the Inspection Period of any matters discovered in its review of the Property that would cause Purchaser to terminate this Agreement. If within ten days of such notice, Caltrans notifies Purchaser in writing that it will cure such matters, then Caltrans shall have the opportunity to cure such matters fourteen (14) days prior to the Closing Date. Purchaser has the right to terminate if Caltrans does not agree to cure or if the cure is not completed fourteen (14) (days) prior to the Closing Date. Purchaser has a right to inspect the Property to determine that the discoveries have been cured to its satisfaction. Upon any such termination, Escrow Holder shall remit the deposit to Purchaser.

## SECTION 2. PURCHASE PRICE

**2.01 Purchase Price.** The purchase price for the Property shall be **Twenty-Two Thousand Seven Hundred Fifty Dollars and zero cents ($22,750.00)** (the **"Purchase Price"**).

**2.02 Payment.** The Purchase Price shall be paid by Purchaser in cash, lawful money of the United States as set forth below, time being of the essence thereof:

A. **Deposit.** Immediately upon the execution of this Agreement, Purchaser shall deposit with Escrow Holder the sum of **One Thousand Dollars ($1,000.00)** (the "**Deposit**") in the form of a cashier's check, wire transfer or other immediately available funds. The entire Deposit shall be applicable to the Purchase Price, without interest, shall be non-refundable except as may be expressly set forth in this Agreement, and shall constitute liquidated damages to Caltrans in the event of Purchaser's default in acquiring the Property. Time is of the essence in making the Deposit into escrow, and as provided above is a condition precedent to the effectiveness of this Agreement.

B. **Cash at Close.** One (1) day prior to the close of Escrow (or by 1:00 p.m. of the close of escrow for funds delivered by wire transfer) the Purchaser shall deposit the balance of the Purchase Price in the amount of **Twenty-One Thousand Seven Hundred Fifty Dollars and zero cents ($21,750.00)** (the **"Cash Balance"**) with Escrow Holder in the form of a cashier's check, wire transfer or other immediately available funds for delivery to Caltrans upon close of escrow hereunder.

**2.03 Acknowledgement.** [Deleted.]

**2.04 No Seller Financing.** Purchaser acknowledges this Agreement is not a financing agreement and neither Caltrans nor any other governmental agency or department has at any time made any representations, warranties, promises or undertakings, express or implied, to provide any financing or other assistance with respect to all or any portion of the Purchase Price or any other obligations of Purchaser hereunder or with respect to the Property, or with respect to any repair, rehabilitation, updating or other activity contemplated by Purchaser with respect thereto. Purchaser has performed all due diligence regarding obtaining funding and/or financing with respect to the Property, including the purchase thereof hereunder, as provided in Section 1.03 above, and has satisfied itself as to the same.

**2.05 Change in Financial Condition.** If either: (i) Purchaser ultimately fails to secure funds for the Purchase Price in the timeframe specified herein, or (ii) the financial condition of the Purchaser changes prior to Close of Escrow so that it is unable to purchase the Property, then in either such event Purchaser shall be in default under this Agreement and Caltrans shall be entitled to exercise its rights and remedies pursuant to Section 12.02 below.

**2.06 Bonds, Taxes and Assessments.** Subject to the specific proration provisions set forth in Section 3.05 below, all real property taxes, supplemental taxes, special taxes, bonds and/ or assessments which are liens on or levied with respect to the Property shall be assumed by Purchaser at close of escrow without reduction of or adjustment to the Purchase Price.

## SECTION 3. ESCROW

**3.01 Opening.** The purchase and sale of the Property shall be consummated by means of Escrow No. OC2509869-TL (a single escrow) which has opened with Fidelity National Title Company, 4400 MacArthur Blvd., Suite 500, Newport Beach, CA, 92660, Attn: Trinh Le, Escrow Officer, email: tlee@fnf.com, Phone (949) 788-2836 (**"Title Company"** or **"Escrow Holder").**

**3.02 Closing.** The closing shall occur upon the recording of the Director's Deed for the Property, and shall occur when the conditions set forth in Article 5 below have all been satisfied or waived, but in no event later than **5:00 pm**_____, 2025 [the one hundred twentieth (120th) calendar day after the full execution of this Agreement]; provided, however, Caltrans shall, upon receipt of written request prior to such date,

grant a one-time thirty (30) calendar day extension to close escrow, (such date, as may be extended, being the **"Closing Date"**).

If at any time prior to the Closing Date, the Property becomes occupied, whether legally or illegally, Caltrans shall notify the Purchaser and Purchaser shall have 30 days to decide whether to proceed with the purchase of the Property. If the 30 days falls outside the Closing Date, the Closing Date shall be extended 10 days past the 30-day expiration. If Purchaser declines to proceed with the purchase of the Property due to the legal or illegal occupation of the Property, this Agreement shall terminate pursuant to the terms hereof. Upon any such termination, Escrow Holder shall remit the deposit to Purchaser.

**3.03 Instructions.** This Agreement shall to the extent applicable, also act as escrow instructions. The parties agree to execute any additional escrow instructions required by the Escrow Holder provided the same shall be consistent with the terms of this Agreement and shall provide that as between the parties, in the event there are any inconsistencies between such supplemental instructions and this Agreement, the terms of this Agreement shall prevail. Escrow Holder is hereby designated the "real estate reporting person" for purposes of Section 6045 of the Internal Revenue Code of 1986, as amended, and Treasury Reg. 1.6045-4, and any instructions or settlement statements prepared by Escrow Holder shall so provide. Escrow Holder shall be responsible for filing any Form 1099-S with the Internal Revenue Service.

**3.04 Costs.** Charges and expenses incurred in connection with the closing hereunder shall be borne by the parties as follows:

A. Purchaser shall pay all: (A) escrow fees, (B) recording fees, (C) transfer taxes, (D) title insurance premiums and fees (whether for ALTA or CLTA coverage), endorsement coverage and survey costs, and (E) any other real estate transaction fees involved in this transaction;

B. If applicable, Purchaser shall pay for and obtain any city/county required inspections and/or occupancy permits, whether required for closing the sale/escrow transaction or not. Caltrans shall provide Purchaser access to the Property as necessary to comply with this provision; and

C. Each party shall bear their own legal, tax and professional fees and costs.

**3.05 Prorations.** All real property taxes, special taxes, assessments, bonds, and all other similar charges imposed or levied upon the Property by any governmental agency or special district, organization or body and any other obligations related to the Property shall be prorated at close as of the Closing Date. With respect to any prorations based upon an estimation, if and when the tax, assessment or other charge related thereto is segregated by the appropriate agency or other persons, within fifteen (15) days thereof, the parties shall adjust said prorations, as necessary, based on such final segregation and pay any such adjustment to the appropriate party. The provisions of this Section 3.05 shall survive the close of escrow and the delivery and recordation of the Director's Deed and CC&Rs hereunder.

**3.06** **Escrow Deposits.** On or before the Closing Date, the parties shall make the following deposits into Escrow:

A. **By Caltrans.** At least one (1) business day prior to such closing, Caltrans shall deposit the following documents with Escrow Holder:

(i) an original **Director's Deed** for the Property duly executed by Caltrans and properly acknowledged and otherwise in recordable form, to be recorded in the Official Records of Los Angeles County, California against the Property described therein at close;

(ii) a counterpart original of the **CC&Rs** for the Property duly executed by Caltrans, and the Monitoring Entity properly acknowledged and otherwise in recordable form to be recorded in the Official Records of Los Angeles County, California against the Property described therein at close immediately following the recordation of the Director's Deed for the Property and prior to any financing obtained by Purchaser and to any other encumbrances or agreements being recorded at close with respect to such Property;

(iii) such Non-Foreign Affidavits pursuant to Sections 1445 and/or 7701 of the Internal Revenue Code, as amended, and such California Form 590s pursuant to applicable sections of the California Revenue and Taxation Code, as necessary to comply with such laws and close escrow hereunder, each in form and content reasonably satisfactory to Purchaser and Caltrans;

(iv) such other agreements or documents reasonably necessary from Caltrans to close escrow as may be expressly provided for herein.

B. **By Purchaser.** At least one (1) business day prior to such closing, Purchaser shall deposit the following funds and documents with Escrow Holder:

(i) the **Cash Balance** as provided in Subsection 2.02(b) above;

(ii) a counterpart original of the **CC&Rs** for the Property executed by Purchaser, properly acknowledged and otherwise in recordable form to be recorded in the Official Records of Los Angeles County, California against the Property described therein at close immediately following the recordation of the Director's Deed for such Property and prior to any financing obtained by Purchaser and to any other encumbrances or agreements being recorded at close with respect to such Property;

(iii) all other sums due from Purchaser as provided herein, including without limitation Purchaser's share of closing costs under Section 3.04 above, in the form of wire transfer or other immediately available funds;

(iv) to the extent Purchaser is an entity, certified copies of Purchaser's organizational documents and/or other entity resolutions or other authorizing documents authorizing the execution and delivery of this Agreement and the other documents and agreements contemplated herein, the consummation of all transactions contemplated hereby, and authorizing those persons signing on behalf of Purchaser to bind Purchaser; and

(v) such other agreements, documents, or funds reasonably necessary from Purchaser to close escrow as provided for herein.

**3.07** **Cancelling Escrow.** Caltrans may unilaterally cancel escrow if Purchaser fails to comply with Section 3.06(b) and/or Purchaser defaults after opening escrow but before close of escrow and such failure to comply or default is not remedied or cured within three (3) business days of Caltrans providing notice to Purchaser of such failure or default.

## SECTION 4. AGREEMENTS

**4.01** **California Transportation Commission Approval and Governing Body Approval.** Purchaser understands and agrees that Caltrans' obligation to sell and convey the Property to Purchaser hereunder is subject to Caltrans first obtaining the written approval of the California Transportation Commission (**"CTC"**) to this Agreement and the sale of the Property hereunder prior to the Closing Date (the **"CTC Approval"**). In the event the CTC fails to approve the sale, all monies deposited into escrow hereunder by Purchaser will be refunded without interest. Caltrans makes no representations, assurances, or warranties, express or implied, concerning the CTC's timely or ultimate approval of this sale.

If applicable, Caltrans understands and agrees that, despite any provision in this Agreement to the contrary, Purchaser's obligation to purchase and accept the Property from Caltrans hereunder is subject to Purchaser first obtaining the written approval of its governing body to this Agreement and the purchase of the Property hereunder prior to the Closing Date. In the event the governing body fails to approve the sale, all monies deposited into escrow hereunder by Purchaser shall be refunded without interest. Purchaser makes no representations, assurances, or warranties, express or implied, concerning the timely or ultimate approval of this sale by its governing body.

**4.02** **Leases.** [Deleted.]

**4.03** **Covenants, Conditions and Restrictions.**

A. Purchaser acknowledges the purchase of the Property shall be subject to a declaration of covenants, conditions, and restrictions as required by Government Code section 54235 et seq. and the Regulations and agrees that Purchaser and its successors in interest shall be bound by the same. Therefore, prior to close, the parties hereto shall execute a Declaration of Covenants, Conditions and

Restrictions agreement in substantially the form of ***Exhibit "C"*** attached hereto (the **"CC&Rs"**) with respect to the Property, which shall, among other things impose certain ongoing restrictions on the use and occupancy of such Property, as well as imposing various limitations on the subsequent resale of such Property both as to whom it may be sold and the amount of equity or other compensation the Purchaser is entitled to retain upon such subsequent transfer. The CC&Rs shall be recorded immediately following the recordation of the Director's Deed for such Property and shall not be subordinated to any financing obtained by Purchaser with respect to such Property or any other agreements recorded against or otherwise first affecting the Property at close of escrow, except as authorized by the CC&Rs. After recordation, the original recorded CC&Rs for the Property shall be returned (mailed) by the Recorder's Office directly to Caltrans, who shall retain possession thereof. The CC&Rs shall constitute covenants and equitable servitudes that run with the land and shall bind Purchaser and all subsequent owners, lessees, occupants, lenders, encumbrancers, and others holding any interest in, lien on or claim to the Property. Purchaser agrees not to challenge or attempt to terminate, limit, or otherwise alter or amend the CC&Rs. The agreements of Purchaser under this Section 4.03 shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs hereunder.

B. **Historical Covenants**

☒ This Property is not subject to Historical Covenants.

☐ This Property is subject to Historical Covenants attached as Exhibit "__" to protect the historic value and characteristics of the Property. The Historical Covenants are in addition to the CC&Rs described in Section 4.03 A.

**4.04 Title.**

A. **Generally.** Purchaser understands and agrees that the right, title, and interest in the Property to be conveyed hereunder shall not exceed that currently vested in Caltrans (after taking into account any and all rights that may be reserved by Caltrans pursuant to the Director's Deed, the CC&Rs or any other agreement contained in or contemplated by this Agreement related to such Property), and that Caltrans will furnish no policy of title insurance with respect to the sale of the Property hereunder. If a policy of title insurance, endorsement or survey coverage is desired, Purchaser may obtain the same at Purchaser's sole expense, provided, however, in no event or circumstance shall obtaining any such title, endorsement or survey coverage) constitute any basis for extending the Closing Date contemplated hereunder. No later than ten business days prior to the expiration of the Inspection Period, Purchaser shall notify Caltrans in writing of its objection to any matter in the preliminary title report or on a survey. Caltrans shall have five business days to notify Purchaser of its election to cure the matter or not, and the absence of any notice shall be deemed an election not to cure the matter. Purchaser shall have the right to terminate this Agreement prior to the expiration of the Inspection Period if Caltrans does not agree to cure such matter, or if Caltrans agrees to but fails to cure the matter on or prior to Closing, then Purchaser shall have the right to terminate at such time. Upon any such termination, Escrow

Holder shall remit the deposit to Purchaser.

B. **Permitted Encumbrances.** At close of escrow hereunder the Property shall be conveyed to Purchaser by a Director's Deed in substantially the form of ***Exhibit "A"*** hereto (a **"Director's Deed"**), with title to the Property being subject to all of the following exceptions and matters (collectively, the **"Permitted Exceptions"**): (1) a lien to secure payment of real estate taxes, supplemental taxes, and special taxes, bonds and assessments; (2) any reservations or limitations contained in the Director's Deed or any prior deed(s) relating to the Property; (3) the CC&Rs; (4) all title exceptions and other matters shown in the preliminary report for such Property other than any items Caltrans has agreed to cure; (5) any and all other matters apparent from a physical inspection thereof and/or that might be revealed by a survey other than any items Caltrans has agreed to cure; and (6) all other matters created by or with the consent or knowledge of Purchaser, or otherwise disclosed or contemplated in this Agreement. Caltrans shall not have, and does not assume, any liability or obligation whatsoever for any encumbrances or other title matters affecting the Property, or the amendment, removal, or other disposition thereof, provided, however, Caltrans agrees not to encumber the Property or enter into any leases, licenses, and other occupancy agreements with respect to the Property ("Leases") during the Escrow Period without the consent of Purchaser.

**4.05 Operation during Escrow Period.** During the period commencing with the effectiveness of this Agreement until the close of escrow hereunder or termination of this Agreement, Caltrans will continue to operate the Property in substantially the same manner as operated as of the date of this Agreement and will not do, cause, or allow anything to be done with respect to the Property that would materially change, alter or modify the current operation of the Property as a vacant property without the prior written consent of Purchaser, which consent shall not be unreasonably withheld or delayed; provided, however, Caltrans shall not under any circumstances be responsible for or have any obligation or liability with respect to any such change, alteration or modification to the extent the same is caused by any tenant or occupant of a Property or any other person without Caltrans' consent or knowledge, or to the extent the same is otherwise beyond Caltrans' reasonable control. Additionally, notwithstanding the foregoing, Caltrans shall be entitled, at its election and without notice to or obtaining the consent of Purchaser, to take any and all actions and make any and all decisions with respect to the Property as Caltrans deems necessary or desirable, in its sole and absolute discretion, in addressing any emergency relating to the Property or the safety of any occupant thereof, making a Property compliant with applicable laws, and/or keeping and maintaining a Property in a safe and habitable condition.

**4.06 Purchaser's Agreements.** With respect to the period prior to the close of escrow Purchaser acknowledges and agrees as follows:

A. **No Changes.** Purchaser shall have no right to take any action with respect to the Property, including, without limitation changing, renewing or terminating any zoning designations, permits, approvals, certificates or other entitlements related thereto (or applying for any such new matters), giving any notices with respect to or otherwise amending or terminating any Leases related thereto, or making or

undertaking any repairs, alterations or additions to the Property and/or any improvements located thereon, in each case without the prior written consent of Caltrans, which may be conditioned or withheld in Caltrans' sole and absolute discretion.

B. **Restrictions.** Purchaser shall not use or take any actions, or permit or suffer its agents, employees, contractors or consultants (collectively, **"Agents"**) to use or take actions, with respect to the Property in a manner which would in any way: (i) interfere with any activities thereon, or the use or occupancy thereof; (ii) constitute a nuisance or result in waste; (iii) result in the cancellation of any insurance being maintained by or on behalf of Caltrans or any tenants, in the increase in the premiums for any such insurance or in the increase of any of Caltrans' other costs; or (iv) damage any improvements or personalty located thereon.

C. **Compliance with Laws Generally.** Purchaser and its Agents shall not enter any Property, nor shall they take any action with respect thereto (or permit or suffer anything to be done in, on or about the Property) which will in any manner violate any title conditions, maps, entitlements, permits, consents, agreements, Leases or any laws, ordinances, governmental rules or regulations now or hereafter in effect with respect thereto and/or the conduct of any activities thereon by Caltrans or any occupants.

D. **Liens.** Purchaser shall at all times keep the Property and Caltrans free from any liens and claims arising out of any and all actions taken, work and labor performed, materials or services furnished and/or damages or personal injuries caused by or on behalf of Purchaser in connection with any activity of Purchaser and/or its Agents with respect to the Property, whether occurring prior to or after the date hereof. Caltrans may require Purchaser to post, at Purchaser's sole cost and expense, a lien release bond or other undertaking, statutory or otherwise, in such amount as necessary to properly bond around any claim filed against Caltrans and/or the Property with respect to such activities (occurring prior to the close of escrow) of Purchaser or its Agents. The bonding obligations of Purchaser under this Subsection 4.06(d) shall be absolute and unconditional and shall survive the close of escrow and the delivery and recordation of the Director's Deed and CC&Rs hereunder and/or the expiration, revocation, or termination of this Agreement.

E. **Compliance with the Act & Regulations**. Purchaser shall at all times comply with the requirements of the Act and the Regulations.

## SECTION 5. CONDITIONS TO CLOSE

**5.01 Conditions to Purchaser's Obligation to Close.** The matters set forth in this Section 5.01 are conditions precedent to the close of escrow by Purchaser as contemplated in this Agreement, and the same may be declared satisfied or waived by Purchaser. In the event any such condition fails to be satisfied in accordance with the terms hereof through no fault of either party, Purchaser shall have the option of either: (i) waiving such condition and proceeding to close without adjustment of the Purchase Price or any of the other terms of this Agreement, or (ii) terminating this Agreement, in which case the

Deposit shall be refunded to Purchaser without interest, and neither party shall have any further rights, liabilities or obligations hereunder except paying their respective share of escrow costs incurred up to such date and observing those obligations expressly stated herein as surviving the termination of this Agreement.

A. **Title.** At closing, the Property shall be conveyed to the Purchaser pursuant to a Director's Deed subject to all the Permitted Exceptions applicable to such Property as contemplated by Section 4.04 hereof.
B. **CTC Approval and Governing Body Approval.** By the Closing Date, the CTC Approval shall and any governing body approval (if applicable) have been unconditionally obtained as contemplated by Section 4.01 hereof.
C. **Documents and Funds.** By the Closing Date, the escrow deposits referenced in Section 3.06(a) above shall have all been made by Caltrans, and the Escrow Holder shall be irrevocably committed to record the Director's Deed in the Official Records of Los Angeles County, California.
D. **Representations/Covenants.** At close: (i) all the representations of Caltrans contained in this Agreement shall be materially true and correct, and (ii) Caltrans shall have materially complied with its covenants contained in this Agreement.

**5.02 Conditions to Caltrans' Obligation to Close.** The matters set forth in this Section 5.02 are conditions precedent to the close of escrow by Caltrans as contemplated in this Agreement, and the same may be declared satisfied or waived by Caltrans. In the event any such condition fails to be satisfied in accordance with the terms hereof through no fault of either party, Caltrans shall have the option of either: (i) waiving such condition and proceeding to close without adjustment of the Purchase Price or any of the other terms of this Agreement, or (ii) terminating this Agreement, in which case the Deposit shall be refunded to Purchaser without interest, and neither party shall have any further rights, liabilities or obligations hereunder except paying their respective share of escrow costs incurred up to such date and observing those obligations expressly stated herein as surviving the termination of this Agreement.

A. **Balance of Purchase Price.** By the Closing Date, Purchaser shall have deposited the entire Cash Balance of the Purchase Price with Escrow Holder as provided in Section 2.02(b) hereof.
B. **CTC Approval.** By the Closing Date, the CTC Approval shall have been unconditionally obtained as contemplated by Section 4.01 hereof.
C. **Documents and Funds.** By the Closing Date, the escrow deposits referenced in Section 3.06(b) above shall have all been made by Purchaser and Escrow Holder shall be irrevocably committed to:
    (i) disburse the Cash Balance to Caltrans,
    (ii) record the Director's Deed, and CC&Rs immediately thereafter as contemplated herein, in the Official Records of Los Angeles County, California, and
    (iii) deliver to Caltrans a fully executed counterpart original any other appropriate documents as contemplated by Section 3.06(b).

D. **Representations/Covenants.** At close: (i) all the representations of Purchaser contained in this Agreement shall be materially true and correct, and (ii) Purchaser shall have materially complied with its covenants contained in this Agreement.

**SECTION 6. POSSESSION**

Possession of the Property shall be delivered to Purchaser on the Closing Date subject to the Permitted Exceptions applicable to the Property.

**SECTION 7. BROKERS**

**7.01 Caltrans.** Caltrans has retained **Veterans Realty Group** to act as a Consultant in connection with the sale of the Property hereunder, and any compensation due to **Veterans Realty Group** in connection with the transactions contemplated by this Agreement shall be paid by Caltrans.

**7.02 No Other Brokers.** Except for Caltrans' retention of **Veterans Realty Group** above, each party hereby represents and warrants to the other party that no broker, finder, real estate agent or other person has been retained by it or is entitled to any commission, finder's fee or other compensation resulting from any action on its part with respect to the sale of the Property to Purchaser. Purchaser and Caltrans each agree to indemnify, defend, and hold the other and the Property harmless from and against any real estate brokerage commissions or finder's fees, and all costs and expenses (including attorneys' fees and costs) of investigating and defending any such claims, payable or alleged to be payable to any other persons in connection with this Agreement which such indemnifying party may have engaged or is claimed or alleged to have engaged. This section does not prohibit Purchaser from obtaining a broker at his/her own expense. The representations, warranties, indemnification, and other obligations set forth in this Section 7.02 shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs and/or the expiration, revocation, or termination of this Agreement.

**SECTION 8. REPRESENTATIONS & WARRANTIES**

**8.01 By Caltrans.** Caltrans hereby makes the following representations and warranties to Purchaser:

A. Authority. Subject to obtaining the CTC Approval, Caltrans has all requisite power and authority to enter into, deliver and perform this Agreement and all the other agreements contemplated herein and to be executed in connection herewith, and the person(s) executing this Agreement and all other agreements contemplated herein on behalf of Caltrans have been properly authorized to sign on behalf of and bind Caltrans in connection with performing the transactions contemplated herein.

B. Binding. Subject to obtaining the CTC Approval, this Agreement and all documents to be executed by Caltrans as provided herein, as of the date of

execution shall, subject to the operation of any bankruptcy or similar laws, be the legal, valid and binding obligations of Caltrans.

C. Information. Except as otherwise set forth in this Agreement, Caltrans has no actual constructive knowledge of any information affecting the Property that had, has or would have a material effect on Purchaser's ability to use and operate the Property as contemplated by Purchaser. Caltrans has provided to Purchaser all material and factual information requested by the Purchaser and/or as required by law concerning the Property that is in Caltrans' possession, custody and control.

D. Compliance with the Act and Regulations: Caltrans conduct in this sales transaction has been in compliance with the Act and corresponding Regulations.

E. Claims. There is no claim, action, suit, arbitration, proceeding (including condemnation proceedings) or any investigation by or before any court or arbitration body, any governmental, administrative or regulatory authority, or any other body pending or, to Caltrans's knowledge, threatened with respect to the Property (collectively, "Allegations"). Caltrans is not aware of any basis or reason for any such Allegations. There is no order, judgment or decree of any court or arbitration body, any governmental, administrative or regulatory authority, or any other body, against Caltrans with respect to the Property or the sales transaction contemplated by this Agreement.

F. No Violation. Neither the execution and delivery of this Agreement, nor the performance by Caltrans of the sales transaction contemplated hereby, will contravene, conflict with, or result in a breach of any agreement, law, regulation, writ, injunction or decree of any court or governmental authority applicable to Caltrans or by which any of its properties is bound. Except for CTC Approval, Caltrans is not required to obtain any consent or authorization in order to complete the sales transaction contemplated by this Agreement.

G. Right to Purchase. Except pursuant to this Agreement, no third party has an option, right of first offer, right of first refusal, or other similar right to purchase the Property that currently remains in effect.

H. Environmental Matters. As requested by Purchaser and/or mandated by law, Caltrans has provided or made available for review copies of any material documents in its possession, custody and control of Caltrans regarding environmental condition of the Property ("Environmental Materials"). Except as set forth in the Environmental Materials, Caltrans is not aware of the existence of any Hazardous Substances (defined in Section 10 below) attributable to or affecting the Property. There have been no settlements reached by or with any third parties alleging the presence, disposal, release or threatened release of any Hazardous Substances from the use or operation of the Property.

I. Leases. The Property is not subject to any Leases, tenancy and/or similar agreements conferring any right, title or interest in the Property to a third party.

J. Contracts. Other than as disclosed in the title reports provided by the Title

Company and this Agreement, there are no agreements affecting the Property.

Each of the representations made by Caltrans in this Agreement shall be true and correct on the date hereof, and shall be deemed to be made again as of the close of escrow provided for herein, and shall then be true and correct in all material respects. Caltrans shall promptly provide written notice to Purchaser of any developments or information that would make the representations set forth above untrue. The representations and warranties set forth in this Section 8.01 shall expressly survive the close of escrow as described in Section 13.12 below.

**8.02** **By Purchaser.** Purchaser and the specific parties signing this Agreement on behalf of Purchaser hereby makes the following representations and warranties to Caltrans:

A. Organization. Purchaser is a municipal corporation duly organized, validly existing and in good standing under the laws of the State of California which has the power and authority to enter into this Agreement and to consummate the transactions contemplated hereby.

B. Authority. Subject to obtaining governing body approval, Purchaser has all requisite power and authority to enter into, deliver, and perform this Agreement and all the other agreements contemplated herein and to be executed in connection herewith, and the person(s) executing this Agreement and the other agreements contemplated herein on behalf of Purchaser have been properly authorized to sign on behalf of and bind Purchaser in connection with performing the transactions contemplated herein.

C. Binding. This Agreement and all documents to be executed by Purchaser as contemplated hereunder shall, subject to the operation of any applicable bankruptcy or similar laws, be the legal, valid and binding obligations of Purchaser, and shall not materially violate any law, agreement, order or decree to which Purchaser is a party or is subject.

D. Litigation. There are no pending or threatened, suits or actions affecting Purchaser which would materially affect Purchaser's ability to enter into or perform its obligations under this Agreement or the documents executed in connection herewith.

E. Information / Compliance. All applications, information, financial statements, and other materials provided by Purchaser or its Agents to Caltrans pursuant to or in connection with the Act, the Regulations and or this Agreement are true, correct and not materially misleading; and Purchaser is in compliance with the Act and the Regulations as relates to the Property and the purchase thereof under this Agreement.

F. No Bankruptcy. Purchaser is not the subject of any pending or threatened bankruptcy proceedings, whether voluntary or involuntary.

Each of the representations and warranties made by Purchaser in this Agreement, or on any document or instrument delivered pursuant hereto shall be true and correct on the date hereof, and shall be deemed to be made again as of close of escrow provided for herein, and shall then be true and correct in all material respects. The representations

and warranties of Purchaser contained in this Section 8.02 shall survive the close of escrow and the delivery and recordation of the Director's Deed and CC&Rs.

**SECTION 9. "AS-IS", WAIVERS AND RELEASE**

Purchaser acknowledges and agrees that, except as set forth in this Agreement, neither Caltrans nor any of its respective employees, agents, managers, members, partners, officers, interest holders, attorneys, contractors or consultants, including without limitation the California Department of Housing and Community Development **("HCD")**, (Caltrans and such other persons being collectively, the **"Seller Parties"**) have made or are making, and specifically negate and disclaim making, any representations, warranties, guaranties, promises, covenants or assurances of any kind or character, whether express, implied, written, oral, past, present or future concerning or with respect to the Property, or the condition or status thereof, including without limitation, the suitability for any purpose or the profitability of owning and operating the Property; the value thereof; the existence or non-existence of any patent or latent defects affecting the same; the physical or environmental condition or status thereof (including without limitation the existence of any mold, lead paint, radon gas or other environmental health hazards); the rental or other income generated thereby; the expenses or costs associated therewith; the size and square footage of the parcel or the improvements located thereon, the age or condition of the such improvements, or the location of property lines or setbacks (or the location of the improvements with respect thereto); the zoning thereof; the condition of title thereto; the existence, necessity or satisfaction of any local, state or federal approvals, permits or certificates for the entitlement, ownership, operation, use or occupancy thereof as contemplated by Purchaser or any tenants, occupants or any future owners thereof; the feasibility of or cost associated with obtaining any such approvals; the compliance of the Property with any and all applicable local, state or federal laws, codes and ordinances; or any other matter.

Purchaser further acknowledges that Purchaser, with the help of its independent experts, contractors, consultants, professionals (including independent legal counsel and accountants), and advisors, prior to the Closing Date, will conduct its independent feasibility, investigation, and due diligence inquiry as described in Section 1.03 above with respect to the Property and will fully satisfy itself as to all matters relating thereto. Except for the representations and warranties of Caltrans set forth in this Agreement, Purchaser is relying solely and exclusively on such independent due diligence in executing this Agreement and purchasing the Property hereunder, and not on any representations, warranties, guaranties, promises, covenants or assurances of any kind or character by Caltrans or any other Seller Parties; and the Property is being purchased **"AS-IS" / "WHERE-IS"** at close in its present condition with all defects and faults, both patent and latent, whether known or unknown, presently existing or that may hereafter arise.

Effective on the Closing Date, Purchaser hereby fully and expressly releases Caltrans, HCD and all of the other Seller Parties and their respective agents, employees, attorneys, consultants, successors and assigns from any and all demands, claims, liabilities, amounts, actions, costs, judgments, expenses and damages (including, without limitation,

attorneys' fees, witness fees and court costs) related to or arising from the Property, or the condition or status of thereof or any other matter relating thereto, including without limitation the matters referenced in the first paragraph of this Section 9, (collectively, the "**Released Matters**"); and Purchaser hereby covenants not to sue, and hereby fully and expressly waives and relinquishes any and all rights and remedies Purchaser may have against, Caltrans, HCD and the other Seller Parties and their respective agents, employees, attorneys, consultants, successors and assigns, or any of them, at law, in equity or otherwise, related to or arising from the Released Matters. However, nothing contained herein shall release or be deemed to release Caltrans from claims arising from its fraud or a breach of any representation or warranty by Caltrans contained in this Agreement (the "Preserved Matters"). Preserved Matters shall not be considered Released Matters. Purchaser acknowledges and agrees that the release, waiver and discharge given by Purchaser hereunder to Caltrans, HCD and the other released parties extends to all Released Matters described above, whether known or unknown, foreseen or unforeseen, patent or latent, which Purchaser may now or hereafter have against Caltrans, HCD or such other persons; and in connection with such release, waiver and discharge, Purchaser hereby expressly waives the benefit of the provisions of California Civil Code Section 1542, which provides as follows:

> **"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."**

Purchaser has read this Section 9, has had the effect and content thereof explained to Purchaser by independent legal counsel, and fully understands and appreciates the same. Purchaser understands and acknowledges that, among other things, the consequence of this waiver of California Civil Code section 1542 is that even if Purchaser should eventually discover any claims or suffer any losses or damages arising from the Released Matters, Purchaser would not be able to make any claim against Caltrans, HCD or the other released persons with respect thereto. Purchaser acknowledges that these consequences apply even as to claims, losses or damages resulting from the Released Matters that may exist as of the date of this Agreement or in the future, but which Purchaser does not know exist, or does not anticipate, and which, if known or anticipated, would materially affect Purchaser's decision to execute this Agreement. The waivers, releases, covenants not to sue and discharges contained in this Section 9 are a material portion of the consideration to Caltrans in agreeing to enter into this Agreement and shall survive the close of escrow and the delivery and recordation of Director's Deed and the CC&Rs in perpetuity.

**SECTION 10. <u>INDEMNIFICATION</u>**

Following the closing of the transaction contemplated herein, except as provided below,

Purchaser shall, at its sole cost and expense, indemnify, defend and hold Caltrans and its officers, agents, employees, attorneys and consultants, including without limitation, HCD, and their respective successors and assigns (collectively, the **"Indemnified Parties"**), free and harmless from and against any and all liabilities, demands, claims and costs (including remediation, reimbursement or contribution costs or claims), damages, losses, and expenses (including and without limitation to attorneys' fees, legal expenses and court costs, and consultant's fees, and investigation and remediation costs) of whatever kind or nature incurred or suffered by, or threatened against, any Property or any Indemnified Party(ies) resulting from or arising out of or by reason of any matter pertaining to the condition or status of the Property, including without limitation, the existence of any Hazardous Substances or Hazardous Substance Conditions in, on, under or about the Property (collectively, "Claims"). Except as provided below, this indemnity is intended to address any and all liability for which Caltrans may now or at any time hereafter be partially or entirely responsible in connection with the contamination, environmental or physical condition or status of any Property, including the prior operation thereof, due to its mere ownership or operation of such Property. As used in this Agreement, the term **"Hazardous Substance"** shall mean any substance whose nature and/or quantity of existence, use, manufacture, disposal or effect, render it subject to federal, state, or local regulation, investigation, remediation or removal as potentially injurious to public health or welfare, including the Comprehensive Environmental Response Compensation and Liability Act or Resource Conservation and Recovery Act as now in effect; and the term **"Hazardous Substance Condition"** shall mean the existence in, on, under or about the Property of a hazardous substance that requires remediation, removal, mitigation and/or other action pursuant to applicable law. This indemnification shall in no event apply to (i) Claims to which Caltrans representations and warranties apply, (ii) any Claims involving Caltrans' willful misconduct, gross negligence or fraud, and (iii) any Claims relating to challenges to Caltrans' acquisition or disposition of the Property.

Purchaser's indemnification and defense of any matters contemplated in this Section 10 for or on behalf of the Property or any Indemnified Parties shall be made by counsel reasonably acceptable to the Indemnified Parties; shall commence immediately upon any such claim or matter being made, threatened, or asserted against Indemnified Parties or the Property without the necessity of the Indemnified Parties first contesting or defending the same, suffering or incurring any loss or adverse disposition, or otherwise taking or failing to take any other action; and shall apply to all such matters regardless of any action, failure or negligence of the Indemnified Parties, it being the express intent that the indemnification, defense and hold harmless obligations of this Section 10 apply to all matters referenced herein except to the extent caused by the gross negligence or willful misconduct of the Indemnified Parties. In the event Purchaser refuses to initiate or continue pursuing to completion any such defense or other obligations hereunder, Indemnitee shall be entitled to undertake, assume, and/or conclude the same, all at Purchaser's sole cost and expense, with counsel selected by Indemnitee. The obligations of Purchaser under this Section 10 shall be absolute and unconditional, and shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs.

## SECTION 11. CASUALTY/CONDEMNATION

In the event any casualty or condemnation proceeding occurs or is commenced with respect to the Property after the effectiveness hereof but prior to the close of escrow, Caltrans shall notify Purchaser of the same in writing within ten (10) business days after Caltrans has knowledge of the same, and either of the following shall occur:

(A) If Purchaser does not elect to cancel within seven (7) business days after receipt of such notice by Purchaser, the parties shall continue to proceed under this Agreement and close without adjustment to the Purchase Price or any of the other provisions of this Agreement, in which event upon the close of escrow, Caltrans shall assign to Purchaser all of its interest in any such insurance or condemnation proceeds, compensation, award, or other payments or relief resulting from such casualty or condemnation proceedings; or

(B) If Purchaser elects to cancel, and Purchaser provides written notification to Caltrans of its election to terminate this Agreement within such 7-day period, then this Agreement shall terminate, the Deposit shall be returned to Purchaser without interest, and Caltrans shall retain all proceeds, compensation, awards, payments and other benefits or relief related to such casualty and condemnation with respect to the Property.

## SECTION 12. REMEDIES

**12.01 Of Purchaser.** If the closing does not occur as a result of Caltrans' default under this Agreement, then, provided Purchaser is not in default hereunder, Purchaser may, at its election proceed with either of the following mutually exclusive alternatives as its sole and exclusive remedy:

A. Terminate the Agreement, whereupon: (1) the Deposit shall be returned to Purchaser without interest, (2) Purchaser may seek reimbursement from Caltrans of any and all hard third-party costs and expenses incurred by Purchaser in connection the investigation of the Property or the negotiation and execution of this Agreement, as evidenced by invoices delivered to Caltrans, up to the maximum aggregate amount of fifteen thousand Dollars ($15,000), and (3) neither party shall have any further obligation or liability to the other under this Agreement except for provisions of this Agreement which expressly state that they shall survive the termination of this Agreement; or

B. File in a court of competent jurisdiction an action for specific performance to cause Caltrans to convey the Property to Purchaser in accordance with the terms and conditions of this Agreement; but Purchaser shall not be entitled to recover any monetary damages (whether compensatory, consequential, exemplary, punitive or other) from Caltrans in connection with such default other than seeking

its reasonable attorneys' fees in connection with such action.

**PURCHASER ACKNOWLEDGES AND AGREES THAT THE LIMITATIONS ON REMEDIES AGAINST CALTRANS SET FORTH IN THIS SECTION 12.01 ARE A MATERIAL INDUCEMENT FOR CALTRANS TO ENTER INTO THIS AGREEMENT, AND PURCHASER AGREES THAT SUCH LIMITATIONS ARE REASONABLE AND ENFORCEABLE IN ACCORDANCE WITH THEIR TERMS.**

**12.02 Of Caltrans. LIQUIDATED DAMAGES. PURCHASER AND CALTRANS AGREE THAT SHOULD PURCHASER FAIL TO COMPLETE THE PURCHASE OF THE PROPERTY AS HEREIN PROVIDED BY REASON OF DEFAULT OF PURCHASER, THE PARTIES HERETO, BY INITIALING THIS SECTION 12.02 IN THE SPACE PROVIDED BELOW, AGREE THAT IT WOULD BE IMPRACTICAL OR EXTREMELY DIFFICULT TO ASCERTAIN OR FIX ACTUAL DAMAGES TO CALTRANS AS A RESULT OF SUCH FAILURE OR DEFAULT BY PURCHASER, THAT UNDER THE CIRCUMSTANCES EXISTING AS OF THE DATE OF THIS AGREEMENT THE ENTIRE DEPOSIT PROVIDED FOR IN SECTION 2.02(A) ABOVE IS A REASONABLE ESTIMATE OF CALTRANS' DAMAGES, AND THAT AS CALTRANS' SOLE AND EXCLUSIVE REMEDIES ON ACCOUNT OF SUCH BREACH, CALTRANS SHALL BE ENTITLED TO: (1) RETAIN SAID DEPOSIT AS LIQUIDATED DAMAGES FOR SUCH BREACH BY PURCHASER AND (2) TERMINATE THIS AGREEMENT. THE PAYMENT OF SUCH AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO CALTRANS PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677.**

**THE PROVISIONS HEREOF RELATE ONLY TO CALTRANS' DAMAGES FOR PURCHASER'S DEFAULTS IN ITS AGREEMENT TO PURCHASE THE PROPERTY AS PROVIDED HEREIN. NOTHING CONTAINED HEREIN SHALL LIMIT OR PRECLUDE, OR BE DEEMED TO LIMIT OR PRECLUDE, THE EXERCISE OR ENFORCEMENT BY CALTRANS OF ANY RIGHTS WHICH EXPRESSLY SURVIVE THE TERMINATION OF THIS AGREEMENT.**

**Purchaser's Initials:** JJ **Caltrans' Initials:** _____

**SECTION 13. MISCELLANEOUS**

**13.01 Headings.** This Agreement shall be construed as a whole, and the subject headings of the paragraphs and subparagraphs of this Agreement are included for convenience only and shall not affect the construction or interpretation of any of its provisions or define the provisions in the portions of this Agreement to which they pertain.

**13.02 Assignment.** Purchaser may not assign this Agreement, or any portion hereof or any of its rights or interests hereunder, without the express prior written consent of Caltrans, which consent may be conditioned or withheld in Caltrans' sole and absolute discretion, except as set forth herein. Purchaser may, without Caltrans' consent, but upon notice to Caltrans and Escrow Holder, assign any or all of its rights in, to or under this Agreement to an entity or instrumentality that is wholly controlled by Purchaser. No such assignment (regardless of whether consented to by Caltrans) shall relieve or release

its reasonable attorneys' fees in connection with such action.

**PURCHASER ACKNOWLEDGES AND AGREES THAT THE LIMITATIONS ON REMEDIES AGAINST CALTRANS SET FORTH IN THIS SECTION 12.01 ARE A MATERIAL INDUCEMENT FOR CALTRANS TO ENTER INTO THIS AGREEMENT, AND PURCHASER AGREES THAT SUCH LIMITATIONS ARE REASONABLE AND ENFORCEABLE IN ACCORDANCE WITH THEIR TERMS.**

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**Purchaser's Initials:** _____ **Caltrans' Initials:** A.C.

**SECTION 13. MISCELLANEOUS**

**13.01 Headings.** This Agreement shall be construed as a whole, and the subject headings of the paragraphs and subparagraphs of this Agreement are included for convenience only and shall not affect the construction or interpretation of any of its provisions or define the provisions in the portions of this Agreement to which they pertain.

**13.02 Assignment.** Purchaser may not assign this Agreement, or any portion hereof or any of its rights or interests hereunder, without the express prior written consent of Caltrans, which consent may be conditioned or withheld in Caltrans' sole and absolute discretion, except as set forth herein. Purchaser may, without Caltrans' consent, but upon notice to Caltrans and Escrow Holder, assign any or all of its rights in, to or under this Agreement to an entity or instrumentality that is wholly controlled by Purchaser. No such assignment (regardless of whether consented to by Caltrans) shall relieve or release

Purchaser from any of its obligations hereunder. As a condition to the effectiveness of such assignment, all assignees shall execute an assumption agreement reasonably acceptable to Caltrans under which the proposed assignee agrees to fully assume and be bound by all the terms of this Agreement to be observed or performed by Purchaser.

Caltrans shall be free to assign this Agreement, or any portion hereof or any of its rights or interests hereunder, without the consent or approval of Purchaser.

**13.03 Entire Agreement / Amendment.** This Agreement (including all exhibits and schedules hereto and other agreements referenced herein) constitute the entire agreement between the parties pertaining to the subject matter contained herein and supersede all prior written or oral agreements, representations and understandings of the parties relating to the subject matter herein. There are no representations, agreements, arrangements, or understandings, oral or written, relating to the subject matter which are not fully expressed herein. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by all the parties hereto.

This Agreement does not affect the enforceability of other written contracts related to the use and resale of the Property or to preserving the historic nature of the Property.

**13.04 Counterparts.** This Agreement may be executed simultaneously in one or more identical counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. This Agreement shall be fully effective and binding on all parties hereto, as if one or more copies thereof had been executed by all the parties hereto, when all the parties have executed identical counterparts hereof, even though no single counterpart has been executed by all the parties hereto.

**13.05 Binding / Successor & Assigns.** Except to the extent assignment hereof is prohibited, this Agreement shall be binding on, and shall inure to the benefit of, the parties hereto and their successors and assigns.

**13.06 Attorneys' Fees.** If any legal action, arbitration or other proceeding is brought by either party involving a dispute between the parties arising out of the interpretation or enforcement of any condition or provision hereof, or by reason of any breach arising hereunder or the sale of the Property, the prevailing party shall be entitled to recover its reasonable attorneys' fees, court costs and expert witness fees incurred in such action or proceeding in addition to any other relief to which such party may be entitled.

**13.07 Further Acts.** Each party agrees to perform any further acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions in this Agreement.

**13.08 Limited Third-Party Beneficiaries.** Subject to the remainder of this Section 13.08,

this Agreement is for the sole benefit of the parties hereto and there are no third-party beneficiaries, intended or otherwise. Notwithstanding the foregoing, HCD and the other Seller Parties (and other released persons) are intended third-party beneficiaries of Section 9 hereof, and HCD and the other Indemnified Parties are intended third party beneficiaries of Section 10 hereof.

**13.09 Notices.** All notices, requests, demands, and other communications required or desired under this Agreement shall be in writing and shall be given by any of the following methods: (i) personal service at the address set forth below, (ii) email transmission in the manner set forth below, or (iii) depositing such notice in the United States mail postage prepaid, addressed to the other as follows:

Caltrans
Division of Right of Way – SR-710, MS6
100 South Main Street
Los Angeles, CA 90012

City of South Pasadena
City Manager
1414 Mission Street
South Pasadena, CA 91030

Any notice given by personal service shall be deemed given when received, as verified by a written receipt or proof of service. Any notice given by email transmission shall be deemed given when transmitted, as evidenced by printed email; and any notice given by regular mail shall be deemed given on the fifth (5th) business day after its deposit in the United States mail postage prepaid.

Either party may change its address for purposes of this paragraph by giving the other party written notice of the new address to the other party at the address contained herein.

**13.10 Governing Law.** This Agreement has been prepared, negotiated, and entered into in the State of California and shall be governed by, construed and enforced in accordance with the internal laws of the State of California and according to its fair meaning, and not in favor of or against any party. Any action or proceeding relating or arising out of this Agreement shall be filed, if a State action, in the Superior Court of the State of California for the County of Los Angeles.

**13.11 Severability.** If any provision of this Agreement, or the application thereof to any person or circumstance, is held invalid or unenforceable by any court or arbitrator, it is the intent of the parties that all the other provisions of this Agreement, and the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall be construed to be fully valid, enforceable and binding on the parties to the fullest extent permitted by law.

**13.12 Survival / No Merger.** All covenants, representations, warranties, and other agreements under this Agreement which are expressly stated herein as surviving the close of escrow shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs in perpetuity, and shall not merge with or into the Director's Deed or the CC&Rs (or be terminated, limited or otherwise affected thereby).

**13.13 Time is of the Essence.** Time is of the essence of this Agreement in respect to all provisions of this Agreement that specify a time for performance, including the closing of escrow provided for herein, and failure to comply with this provision shall be a material breach of this Agreement.

**13.14 Days / Saturdays, Sundays, and Holidays.** Unless otherwise expressly stated, all time periods referred to herein shall be deemed to mean calendar days. If any date by which an election or a notice shall be given, or by which an action shall be taken, hereunder falls on a Saturday, Sunday, federal or state holiday, then the date by which such election or notice shall be given or such action shall be taken is extended to 5:00 p.m. on the next business day following such Saturday, Sunday, federal or state holiday.

**13.15 Waiver.** Waiver by one party of the performance of any covenant, condition or promise shall not invalidate this Agreement, nor shall it be a waiver by such party of such covenant, condition or promise in the future or of any other covenant, condition, or promise hereunder. Any waiver, to be effective, shall be express, in writing and signed by the waiving party, and shall be delivered to the other party. The exercise by a party of any remedy provided in this Agreement or at law shall not prevent the exercise by that party of any other remedy provided in this Agreement or at law.

**13.16 Construction.** As used in this Agreement, the masculine, feminine, or neuter gender and the singular or plural numbers shall each be deemed to include the other whenever the context so indicates. Each party hereto acknowledges and agrees that each has had independent counsel review and participated in the negotiation and drafting of this Agreement, and each hereby fully waives the application of any law, statute or rule of construction or interpretation, including without limitation California Civil Code Section 1654, to the effect that any ambiguities are to be construed against the drafting party.

**13.17 Exhibits.** All exhibits and schedules attached to this Agreement are hereby incorporated by reference herein and specifically made a part of this Agreement.

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

CALTRANS:

Recommended for Approval by:

STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION

By: _____ Date: _____
Angus Chan
Senior Right of Way Agent

By: _____ Date: _____
Heriberto Salazar
Office Chief, 710 Sales

Approved:

By: _____ Date: _____
Dan Murdoch
Deputy District Director, Right of Way

PURCHASER: CITY OF SOUTH PASADENA

By: _____ Date: 11/12/2025
Todd Hileman, City Manager
City of South Pasadena

Attest:

By: _____ Date: 11/12/2025
Deputy City Clerk

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

CALTRANS:

Recommended for Approval by:

STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION

By: _____ Date: Nov 17, 2025
Angus Chan
Senior Right of Way Agent

By: _____ Date: 11-20-25
Heriberto Salazar
Office Chief, 710 Sales

Approved:

By: _____ Date: 11/20/25
Dan Murdoch
Deputy District Director, Right of Way

PURCHASER: CITY OF SOUTH PASADENA

By: _____ Date: _____
Todd Hileman, City Manager
City of South Pasadena

Attest:

By: _____ Date: _____
Deputy City Clerk

## Attached Exhibits

| | |
|---|---|
| ***Exhibits "A"*** | *Director's Deed/Legal Description of Property* |
| ***Exhibit "B"*** | *Deleted* |
| ***Exhibit "C"*** | *Declaration of Covenants, Conditions & Restrictions* |
| ***Exhibit "D"*** | Historical Covenants (only included if applicable) |

# STATE ROUTE 710 SALES PROGRAM
# PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (**"Agreement"**) is entered into as of June 4, 2025, by and between the State of California, Department of Transportation (**"Caltrans"**) and the City of South Pasadena, a Municipal Corporation.

**Recitals**

A. Caltrans owns the real property located in Los Angeles County, California commonly known as: **529 Prospect Ave., South Pasadena, CA 91030** and more particularly described as set forth in ***Exhibit "A"***, respectively, attached hereto (**"Property"**).

B. The parties wish to provide terms and conditions for Purchaser's purchase of the Property from Caltrans. The State Route 710 Sales Program described in Government Code section 54235 et seq. (the "**Act**") and Title 21 Public Works Division 2 Department of Transportation, Chapter 9.5 (the **"Regulations"**) provide for the offering of State-owned, surplus residential properties to the City of South Pasadena at the Minimum Sales Price pursuant to 21 CCR § 1483(a)(1), for the purpose of providing affordable housing to low- and moderate-income households. Purchaser and Caltrans acknowledge the Property is subject to the terms of this Agreement, the aforementioned law and regulations, and the Declaration of Covenants, Conditions, and Restrictions (**CC&Rs**), as defined below, to be recorded against the Property upon the close of escrow hereunder.

**NOW, THEREFORE,** in consideration of the foregoing premises, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

## SECTION 1. PURCHASE AND SALE

**1.01 Purchase and Sale.** Caltrans shall sell the Property to Purchaser, and Purchaser shall purchase the Property from Caltrans pursuant to the terms, limitations and conditions stated in this Agreement in accordance with the Act, the Regulations and other applicable laws, rules, and regulations (collectively, **"Applicable Laws"**).

**1.02 Conditions Precedent to Effectiveness.** This Agreement shall not become effective unless and until all the following conditions precedent are satisfied on or before the sixtieth (60) calendar day from the date Caltrans' sends this Agreement to Purchaser:

A. Purchaser shall have: (1) executed and returned two original executed counterparts of this Agreement via certified mail, return receipt requested, to Caltrans and sent a copy thereof to the Escrow Holder, and (2) deposited with Escrow Holder the entire Down Payment contemplated by Section 2.02(A) below;

B. Caltrans thereafter executes this Agreement and delivers a fully executed copy hereof to Escrow Holder; and

A failure of any such conditions to timely occur shall, without further notice or action, result in the full and immediate termination of any offer, obligation, liability or agreement of Caltrans to or with Purchaser or any other person with respect to the Property, whether hereunder or otherwise, immediately upon the expiration of such 60-day period, and Caltrans shall thereafter be free to offer, market and sell the Property to other persons, or otherwise dispose of the same, as Caltrans may, in its sole and absolute discretion determine.

**1.03 Information/Prior Due Diligence.** Purchaser hereby expressly acknowledges and agrees:

A. that it is a sophisticated real estate purchaser and/or investor;
B. that it is fully familiar with and understands the Applicable Laws and the CC&Rs, and the risks and obligations associated therewith and imposed on Purchaser and on the Property thereby, including the purchase thereof under this Agreement, and has had the same explained to it by its independent legal counsel and other advisors;
C. that during the Inspection Period permitted under this Agreement: (A) Purchaser will have full access to the Property and all documents, data, reports and information related thereto requested by Purchaser, and will have the opportunity to undertake and perform any and all additional due diligence, investigation, surveys, reports and studies, with respect thereto, including without limitation the current and past physical and environmental condition of the Property, the condition of title thereto, the compliance thereof with any applicable building codes, permits, approvals, agreements or encumbrances affecting the same (including Applicable Laws), the value thereof, the use, operation, management or occupancy thereof and/or the suitability for Purchaser's intended use thereof, and all other matters referenced in Section 9 below, and (B) Purchaser has obtained any and all financing commitments necessary or desirable to purchase, repair and/or rehabilitate the Property; and
D. that with the aid of such independent experts, contractors, consultants, advisors and professionals (including independent legal counsel and accountants) that it deems necessary, appropriate or desirable, Purchaser will, prior to the Closing Date hereof, evaluate and assess the Property and conduct such independent inquiry, feasibility investigation, inspections and due diligence with respect thereto as Purchaser and/or its advisors deem necessary, advisable or desirable, and will fully and unconditionally approve of and satisfy itself as to the same. As a result, there shall be no further access to the Property except as set forth in this Agreement and no further feasibility, inspection or similar rights or contingencies with respect to the purchase of the Property.
E. Notwithstanding anything herein to the contrary, until the date that is sixty (60)

days after the execution of this Agreement by both parties (Inspection Period), upon reasonable notice but without any contingencies hereunder, Purchaser may access the Property and conduct non-invasive inspection, investigations, tests, observations, inquiries and studies as Purchaser deems appropriate. Purchaser shall promptly pay all expenses arising out of such inspections and other work on or about the Property prior to the Closing Date and shall not allow any mechanic's or materialmen's liens to be recorded on the Property (or promptly cause to be removed or bonded over any such liens if recorded on the Property). Purchaser shall promptly repair any damage to the Property caused by Purchaser's investigations. Purchaser shall coordinate with Caltrans any entry on the Property, execute a waiver and indemnity in the form customarily required by Caltrans prior to entry on Caltrans' property and follow applicable health and safety protocols as reasonably required by Caltrans. Following such period, upon Caltrans' reasonable consent and conditions, Purchaser may obtain access to the Property for a limited number of entries.

F. Purchaser shall promptly notify Caltrans during the Inspection Period of any matters discovered in its review of the Property that would cause Purchaser to terminate this Agreement. If within ten days of such notice, Caltrans notifies Purchaser in writing that it will cure such matters, then Caltrans shall have the opportunity to cure such matters fourteen (14) days prior to the Closing Date. Purchaser has the right to terminate if Caltrans does not agree to cure or if the cure is not completed fourteen (14) (days) prior to the Closing Date. Purchaser has a right to inspect the Property to determine that the discoveries have been cured to its satisfaction. Upon any such termination, Escrow Holder shall remit the deposit to Purchaser.

**SECTION 2. PURCHASE PRICE**

**2.01 Purchase Price.** The purchase price for the Property shall be **Three Hundred Twenty-One Thousand Dollars and zero cents ($321,000.00)** (the **"Purchase Price"**).

**2.02 Payment.** The Purchase Price shall be paid by Purchaser in cash, lawful money of the United States as set forth below, time being of the essence thereof:

A. **Deposit.** Immediately upon the execution of this Agreement, Purchaser shall deposit with Escrow Holder the sum of **One Thousand Dollars ($1,000.00)** (the **"Deposit"**) in the form of a cashier's check, wire transfer or other immediately available funds. The entire Deposit shall be applicable to the Purchase Price, without interest, shall be non-refundable except as may be expressly set forth in this Agreement, and shall constitute liquidated damages to Caltrans in the event of Purchaser's default in acquiring the Property. Time is of the essence in making the Deposit into escrow, and as provided above is a condition precedent to the effectiveness of this Agreement.

B. **Cash at Close.** One (1) day prior to the close of Escrow (or by 1:00 p.m. of the

close of escrow for funds delivered by wire transfer) the Purchaser shall deposit the balance of the Purchase Price in the amount of **Three Hundred Twenty Thousand Dollars and zero cents ($320,000.00)** (the **"Cash Balance"**) with Escrow Holder in the form of a cashier's check, wire transfer or other immediately available funds for delivery to Caltrans upon close of escrow hereunder.

**2.03 Acknowledgement.** [Deleted.]

**2.04 No Seller Financing.** Purchaser acknowledges this Agreement is not a financing agreement and neither Caltrans nor any other governmental agency or department has at any time made any representations, warranties, promises or undertakings, express or implied, to provide any financing or other assistance with respect to all or any portion of the Purchase Price or any other obligations of Purchaser hereunder or with respect to the Property, or with respect to any repair, rehabilitation, updating or other activity contemplated by Purchaser with respect thereto. Purchaser has performed all due diligence regarding obtaining funding and/or financing with respect to the Property, including the purchase thereof hereunder, as provided in Section 1.03 above, and has satisfied itself as to the same.

**2.05 Change in Financial Condition.** If either: (i) Purchaser ultimately fails to secure funds for the Purchase Price in the timeframe specified herein, or (ii) the financial condition of the Purchaser changes prior to Close of Escrow so that it is unable to purchase the Property, then in either such event Purchaser shall be in default under this Agreement and Caltrans shall be entitled to exercise its rights and remedies pursuant to Section 12.02 below.

**2.06 Bonds, Taxes and Assessments.** Subject to the specific proration provisions set forth in Section 3.05 below, all real property taxes, supplemental taxes, special taxes, bonds and/ or assessments which are liens on or levied with respect to the Property shall be assumed by Purchaser at close of escrow without reduction of or adjustment to the Purchase Price.

## SECTION 3. ESCROW

**3.01 Opening.** The purchase and sale of the Property shall be consummated by means of Escrow No. OC2509873-TL (a single escrow) which has opened with Fidelity National Title Company, 4400 MacArthur Blvd., Suite 500, Newport Beach, CA, 92660, Attn: Trinh Le, Escrow Officer, email: tlee@fnf.com, Phone (949) 788-2836 (**"Title Company"** or **"Escrow Holder").**

**3.02 Closing.** The closing shall occur upon the recording of the Director's Deed for the Property, and shall occur when the conditions set forth in Article 5 below have all been satisfied or waived, but in no event later than **5:00 pm**_____, 2025 [the one hundred twentieth (120th) calendar day after the full execution of this Agreement]; provided, however, Caltrans shall, upon receipt of written request prior to such date, grant a one-time thirty (30) calendar day extension to close escrow, (such date, as may

be extended, being the **"Closing Date"**).

If at any time prior to the Closing Date, the Property becomes occupied, whether legally or illegally, Caltrans shall notify the Purchaser and Purchaser shall have 30 days to decide whether to proceed with the purchase of the Property. If the 30 days falls outside the Closing Date, the Closing Date shall be extended 10 days past the 30-day expiration. If Purchaser declines to proceed with the purchase of the Property due to the legal or illegal occupation of the Property, this Agreement shall terminate pursuant to the terms hereof. Upon any such termination, Escrow Holder shall remit the deposit to Purchaser.

**3.03 Instructions.** This Agreement shall to the extent applicable, also act as escrow instructions. The parties agree to execute any additional escrow instructions required by the Escrow Holder provided the same shall be consistent with the terms of this Agreement and shall provide that as between the parties, in the event there are any inconsistencies between such supplemental instructions and this Agreement, the terms of this Agreement shall prevail. Escrow Holder is hereby designated the "real estate reporting person" for purposes of Section 6045 of the Internal Revenue Code of 1986, as amended, and Treasury Reg. 1.6045-4, and any instructions or settlement statements prepared by Escrow Holder shall so provide. Escrow Holder shall be responsible for filing any Form 1099-S with the Internal Revenue Service.

**3.04 Costs.** Charges and expenses incurred in connection with the closing hereunder shall be borne by the parties as follows:

A. Purchaser shall pay all: (A) escrow fees, (B) recording fees, (C) transfer taxes, (D) title insurance premiums and fees (whether for ALTA or CLTA coverage), endorsement coverage and survey costs, and (E) any other real estate transaction fees involved in this transaction;

B. If applicable, Purchaser shall pay for and obtain any city/county required inspections and/or occupancy permits, whether required for closing the sale/escrow transaction or not. Caltrans shall provide Purchaser access to the Property as necessary to comply with this provision; and

C. Each party shall bear their own legal, tax and professional fees and costs.

**3.05 Prorations.** All real property taxes, special taxes, assessments, bonds, and all other similar charges imposed or levied upon the Property by any governmental agency or special district, organization or body and any other obligations related to the Property shall be prorated at close as of the Closing Date. With respect to any prorations based upon an estimation, if and when the tax, assessment or other charge related thereto is segregated by the appropriate agency or other persons, within fifteen (15) days thereof, the parties shall adjust said prorations, as necessary, based on such final segregation and pay any such adjustment to the appropriate party. The provisions of this Section 3.05 shall survive the close of escrow and the delivery and recordation of the Director's Deed and CC&Rs hereunder.

**3.06 Escrow Deposits.** On or before the Closing Date, the parties shall make the following deposits into Escrow:

A. **By Caltrans.** At least one (1) business day prior to such closing, Caltrans shall deposit the following documents with Escrow Holder:

(i) an original **Director's Deed** for the Property duly executed by Caltrans and properly acknowledged and otherwise in recordable form, to be recorded in the Official Records of Los Angeles County, California against the Property described therein at close;

(ii) a counterpart original of the **CC&Rs** for the Property duly executed by Caltrans, and the Monitoring Entity properly acknowledged and otherwise in recordable form to be recorded in the Official Records of Los Angeles County, California against the Property described therein at close immediately following the recordation of the Director's Deed for the Property and prior to any financing obtained by Purchaser and to any other encumbrances or agreements being recorded at close with respect to such Property;

(iii) such Non-Foreign Affidavits pursuant to Sections 1445 and/or 7701 of the Internal Revenue Code, as amended, and such California Form 590s pursuant to applicable sections of the California Revenue and Taxation Code, as necessary to comply with such laws and close escrow hereunder, each in form and content reasonably satisfactory to Purchaser and Caltrans;

(iv) such other agreements or documents reasonably necessary from Caltrans to close escrow as may be expressly provided for herein.

B. **By Purchaser.** At least one (1) business day prior to such closing, Purchaser shall deposit the following funds and documents with Escrow Holder:

(i) the **Cash Balance** as provided in Subsection 2.02(b) above;

(ii) a counterpart original of the **CC&Rs** for the Property executed by Purchaser, properly acknowledged and otherwise in recordable form to be recorded in the Official Records of Los Angeles County, California against the Property described therein at close immediately following the recordation of the Director's Deed for such Property and prior to any financing obtained by Purchaser and to any other encumbrances or agreements being recorded at close with respect to such Property;

(iii) all other sums due from Purchaser as provided herein, including without limitation Purchaser's share of closing costs under Section 3.04 above, in the form of wire transfer or other immediately available funds;

(iv) to the extent Purchaser is an entity, certified copies of Purchaser's organizational documents and/or other entity resolutions or other authorizing documents authorizing the execution and delivery of this Agreement and the other documents and agreements contemplated herein, the consummation of all transactions contemplated hereby, and authorizing those persons signing on behalf of Purchaser to bind Purchaser; and

(v) such other agreements, documents, or funds reasonably necessary from Purchaser to close escrow as provided for herein.

**3.07 Cancelling Escrow.** Caltrans may unilaterally cancel escrow if Purchaser fails to comply with Section 3.06(b) and/or Purchaser defaults after opening escrow but before close of escrow and such failure to comply or default is not remedied or cured within three (3) business days of Caltrans providing notice to Purchaser of such failure or default.

## SECTION 4. AGREEMENTS

**4.01 California Transportation Commission Approval and Governing Body Approval.** Purchaser understands and agrees that Caltrans' obligation to sell and convey the Property to Purchaser hereunder is subject to Caltrans first obtaining the written approval of the California Transportation Commission (**"CTC"**) to this Agreement and the sale of the Property hereunder prior to the Closing Date (the **"CTC Approval"**). In the event the CTC fails to approve the sale, all monies deposited into escrow hereunder by Purchaser will be refunded without interest. Caltrans makes no representations, assurances, or warranties, express or implied, concerning the CTC's timely or ultimate approval of this sale.

If applicable, Caltrans understands and agrees that, despite any provision in this Agreement to the contrary, Purchaser's obligation to purchase and accept the Property from Caltrans hereunder is subject to Purchaser first obtaining the written approval of its governing body to this Agreement and the purchase of the Property hereunder prior to the Closing Date. In the event the governing body fails to approve the sale, all monies deposited into escrow hereunder by Purchaser shall be refunded without interest. Purchaser makes no representations, assurances, or warranties, express or implied, concerning the timely or ultimate approval of this sale by its governing body.

**4.02 Leases.** [Deleted.]

**4.03 Covenants, Conditions and Restrictions.**

A. Purchaser acknowledges the purchase of the Property shall be subject to a declaration of covenants, conditions, and restrictions as required by Government Code section 54235 et seq. and the Regulations and agrees that Purchaser and its successors in interest shall be bound by the same. Therefore, prior to close, the parties hereto shall execute a Declaration of Covenants, Conditions and

Restrictions agreement in substantially the form of ***Exhibit "C"*** attached hereto (the **"CC&Rs"**) with respect to the Property, which shall, among other things impose certain ongoing restrictions on the use and occupancy of such Property, as well as imposing various limitations on the subsequent resale of such Property both as to whom it may be sold and the amount of equity or other compensation the Purchaser is entitled to retain upon such subsequent transfer. The CC&Rs shall be recorded immediately following the recordation of the Director's Deed for such Property and shall not be subordinated to any financing obtained by Purchaser with respect to such Property or any other agreements recorded against or otherwise first affecting the Property at close of escrow, except as authorized by the CC&Rs. After recordation, the original recorded CC&Rs for the Property shall be returned (mailed) by the Recorder's Office directly to Caltrans, who shall retain possession thereof. The CC&Rs shall constitute covenants and equitable servitudes that run with the land and shall bind Purchaser and all subsequent owners, lessees, occupants, lenders, encumbrancers, and others holding any interest in, lien on or claim to the Property. Purchaser agrees not to challenge or attempt to terminate, limit, or otherwise alter or amend the CC&Rs. The agreements of Purchaser under this Section 4.03 shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs hereunder.

B. **Historical Covenants**

☒ This Property is not subject to Historical Covenants.

☐ This Property is subject to Historical Covenants attached as Exhibit "__" to protect the historic value and characteristics of the Property. The Historical Covenants are in addition to the CC&Rs described in Section 4.03 A.

**4.04 Title.**

A. **Generally.** Purchaser understands and agrees that the right, title, and interest in the Property to be conveyed hereunder shall not exceed that currently vested in Caltrans (after taking into account any and all rights that may be reserved by Caltrans pursuant to the Director's Deed, the CC&Rs or any other agreement contained in or contemplated by this Agreement related to such Property), and that Caltrans will furnish no policy of title insurance with respect to the sale of the Property hereunder. If a policy of title insurance, endorsement or survey coverage is desired, Purchaser may obtain the same at Purchaser's sole expense, provided, however, in no event or circumstance shall obtaining any such title, endorsement or survey coverage) constitute any basis for extending the Closing Date contemplated hereunder. No later than ten business days prior to the expiration of the Inspection Period, Purchaser shall notify Caltrans in writing of its objection to any matter in the preliminary title report or on a survey. Caltrans shall have five business days to notify Purchaser of its election to cure the matter or not, and the absence of any notice shall be deemed an election not to cure the matter. Purchaser shall have the right to terminate this Agreement prior to the expiration of the Inspection Period if Caltrans does not agree to cure such matter, or if Caltrans agrees to but fails to cure the matter on or prior to Closing, then Purchaser shall have the right to terminate at such time. Upon any such termination, Escrow

Holder shall remit the deposit to Purchaser.

B. **Permitted Encumbrances.** At close of escrow hereunder the Property shall be conveyed to Purchaser by a Director's Deed in substantially the form of ***Exhibit "A"*** hereto (a **"Director's Deed"**), with title to the Property being subject to all of the following exceptions and matters (collectively, the **"Permitted Exceptions"**): (1) a lien to secure payment of real estate taxes, supplemental taxes, and special taxes, bonds and assessments; (2) any reservations or limitations contained in the Director's Deed or any prior deed(s) relating to the Property; (3) the CC&Rs; (4) all title exceptions and other matters shown in the preliminary report for such Property other than any items Caltrans has agreed to cure; (5) any and all other matters apparent from a physical inspection thereof and/or that might be revealed by a survey other than any items Caltrans has agreed to cure; and (6) all other matters created by or with the consent or knowledge of Purchaser, or otherwise disclosed or contemplated in this Agreement. Caltrans shall not have, and does not assume, any liability or obligation whatsoever for any encumbrances or other title matters affecting the Property, or the amendment, removal, or other disposition thereof, provided, however, Caltrans agrees not to encumber the Property or enter into any leases, licenses, and other occupancy agreements with respect to the Property ("Leases") during the Escrow Period without the consent of Purchaser.

**4.05 Operation during Escrow Period.** During the period commencing with the effectiveness of this Agreement until the close of escrow hereunder or termination of this Agreement, Caltrans will continue to operate the Property in substantially the same manner as operated as of the date of this Agreement and will not do, cause, or allow anything to be done with respect to the Property that would materially change, alter or modify the current operation of the Property as a vacant property without the prior written consent of Purchaser, which consent shall not be unreasonably withheld or delayed; provided, however, Caltrans shall not under any circumstances be responsible for or have any obligation or liability with respect to any such change, alteration or modification to the extent the same is caused by any tenant or occupant of a Property or any other person without Caltrans' consent or knowledge, or to the extent the same is otherwise beyond Caltrans' reasonable control. Additionally, notwithstanding the foregoing, Caltrans shall be entitled, at its election and without notice to or obtaining the consent of Purchaser, to take any and all actions and make any and all decisions with respect to the Property as Caltrans deems necessary or desirable, in its sole and absolute discretion, in addressing any emergency relating to the Property or the safety of any occupant thereof, making a Property compliant with applicable laws, and/or keeping and maintaining a Property in a safe and habitable condition.

**4.06 Purchaser's Agreements.** With respect to the period prior to the close of escrow Purchaser acknowledges and agrees as follows:

A. **No Changes.** Purchaser shall have no right to take any action with respect to the Property, including, without limitation changing, renewing or terminating any zoning designations, permits, approvals, certificates or other entitlements related thereto (or applying for any such new matters), giving any notices with respect to or otherwise amending or terminating any Leases related thereto, or making or

undertaking any repairs, alterations or additions to the Property and/or any improvements located thereon, in each case without the prior written consent of Caltrans, which may be conditioned or withheld in Caltrans' sole and absolute discretion.

B. **Restrictions.** Purchaser shall not use or take any actions, or permit or suffer its agents, employees, contractors or consultants (collectively, **"Agents"**) to use or take actions, with respect to the Property in a manner which would in any way: (i) interfere with any activities thereon, or the use or occupancy thereof; (ii) constitute a nuisance or result in waste; (iii) result in the cancellation of any insurance being maintained by or on behalf of Caltrans or any tenants, in the increase in the premiums for any such insurance or in the increase of any of Caltrans' other costs; or (iv) damage any improvements or personalty located thereon.

C. **Compliance with Laws Generally.** Purchaser and its Agents shall not enter any Property, nor shall they take any action with respect thereto (or permit or suffer anything to be done in, on or about the Property) which will in any manner violate any title conditions, maps, entitlements, permits, consents, agreements, Leases or any laws, ordinances, governmental rules or regulations now or hereafter in effect with respect thereto and/or the conduct of any activities thereon by Caltrans or any occupants.

D. **Liens.** Purchaser shall at all times keep the Property and Caltrans free from any liens and claims arising out of any and all actions taken, work and labor performed, materials or services furnished and/or damages or personal injuries caused by or on behalf of Purchaser in connection with any activity of Purchaser and/or its Agents with respect to the Property, whether occurring prior to or after the date hereof. Caltrans may require Purchaser to post, at Purchaser's sole cost and expense, a lien release bond or other undertaking, statutory or otherwise, in such amount as necessary to properly bond around any claim filed against Caltrans and/or the Property with respect to such activities (occurring prior to the close of escrow) of Purchaser or its Agents. The bonding obligations of Purchaser under this Subsection 4.06(d) shall be absolute and unconditional and shall survive the close of escrow and the delivery and recordation of the Director's Deed and CC&Rs hereunder and/or the expiration, revocation, or termination of this Agreement.

E. **Compliance with the Act & Regulations**. Purchaser shall at all times comply with the requirements of the Act and the Regulations.

## SECTION 5. CONDITIONS TO CLOSE

**5.01 Conditions to Purchaser's Obligation to Close.** The matters set forth in this Section 5.01 are conditions precedent to the close of escrow by Purchaser as contemplated in this Agreement, and the same may be declared satisfied or waived by Purchaser. In the event any such condition fails to be satisfied in accordance with the terms hereof through no fault of either party, Purchaser shall have the option of either: (i) waiving such condition and proceeding to close without adjustment of the Purchase Price or any of the other terms of this Agreement, or (ii) terminating this Agreement, in which case the

Deposit shall be refunded to Purchaser without interest, and neither party shall have any further rights, liabilities or obligations hereunder except paying their respective share of escrow costs incurred up to such date and observing those obligations expressly stated herein as surviving the termination of this Agreement.

A. **Title.** At closing, the Property shall be conveyed to the Purchaser pursuant to a Director's Deed subject to all the Permitted Exceptions applicable to such Property as contemplated by Section 4.04 hereof.
B. **CTC Approval and Governing Body Approval.** By the Closing Date, the CTC Approval shall and any governing body approval (if applicable) have been unconditionally obtained as contemplated by Section 4.01 hereof.
C. **Documents and Funds.** By the Closing Date, the escrow deposits referenced in Section 3.06(a) above shall have all been made by Caltrans, and the Escrow Holder shall be irrevocably committed to record the Director's Deed in the Official Records of Los Angeles County, California.
D. **Representations/Covenants.** At close: (i) all the representations of Caltrans contained in this Agreement shall be materially true and correct, and (ii) Caltrans shall have materially complied with its covenants contained in this Agreement.

**5.02 Conditions to Caltrans' Obligation to Close.** The matters set forth in this Section 5.02 are conditions precedent to the close of escrow by Caltrans as contemplated in this Agreement, and the same may be declared satisfied or waived by Caltrans. In the event any such condition fails to be satisfied in accordance with the terms hereof through no fault of either party, Caltrans shall have the option of either: (i) waiving such condition and proceeding to close without adjustment of the Purchase Price or any of the other terms of this Agreement, or (ii) terminating this Agreement, in which case the Deposit shall be refunded to Purchaser without interest, and neither party shall have any further rights, liabilities or obligations hereunder except paying their respective share of escrow costs incurred up to such date and observing those obligations expressly stated herein as surviving the termination of this Agreement.

A. **Balance of Purchase Price.** By the Closing Date, Purchaser shall have deposited the entire Cash Balance of the Purchase Price with Escrow Holder as provided in Section 2.02(b) hereof.
B. **CTC Approval.** By the Closing Date, the CTC Approval shall have been unconditionally obtained as contemplated by Section 4.01 hereof.
C. **Documents and Funds.** By the Closing Date, the escrow deposits referenced in Section 3.06(b) above shall have all been made by Purchaser and Escrow Holder shall be irrevocably committed to:
    (i) disburse the Cash Balance to Caltrans,
    (ii) record the Director's Deed, and CC&Rs immediately thereafter as contemplated herein, in the Official Records of Los Angeles County, California, and
    (iii) deliver to Caltrans a fully executed counterpart original any other appropriate documents as contemplated by Section 3.06(b).

D. **Representations/Covenants.** At close: (i) all the representations of Purchaser contained in this Agreement shall be materially true and correct, and (ii) Purchaser shall have materially complied with its covenants contained in this Agreement.

**SECTION 6. POSSESSION**

Possession of the Property shall be delivered to Purchaser on the Closing Date subject to the Permitted Exceptions applicable to the Property.

**SECTION 7. BROKERS**

**7.01 Caltrans.** Caltrans has retained **Veterans Realty Group** to act as a Consultant in connection with the sale of the Property hereunder, and any compensation due to **Veterans Realty Group** in connection with the transactions contemplated by this Agreement shall be paid by Caltrans.

**7.02 No Other Brokers.** Except for Caltrans' retention of **Veterans Realty Group** above, each party hereby represents and warrants to the other party that no broker, finder, real estate agent or other person has been retained by it or is entitled to any commission, finder's fee or other compensation resulting from any action on its part with respect to the sale of the Property to Purchaser. Purchaser and Caltrans each agree to indemnify, defend, and hold the other and the Property harmless from and against any real estate brokerage commissions or finder's fees, and all costs and expenses (including attorneys' fees and costs) of investigating and defending any such claims, payable or alleged to be payable to any other persons in connection with this Agreement which such indemnifying party may have engaged or is claimed or alleged to have engaged. This section does not prohibit Purchaser from obtaining a broker at his/her own expense. The representations, warranties, indemnification, and other obligations set forth in this Section 7.02 shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs and/or the expiration, revocation, or termination of this Agreement.

**SECTION 8. REPRESENTATIONS & WARRANTIES**

**8.01 By Caltrans.** Caltrans hereby makes the following representations and warranties to Purchaser:

A. Authority. Subject to obtaining the CTC Approval, Caltrans has all requisite power and authority to enter into, deliver and perform this Agreement and all the other agreements contemplated herein and to be executed in connection herewith, and the person(s) executing this Agreement and all other agreements contemplated herein on behalf of Caltrans have been properly authorized to sign on behalf of and bind Caltrans in connection with performing the transactions contemplated herein.

B. Binding. Subject to obtaining the CTC Approval, this Agreement and all documents to be executed by Caltrans as provided herein, as of the date of

execution shall, subject to the operation of any bankruptcy or similar laws, be the legal, valid and binding obligations of Caltrans.

C. Information. Except as otherwise set forth in this Agreement, Caltrans has no actual constructive knowledge of any information affecting the Property that had, has or would have a material effect on Purchaser's ability to use and operate the Property as contemplated by Purchaser. Caltrans has provided to Purchaser all material and factual information requested by the Purchaser and/or as required by law concerning the Property that is in Caltrans' possession, custody and control.

D. Compliance with the Act and Regulations: Caltrans conduct in this sales transaction has been in compliance with the Act and corresponding Regulations.

E. Claims. There is no claim, action, suit, arbitration, proceeding (including condemnation proceedings) or any investigation by or before any court or arbitration body, any governmental, administrative or regulatory authority, or any other body pending or, to Caltrans's knowledge, threatened with respect to the Property (collectively, "Allegations"). Caltrans is not aware of any basis or reason for any such Allegations. There is no order, judgment or decree of any court or arbitration body, any governmental, administrative or regulatory authority, or any other body, against Caltrans with respect to the Property or the sales transaction contemplated by this Agreement.

F. No Violation. Neither the execution and delivery of this Agreement, nor the performance by Caltrans of the sales transaction contemplated hereby, will contravene, conflict with, or result in a breach of any agreement, law, regulation, writ, injunction or decree of any court or governmental authority applicable to Caltrans or by which any of its properties is bound. Except for CTC Approval, Caltrans is not required to obtain any consent or authorization in order to complete the sales transaction contemplated by this Agreement.

G. Right to Purchase. Except pursuant to this Agreement, no third party has an option, right of first offer, right of first refusal, or other similar right to purchase the Property that currently remains in effect.

H. Environmental Matters. As requested by Purchaser and/or mandated by law, Caltrans has provided or made available for review copies of any material documents in its possession, custody and control of Caltrans regarding environmental condition of the Property ("Environmental Materials"). Except as set forth in the Environmental Materials, Caltrans is not aware of the existence of any Hazardous Substances (defined in Section 10 below) attributable to or affecting the Property. There have been no settlements reached by or with any third parties alleging the presence, disposal, release or threatened release of any Hazardous Substances from the use or operation of the Property.

I. Leases. The Property is not subject to any Leases, tenancy and/or similar agreements conferring any right, title or interest in the Property to a third party.

J. Contracts. Other than as disclosed in the title reports provided by the Title

Company and this Agreement, there are no agreements affecting the Property.

Each of the representations made by Caltrans in this Agreement shall be true and correct on the date hereof, and shall be deemed to be made again as of the close of escrow provided for herein, and shall then be true and correct in all material respects. Caltrans shall promptly provide written notice to Purchaser of any developments or information that would make the representations set forth above untrue. The representations and warranties set forth in this Section 8.01 shall expressly survive the close of escrow as described in Section 13.12 below.

**8.02 By Purchaser.** Purchaser and the specific parties signing this Agreement on behalf of Purchaser hereby makes the following representations and warranties to Caltrans:

A. Organization. Purchaser is a municipal corporation duly organized, validly existing and in good standing under the laws of the State of California which has the power and authority to enter into this Agreement and to consummate the transactions contemplated hereby.
B. Authority. Subject to obtaining governing body approval, Purchaser has all requisite power and authority to enter into, deliver, and perform this Agreement and all the other agreements contemplated herein and to be executed in connection herewith, and the person(s) executing this Agreement and the other agreements contemplated herein on behalf of Purchaser have been properly authorized to sign on behalf of and bind Purchaser in connection with performing the transactions contemplated herein.
C. Binding. This Agreement and all documents to be executed by Purchaser as contemplated hereunder shall, subject to the operation of any applicable bankruptcy or similar laws, be the legal, valid and binding obligations of Purchaser, and shall not materially violate any law, agreement, order or decree to which Purchaser is a party or is subject.
D. Litigation. There are no pending or threatened, suits or actions affecting Purchaser which would materially affect Purchaser's ability to enter into or perform its obligations under this Agreement or the documents executed in connection herewith.
E. Information / Compliance. All applications, information, financial statements, and other materials provided by Purchaser or its Agents to Caltrans pursuant to or in connection with the Act, the Regulations and or this Agreement are true, correct and not materially misleading; and Purchaser is in compliance with the Act and the Regulations as relates to the Property and the purchase thereof under this Agreement.
F. No Bankruptcy. Purchaser is not the subject of any pending or threatened bankruptcy proceedings, whether voluntary or involuntary.

Each of the representations and warranties made by Purchaser in this Agreement, or on any document or instrument delivered pursuant hereto shall be true and correct on the date hereof, and shall be deemed to be made again as of close of escrow provided for herein, and shall then be true and correct in all material respects. The representations

and warranties of Purchaser contained in this Section 8.02 shall survive the close of escrow and the delivery and recordation of the Director's Deed and CC&Rs.

**SECTION 9. "AS-IS", WAIVERS AND RELEASE**

Purchaser acknowledges and agrees that, except as set forth in this Agreement, neither Caltrans nor any of its respective employees, agents, managers, members, partners, officers, interest holders, attorneys, contractors or consultants, including without limitation the California Department of Housing and Community Development **("HCD")**, (Caltrans and such other persons being collectively, the **"Seller Parties"**) have made or are making, and specifically negate and disclaim making, any representations, warranties, guaranties, promises, covenants or assurances of any kind or character, whether express, implied, written, oral, past, present or future concerning or with respect to the Property, or the condition or status thereof, including without limitation, the suitability for any purpose or the profitability of owning and operating the Property; the value thereof; the existence or non-existence of any patent or latent defects affecting the same; the physical or environmental condition or status thereof (including without limitation the existence of any mold, lead paint, radon gas or other environmental health hazards); the rental or other income generated thereby; the expenses or costs associated therewith; the size and square footage of the parcel or the improvements located thereon, the age or condition of the such improvements, or the location of property lines or setbacks (or the location of the improvements with respect thereto); the zoning thereof; the condition of title thereto; the existence, necessity or satisfaction of any local, state or federal approvals, permits or certificates for the entitlement, ownership, operation, use or occupancy thereof as contemplated by Purchaser or any tenants, occupants or any future owners thereof; the feasibility of or cost associated with obtaining any such approvals; the compliance of the Property with any and all applicable local, state or federal laws, codes and ordinances; or any other matter.

Purchaser further acknowledges that Purchaser, with the help of its independent experts, contractors, consultants, professionals (including independent legal counsel and accountants), and advisors, prior to the Closing Date, will conduct its independent feasibility, investigation, and due diligence inquiry as described in Section 1.03 above with respect to the Property and will fully satisfy itself as to all matters relating thereto. Except for the representations and warranties of Caltrans set forth in this Agreement, Purchaser is relying solely and exclusively on such independent due diligence in executing this Agreement and purchasing the Property hereunder, and not on any representations, warranties, guaranties, promises, covenants or assurances of any kind or character by Caltrans or any other Seller Parties; and the Property is being purchased **"AS-IS" / "WHERE-IS"** at close in its present condition with all defects and faults, both patent and latent, whether known or unknown, presently existing or that may hereafter arise.

Effective on the Closing Date, Purchaser hereby fully and expressly releases Caltrans, HCD and all of the other Seller Parties and their respective agents, employees, attorneys, consultants, successors and assigns from any and all demands, claims, liabilities, amounts, actions, costs, judgments, expenses and damages (including, without limitation,

attorneys' fees, witness fees and court costs) related to or arising from the Property, or the condition or status of thereof or any other matter relating thereto, including without limitation the matters referenced in the first paragraph of this Section 9, (collectively, the **"Released Matters"**); and Purchaser hereby covenants not to sue, and hereby fully and expressly waives and relinquishes any and all rights and remedies Purchaser may have against, Caltrans, HCD and the other Seller Parties and their respective agents, employees, attorneys, consultants, successors and assigns, or any of them, at law, in equity or otherwise, related to or arising from the Released Matters. However, nothing contained herein shall release or be deemed to release Caltrans from claims arising from its fraud or a breach of any representation or warranty by Caltrans contained in this Agreement (the "Preserved Matters"). Preserved Matters shall not be considered Released Matters. Purchaser acknowledges and agrees that the release, waiver and discharge given by Purchaser hereunder to Caltrans, HCD and the other released parties extends to all Released Matters described above, whether known or unknown, foreseen or unforeseen, patent or latent, which Purchaser may now or hereafter have against Caltrans, HCD or such other persons; and in connection with such release, waiver and discharge, Purchaser hereby expressly waives the benefit of the provisions of California Civil Code Section 1542, which provides as follows:

> **"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."**

Purchaser has read this Section 9, has had the effect and content thereof explained to Purchaser by independent legal counsel, and fully understands and appreciates the same. Purchaser understands and acknowledges that, among other things, the consequence of this waiver of California Civil Code section 1542 is that even if Purchaser should eventually discover any claims or suffer any losses or damages arising from the Released Matters, Purchaser would not be able to make any claim against Caltrans, HCD or the other released persons with respect thereto. Purchaser acknowledges that these consequences apply even as to claims, losses or damages resulting from the Released Matters that may exist as of the date of this Agreement or in the future, but which Purchaser does not know exist, or does not anticipate, and which, if known or anticipated, would materially affect Purchaser's decision to execute this Agreement. The waivers, releases, covenants not to sue and discharges contained in this Section 9 are a material portion of the consideration to Caltrans in agreeing to enter into this Agreement and shall survive the close of escrow and the delivery and recordation of Director's Deed and the CC&Rs in perpetuity.

**SECTION 10. <u>INDEMNIFICATION</u>**

Following the closing of the transaction contemplated herein, except as provided below,

Purchaser shall, at its sole cost and expense, indemnify, defend and hold Caltrans and its officers, agents, employees, attorneys and consultants, including without limitation, HCD, and their respective successors and assigns (collectively, the **"Indemnified Parties"**), free and harmless from and against any and all liabilities, demands, claims and costs (including remediation, reimbursement or contribution costs or claims), damages, losses, and expenses (including and without limitation to attorneys' fees, legal expenses and court costs, and consultant's fees, and investigation and remediation costs) of whatever kind or nature incurred or suffered by, or threatened against, any Property or any Indemnified Party(ies) resulting from or arising out of or by reason of any matter pertaining to the condition or status of the Property, including without limitation, the existence of any Hazardous Substances or Hazardous Substance Conditions in, on, under or about the Property (collectively, "Claims"). Except as provided below, this indemnity is intended to address any and all liability for which Caltrans may now or at any time hereafter be partially or entirely responsible in connection with the contamination, environmental or physical condition or status of any Property, including the prior operation thereof, due to its mere ownership or operation of such Property. As used in this Agreement, the term **"Hazardous Substance"** shall mean any substance whose nature and/or quantity of existence, use, manufacture, disposal or effect, render it subject to federal, state, or local regulation, investigation, remediation or removal as potentially injurious to public health or welfare, including the Comprehensive Environmental Response Compensation and Liability Act or Resource Conservation and Recovery Act as now in effect; and the term **"Hazardous Substance Condition"** shall mean the existence in, on, under or about the Property of a hazardous substance that requires remediation, removal, mitigation and/or other action pursuant to applicable law. This indemnification shall in no event apply to (i) Claims to which Caltrans representations and warranties apply, (ii) any Claims involving Caltrans' willful misconduct, gross negligence or fraud, and (iii) any Claims relating to challenges to Caltrans' acquisition or disposition of the Property.

Purchaser's indemnification and defense of any matters contemplated in this Section 10 for or on behalf of the Property or any Indemnified Parties shall be made by counsel reasonably acceptable to the Indemnified Parties; shall commence immediately upon any such claim or matter being made, threatened, or asserted against Indemnified Parties or the Property without the necessity of the Indemnified Parties first contesting or defending the same, suffering or incurring any loss or adverse disposition, or otherwise taking or failing to take any other action; and shall apply to all such matters regardless of any action, failure or negligence of the Indemnified Parties, it being the express intent that the indemnification, defense and hold harmless obligations of this Section 10 apply to all matters referenced herein except to the extent caused by the gross negligence or willful misconduct of the Indemnified Parties. In the event Purchaser refuses to initiate or continue pursuing to completion any such defense or other obligations hereunder, Indemnitee shall be entitled to undertake, assume, and/or conclude the same, all at Purchaser's sole cost and expense, with counsel selected by Indemnitee. The obligations of Purchaser under this Section 10 shall be absolute and unconditional, and shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs.

**SECTION 11. CASUALTY/CONDEMNATION**

In the event any casualty or condemnation proceeding occurs or is commenced with respect to the Property after the effectiveness hereof but prior to the close of escrow, Caltrans shall notify Purchaser of the same in writing within ten (10) business days after Caltrans has knowledge of the same, and either of the following shall occur:

(A) If Purchaser does not elect to cancel within seven (7) business days after receipt of such notice by Purchaser, the parties shall continue to proceed under this Agreement and close without adjustment to the Purchase Price or any of the other provisions of this Agreement, in which event upon the close of escrow, Caltrans shall assign to Purchaser all of its interest in any such insurance or condemnation proceeds, compensation, award, or other payments or relief resulting from such casualty or condemnation proceedings; or

(B) If Purchaser elects to cancel, and Purchaser provides written notification to Caltrans of its election to terminate this Agreement within such 7-day period, then this Agreement shall terminate, the Deposit shall be returned to Purchaser without interest, and Caltrans shall retain all proceeds, compensation, awards, payments and other benefits or relief related to such casualty and condemnation with respect to the Property.

**SECTION 12. REMEDIES**

**12.01 Of Purchaser.** If the closing does not occur as a result of Caltrans' default under this Agreement, then, provided Purchaser is not in default hereunder, Purchaser may, at its election proceed with either of the following mutually exclusive alternatives as its sole and exclusive remedy:

A. Terminate the Agreement, whereupon: (1) the Deposit shall be returned to Purchaser without interest, (2) Purchaser may seek reimbursement from Caltrans of any and all hard third-party costs and expenses incurred by Purchaser in connection the investigation of the Property or the negotiation and execution of this Agreement, as evidenced by invoices delivered to Caltrans, up to the maximum aggregate amount of fifteen thousand Dollars ($15,000), and (3) neither party shall have any further obligation or liability to the other under this Agreement except for provisions of this Agreement which expressly state that they shall survive the termination of this Agreement; or

B. File in a court of competent jurisdiction an action for specific performance to cause Caltrans to convey the Property to Purchaser in accordance with the terms and conditions of this Agreement; but Purchaser shall not be entitled to recover any monetary damages (whether compensatory, consequential, exemplary, punitive or other) from Caltrans in connection with such default other than seeking

its reasonable attorneys' fees in connection with such action.

**PURCHASER ACKNOWLEDGES AND AGREES THAT THE LIMITATIONS ON REMEDIES AGAINST CALTRANS SET FORTH IN THIS SECTION 12.01 ARE A MATERIAL INDUCEMENT FOR CALTRANS TO ENTER INTO THIS AGREEMENT, AND PURCHASER AGREES THAT SUCH LIMITATIONS ARE REASONABLE AND ENFORCEABLE IN ACCORDANCE WITH THEIR TERMS.**

**12.02 Of Caltrans. LIQUIDATED DAMAGES. PURCHASER AND CALTRANS AGREE THAT SHOULD PURCHASER FAIL TO COMPLETE THE PURCHASE OF THE PROPERTY AS HEREIN PROVIDED BY REASON OF DEFAULT OF PURCHASER, THE PARTIES HERETO, BY INITIALING THIS SECTION 12.02 IN THE SPACE PROVIDED BELOW, AGREE THAT IT WOULD BE IMPRACTICAL OR EXTREMELY DIFFICULT TO ASCERTAIN OR FIX ACTUAL DAMAGES TO CALTRANS AS A RESULT OF SUCH FAILURE OR DEFAULT BY PURCHASER, THAT UNDER THE CIRCUMSTANCES EXISTING AS OF THE DATE OF THIS AGREEMENT THE ENTIRE DEPOSIT PROVIDED FOR IN SECTION 2.02(A) ABOVE IS A REASONABLE ESTIMATE OF CALTRANS' DAMAGES, AND THAT AS CALTRANS' SOLE AND EXCLUSIVE REMEDIES ON ACCOUNT OF SUCH BREACH, CALTRANS SHALL BE ENTITLED TO: (1) RETAIN SAID DEPOSIT AS LIQUIDATED DAMAGES FOR SUCH BREACH BY PURCHASER AND (2) TERMINATE THIS AGREEMENT. THE PAYMENT OF SUCH AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO CALTRANS PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677.**

**THE PROVISIONS HEREOF RELATE ONLY TO CALTRANS' DAMAGES FOR PURCHASER'S DEFAULTS IN ITS AGREEMENT TO PURCHASE THE PROPERTY AS PROVIDED HEREIN. NOTHING CONTAINED HEREIN SHALL LIMIT OR PRECLUDE, OR BE DEEMED TO LIMIT OR PRECLUDE, THE EXERCISE OR ENFORCEMENT BY CALTRANS OF ANY RIGHTS WHICH EXPRESSLY SURVIVE THE TERMINATION OF THIS AGREEMENT.**

**Purchaser's Initials:** _____ **Caltrans' Initials:** _____

**SECTION 13. MISCELLANEOUS**

**13.01 Headings.** This Agreement shall be construed as a whole, and the subject headings of the paragraphs and subparagraphs of this Agreement are included for convenience only and shall not affect the construction or interpretation of any of its provisions or define the provisions in the portions of this Agreement to which they pertain.

**13.02 Assignment.** Purchaser may not assign this Agreement, or any portion hereof or any of its rights or interests hereunder, without the express prior written consent of Caltrans, which consent may be conditioned or withheld in Caltrans' sole and absolute discretion, except as set forth herein. Purchaser may, without Caltrans' consent, but upon notice to Caltrans and Escrow Holder, assign any or all of its rights in, to or under this Agreement to an entity or instrumentality that is wholly controlled by Purchaser. No such assignment (regardless of whether consented to by Caltrans) shall relieve or release

its reasonable attorneys' fees in connection with such action.

**PURCHASER ACKNOWLEDGES AND AGREES THAT THE LIMITATIONS ON REMEDIES AGAINST CALTRANS SET FORTH IN THIS SECTION 12.01 ARE A MATERIAL INDUCEMENT FOR CALTRANS TO ENTER INTO THIS AGREEMENT, AND PURCHASER AGREES THAT SUCH LIMITATIONS ARE REASONABLE AND ENFORCEABLE IN ACCORDANCE WITH THEIR TERMS.**

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**Purchaser's Initials:** _____ **Caltrans' Initials:** AL

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Purchaser from any of its obligations hereunder. As a condition to the effectiveness of such assignment, all assignees shall execute an assumption agreement reasonably acceptable to Caltrans under which the proposed assignee agrees to fully assume and be bound by all the terms of this Agreement to be observed or performed by Purchaser.

Caltrans shall be free to assign this Agreement, or any portion hereof or any of its rights or interests hereunder, without the consent or approval of Purchaser.

**13.03 Entire Agreement / Amendment.** This Agreement (including all exhibits and schedules hereto and other agreements referenced herein) constitute the entire agreement between the parties pertaining to the subject matter contained herein and supersede all prior written or oral agreements, representations and understandings of the parties relating to the subject matter herein. There are no representations, agreements, arrangements, or understandings, oral or written, relating to the subject matter which are not fully expressed herein. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by all the parties hereto.

This Agreement does not affect the enforceability of other written contracts related to the use and resale of the Property or to preserving the historic nature of the Property.

**13.04 Counterparts.** This Agreement may be executed simultaneously in one or more identical counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. This Agreement shall be fully effective and binding on all parties hereto, as if one or more copies thereof had been executed by all the parties hereto, when all the parties have executed identical counterparts hereof, even though no single counterpart has been executed by all the parties hereto.

**13.05 Binding / Successor & Assigns.** Except to the extent assignment hereof is prohibited, this Agreement shall be binding on, and shall inure to the benefit of, the parties hereto and their successors and assigns.

**13.06 Attorneys' Fees.** If any legal action, arbitration or other proceeding is brought by either party involving a dispute between the parties arising out of the interpretation or enforcement of any condition or provision hereof, or by reason of any breach arising hereunder or the sale of the Property, the prevailing party shall be entitled to recover its reasonable attorneys' fees, court costs and expert witness fees incurred in such action or proceeding in addition to any other relief to which such party may be entitled.

**13.07 Further Acts.** Each party agrees to perform any further acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions in this Agreement.

**13.08 Limited Third-Party Beneficiaries.** Subject to the remainder of this Section 13.08,

this Agreement is for the sole benefit of the parties hereto and there are no third-party beneficiaries, intended or otherwise. Notwithstanding the foregoing, HCD and the other Seller Parties (and other released persons) are intended third-party beneficiaries of Section 9 hereof, and HCD and the other Indemnified Parties are intended third party beneficiaries of Section 10 hereof.

**13.09 Notices.** All notices, requests, demands, and other communications required or desired under this Agreement shall be in writing and shall be given by any of the following methods: (i) personal service at the address set forth below, (ii) email transmission in the manner set forth below, or (iii) depositing such notice in the United States mail postage prepaid, addressed to the other as follows:

Caltrans
Division of Right of Way – SR-710, MS6
100 South Main Street
Los Angeles, CA 90012

City of South Pasadena
City Manager
1414 Mission Street
South Pasadena, CA 91030

Any notice given by personal service shall be deemed given when received, as verified by a written receipt or proof of service. Any notice given by email transmission shall be deemed given when transmitted, as evidenced by printed email; and any notice given by regular mail shall be deemed given on the fifth (5th) business day after its deposit in the United States mail postage prepaid.

Either party may change its address for purposes of this paragraph by giving the other party written notice of the new address to the other party at the address contained herein.

**13.10 Governing Law.** This Agreement has been prepared, negotiated, and entered into in the State of California and shall be governed by, construed and enforced in accordance with the internal laws of the State of California and according to its fair meaning, and not in favor of or against any party. Any action or proceeding relating or arising out of this Agreement shall be filed, if a State action, in the Superior Court of the State of California for the County of Los Angeles.

**13.11 Severability.** If any provision of this Agreement; or the application thereof to any person or circumstance, is held invalid or unenforceable by any court or arbitrator, it is the intent of the parties that all the other provisions of this Agreement, and the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall be construed to be fully valid, enforceable and binding on the parties to the fullest extent permitted by law.

**13.12 Survival / No Merger.** All covenants, representations, warranties, and other agreements under this Agreement which are expressly stated herein as surviving the close of escrow shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs in perpetuity, and shall not merge with or into the Director's Deed or the CC&Rs (or be terminated, limited or otherwise affected thereby).

**13.13 Time is of the Essence.** Time is of the essence of this Agreement in respect to all provisions of this Agreement that specify a time for performance, including the closing of escrow provided for herein, and failure to comply with this provision shall be a material breach of this Agreement.

**13.14 Days / Saturdays, Sundays, and Holidays.** Unless otherwise expressly stated, all time periods referred to herein shall be deemed to mean calendar days. If any date by which an election or a notice shall be given, or by which an action shall be taken, hereunder falls on a Saturday, Sunday, federal or state holiday, then the date by which such election or notice shall be given or such action shall be taken is extended to 5:00 p.m. on the next business day following such Saturday, Sunday, federal or state holiday.

**13.15 Waiver.** Waiver by one party of the performance of any covenant, condition or promise shall not invalidate this Agreement, nor shall it be a waiver by such party of such covenant, condition or promise in the future or of any other covenant, condition, or promise hereunder. Any waiver, to be effective, shall be express, in writing and signed by the waiving party, and shall be delivered to the other party. The exercise by a party of any remedy provided in this Agreement or at law shall not prevent the exercise by that party of any other remedy provided in this Agreement or at law.

**13.16 Construction.** As used in this Agreement, the masculine, feminine, or neuter gender and the singular or plural numbers shall each be deemed to include the other whenever the context so indicates. Each party hereto acknowledges and agrees that each has had independent counsel review and participated in the negotiation and drafting of this Agreement, and each hereby fully waives the application of any law, statute or rule of construction or interpretation, including without limitation California Civil Code Section 1654, to the effect that any ambiguities are to be construed against the drafting party.

**13.17 Exhibits.** All exhibits and schedules attached to this Agreement are hereby incorporated by reference herein and specifically made a part of this Agreement.

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

CALTRANS:

Recommended for Approval by:

STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION

By: _____ Date: _____
Angus Chan
Senior Right of Way Agent

By: _____ Date: _____
Heriberto Salazar
Office Chief, 710 Sales

Approved:

By: _____ Date: _____
Dan Murdoch
Deputy District Director, Right of Way

PURCHASER: CITY OF SOUTH PASADENA

By: Todd Hileman Date: 11/12/2025
Todd Hileman, City Manager
City of South Pasadena

Attest:

By: _____ Date: 11/12/2025
Deputy City Clerk

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

CALTRANS:

Recommended for Approval by:

STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION

By: _____ Date: Nov 17, 2025
Angus Chan
Senior Right of Way Agent

By: _____ Date: 11-20-25
Heriberto Salazar
Office Chief, 710 Sales

Approved:

By: _____ Date: 11/20/25
Dan Murdoch
Deputy District Director, Right of Way

PURCHASER: CITY OF SOUTH PASADENA

By: _____ Date: _____
Todd Hileman, City Manager
City of South Pasadena

Attest:

By: _____ Date: _____
Deputy City Clerk

## Attached Exhibits

| | |
|---|---|
| ***Exhibits "A"*** | *Director's Deed/Legal Description of Property* |
| ***Exhibit "B"*** | *Deleted* |
| ***Exhibit "C"*** | *Declaration of Covenants, Conditions & Restrictions* |
| ***Exhibit "D"*** | Historical Covenants (only included if applicable) |

# STATE ROUTE 710 SALES PROGRAM
# PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("**Agreement**") is entered into as of June 4, 2025, by and between the State of California, Department of Transportation ("**Caltrans**") and the City of South Pasadena, a Municipal Corporation.

**Recitals**

A. Caltrans owns the real property located in Los Angeles County, California commonly known as: **530 Orange Grove Ave., South Pasadena, CA 91030** and more particularly described as set forth in ***Exhibit "A"***, respectively, attached hereto ("**Property**").

B. The parties wish to provide terms and conditions for Purchaser's purchase of the Property from Caltrans. The State Route 710 Sales Program described in Government Code section 54235 et seq. (the "**Act**") and Title 21 Public Works Division 2 Department of Transportation, Chapter 9.5 (the "**Regulations**") provide for the offering of State-owned, surplus residential properties to the City of South Pasadena at the Minimum Sales Price pursuant to 21 CCR § 1483(a)(1), for the purpose of providing affordable housing to low- and moderate-income households. Purchaser and Caltrans acknowledge the Property is subject to the terms of this Agreement, the aforementioned law and regulations, and the Declaration of Covenants, Conditions, and Restrictions (**CC&Rs**), as defined below, to be recorded against the Property upon the close of escrow hereunder.

**NOW, THEREFORE,** in consideration of the foregoing premises, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

## SECTION 1. PURCHASE AND SALE

**1.01 Purchase and Sale.** Caltrans shall sell the Property to Purchaser, and Purchaser shall purchase the Property from Caltrans pursuant to the terms, limitations and conditions stated in this Agreement in accordance with the Act, the Regulations and other applicable laws, rules, and regulations (collectively, "**Applicable Laws**").

**1.02 Conditions Precedent to Effectiveness.** This Agreement shall not become effective unless and until all the following conditions precedent are satisfied on or before the sixtieth (60) calendar day from the date Caltrans' sends this Agreement to Purchaser:

A. Purchaser shall have: (1) executed and returned two original executed counterparts of this Agreement via certified mail, return receipt requested, to Caltrans and sent a copy thereof to the Escrow Holder, and (2) deposited with Escrow Holder the entire Down Payment contemplated by Section 2.02(A) below;

B. Caltrans thereafter executes this Agreement and delivers a fully executed copy hereof to Escrow Holder; and

A failure of any such conditions to timely occur shall, without further notice or action, result in the full and immediate termination of any offer, obligation, liability or agreement of Caltrans to or with Purchaser or any other person with respect to the Property, whether hereunder or otherwise, immediately upon the expiration of such 60-day period, and Caltrans shall thereafter be free to offer, market and sell the Property to other persons, or otherwise dispose of the same, as Caltrans may, in its sole and absolute discretion determine.

**1.03 Information/Prior Due Diligence.** Purchaser hereby expressly acknowledges and agrees:

A. that it is a sophisticated real estate purchaser and/or investor;
B. that it is fully familiar with and understands the Applicable Laws and the CC&Rs, and the risks and obligations associated therewith and imposed on Purchaser and on the Property thereby, including the purchase thereof under this Agreement, and has had the same explained to it by its independent legal counsel and other advisors;
C. that during the Inspection Period permitted under this Agreement: (A) Purchaser will have full access to the Property and all documents, data, reports and information related thereto requested by Purchaser, and will have the opportunity to undertake and perform any and all additional due diligence, investigation, surveys, reports and studies, with respect thereto, including without limitation the current and past physical and environmental condition of the Property, the condition of title thereto, the compliance thereof with any applicable building codes, permits, approvals, agreements or encumbrances affecting the same (including Applicable Laws), the value thereof, the use, operation, management or occupancy thereof and/or the suitability for Purchaser's intended use thereof, and all other matters referenced in Section 9 below, and (B) Purchaser has obtained any and all financing commitments necessary or desirable to purchase, repair and/or rehabilitate the Property; and
D. that with the aid of such independent experts, contractors, consultants, advisors and professionals (including independent legal counsel and accountants) that it deems necessary, appropriate or desirable, Purchaser will, prior to the Closing Date hereof, evaluate and assess the Property and conduct such independent inquiry, feasibility investigation, inspections and due diligence with respect thereto as Purchaser and/or its advisors deem necessary, advisable or desirable, and will fully and unconditionally approve of and satisfy itself as to the same. As a result, there shall be no further access to the Property except as set forth in this Agreement and no further feasibility, inspection or similar rights or contingencies with respect to the purchase of the Property.
E. Notwithstanding anything herein to the contrary, until the date that is sixty (60)

days after the execution of this Agreement by both parties (Inspection Period), upon reasonable notice but without any contingencies hereunder, Purchaser may access the Property and conduct non-invasive inspection, investigations, tests, observations, inquiries and studies as Purchaser deems appropriate. Purchaser shall promptly pay all expenses arising out of such inspections and other work on or about the Property prior to the Closing Date and shall not allow any mechanic's or materialmen's liens to be recorded on the Property (or promptly cause to be removed or bonded over any such liens if recorded on the Property). Purchaser shall promptly repair any damage to the Property caused by Purchaser's investigations. Purchaser shall coordinate with Caltrans any entry on the Property, execute a waiver and indemnity in the form customarily required by Caltrans prior to entry on Caltrans' property and follow applicable health and safety protocols as reasonably required by Caltrans. Following such period, upon Caltrans' reasonable consent and conditions, Purchaser may obtain access to the Property for a limited number of entries.

F. Purchaser shall promptly notify Caltrans during the Inspection Period of any matters discovered in its review of the Property that would cause Purchaser to terminate this Agreement. If within ten days of such notice, Caltrans notifies Purchaser in writing that it will cure such matters, then Caltrans shall have the opportunity to cure such matters fourteen (14) days prior to the Closing Date. Purchaser has the right to terminate if Caltrans does not agree to cure or if the cure is not completed fourteen (14) (days) prior to the Closing Date. Purchaser has a right to inspect the Property to determine that the discoveries have been cured to its satisfaction. Upon any such termination, Escrow Holder shall remit the deposit to Purchaser.

**SECTION 2. PURCHASE PRICE**

**2.01 Purchase Price.** The purchase price for the Property shall be **Three Hundred Ten Thousand Dollars and zero cents ($310,000.00)** (the **"Purchase Price"**).

**2.02 Payment.** The Purchase Price shall be paid by Purchaser in cash, lawful money of the United States as set forth below, time being of the essence thereof:

A. **Deposit.** Immediately upon the execution of this Agreement, Purchaser shall deposit with Escrow Holder the sum of **One Thousand Dollars ($1,000.00)** (the **"Deposit"**) in the form of a cashier's check, wire transfer or other immediately available funds. The entire Deposit shall be applicable to the Purchase Price, without interest, shall be non-refundable except as may be expressly set forth in this Agreement, and shall constitute liquidated damages to Caltrans in the event of Purchaser's default in acquiring the Property. Time is of the essence in making the Deposit into escrow, and as provided above is a condition precedent to the effectiveness of this Agreement.

B. **Cash at Close.** One (1) day prior to the close of Escrow (or by 1:00 p.m. of the

close of escrow for funds delivered by wire transfer) the Purchaser shall deposit the balance of the Purchase Price in the amount of **Three Hundred Nine Thousand Dollars and zero cents ($309,000.00)** (the **"Cash Balance"**) with Escrow Holder in the form of a cashier's check, wire transfer or other immediately available funds for delivery to Caltrans upon close of escrow hereunder.

**2.03 Acknowledgement.** [Deleted.]

**2.04 No Seller Financing.** Purchaser acknowledges this Agreement is not a financing agreement and neither Caltrans nor any other governmental agency or department has at any time made any representations, warranties, promises or undertakings, express or implied, to provide any financing or other assistance with respect to all or any portion of the Purchase Price or any other obligations of Purchaser hereunder or with respect to the Property, or with respect to any repair, rehabilitation, updating or other activity contemplated by Purchaser with respect thereto. Purchaser has performed all due diligence regarding obtaining funding and/or financing with respect to the Property, including the purchase thereof hereunder, as provided in Section 1.03 above, and has satisfied itself as to the same.

**2.05 Change in Financial Condition.** If either: (i) Purchaser ultimately fails to secure funds for the Purchase Price in the timeframe specified herein, or (ii) the financial condition of the Purchaser changes prior to Close of Escrow so that it is unable to purchase the Property, then in either such event Purchaser shall be in default under this Agreement and Caltrans shall be entitled to exercise its rights and remedies pursuant to Section 12.02 below.

**2.06 Bonds, Taxes and Assessments.** Subject to the specific proration provisions set forth in Section 3.05 below, all real property taxes, supplemental taxes, special taxes, bonds and/ or assessments which are liens on or levied with respect to the Property shall be assumed by Purchaser at close of escrow without reduction of or adjustment to the Purchase Price.

## SECTION 3. ESCROW

**3.01 Opening.** The purchase and sale of the Property shall be consummated by means of Escrow No. OC2509874-TL (a single escrow) which has opened with Fidelity National Title Company, 4400 MacArthur Blvd., Suite 500, Newport Beach, CA, 92660, Attn: Trinh Le, Escrow Officer, email: tlee@fnf.com, Phone (949) 788-2836 (**"Title Company"** or **"Escrow Holder").**

**3.02 Closing.** The closing shall occur upon the recording of the Director's Deed for the Property, and shall occur when the conditions set forth in Article 5 below have all been satisfied or waived, but in no event later than **5:00 pm**_____, 2025 [the one hundred twentieth (120th) calendar day after the full execution of this Agreement]; provided, however, Caltrans shall, upon receipt of written request prior to such date, grant a one-time thirty (30) calendar day extension to close escrow, (such date, as may

be extended, being the **"Closing Date"**).

If at any time prior to the Closing Date, the Property becomes occupied, whether legally or illegally, Caltrans shall notify the Purchaser and Purchaser shall have 30 days to decide whether to proceed with the purchase of the Property. If the 30 days falls outside the Closing Date, the Closing Date shall be extended 10 days past the 30-day expiration. If Purchaser declines to proceed with the purchase of the Property due to the legal or illegal occupation of the Property, this Agreement shall terminate pursuant to the terms hereof. Upon any such termination, Escrow Holder shall remit the deposit to Purchaser.

**3.03 Instructions.** This Agreement shall to the extent applicable, also act as escrow instructions. The parties agree to execute any additional escrow instructions required by the Escrow Holder provided the same shall be consistent with the terms of this Agreement and shall provide that as between the parties, in the event there are any inconsistencies between such supplemental instructions and this Agreement, the terms of this Agreement shall prevail. Escrow Holder is hereby designated the "real estate reporting person" for purposes of Section 6045 of the Internal Revenue Code of 1986, as amended, and Treasury Reg. 1.6045-4, and any instructions or settlement statements prepared by Escrow Holder shall so provide. Escrow Holder shall be responsible for filing any Form 1099-S with the Internal Revenue Service.

**3.04 Costs.** Charges and expenses incurred in connection with the closing hereunder shall be borne by the parties as follows:

A. Purchaser shall pay all: (A) escrow fees, (B) recording fees, (C) transfer taxes, (D) title insurance premiums and fees (whether for ALTA or CLTA coverage), endorsement coverage and survey costs, and (E) any other real estate transaction fees involved in this transaction;

B. If applicable, Purchaser shall pay for and obtain any city/county required inspections and/or occupancy permits, whether required for closing the sale/escrow transaction or not. Caltrans shall provide Purchaser access to the Property as necessary to comply with this provision; and

C. Each party shall bear their own legal, tax and professional fees and costs.

**3.05 Prorations.** All real property taxes, special taxes, assessments, bonds, and all other similar charges imposed or levied upon the Property by any governmental agency or special district, organization or body and any other obligations related to the Property shall be prorated at close as of the Closing Date. With respect to any prorations based upon an estimation, if and when the tax, assessment or other charge related thereto is segregated by the appropriate agency or other persons, within fifteen (15) days thereof, the parties shall adjust said prorations, as necessary, based on such final segregation and pay any such adjustment to the appropriate party. The provisions of this Section 3.05 shall survive the close of escrow and the delivery and recordation of the Director's Deed and CC&Rs hereunder.

**3.06 Escrow Deposits.** On or before the Closing Date, the parties shall make the following deposits into Escrow:

A. **By Caltrans.** At least one (1) business day prior to such closing, Caltrans shall deposit the following documents with Escrow Holder:

(i) an original **Director's Deed** for the Property duly executed by Caltrans and properly acknowledged and otherwise in recordable form, to be recorded in the Official Records of Los Angeles County, California against the Property described therein at close;

(ii) a counterpart original of the **CC&Rs** for the Property duly executed by Caltrans, and the Monitoring Entity properly acknowledged and otherwise in recordable form to be recorded in the Official Records of Los Angeles County, California against the Property described therein at close immediately following the recordation of the Director's Deed for the Property and prior to any financing obtained by Purchaser and to any other encumbrances or agreements being recorded at close with respect to such Property;

(iii) such Non-Foreign Affidavits pursuant to Sections 1445 and/or 7701 of the Internal Revenue Code, as amended, and such California Form 590s pursuant to applicable sections of the California Revenue and Taxation Code, as necessary to comply with such laws and close escrow hereunder, each in form and content reasonably satisfactory to Purchaser and Caltrans;

(iv) such other agreements or documents reasonably necessary from Caltrans to close escrow as may be expressly provided for herein.

B. **By Purchaser.** At least one (1) business day prior to such closing, Purchaser shall deposit the following funds and documents with Escrow Holder:

(i) the **Cash Balance** as provided in Subsection 2.02(b) above;

(ii) a counterpart original of the **CC&Rs** for the Property executed by Purchaser, properly acknowledged and otherwise in recordable form to be recorded in the Official Records of Los Angeles County, California against the Property described therein at close immediately following the recordation of the Director's Deed for such Property and prior to any financing obtained by Purchaser and to any other encumbrances or agreements being recorded at close with respect to such Property;

(iii) all other sums due from Purchaser as provided herein, including without limitation Purchaser's share of closing costs under Section 3.04 above, in the form of wire transfer or other immediately available funds;

(iv) to the extent Purchaser is an entity, certified copies of Purchaser's organizational documents and/or other entity resolutions or other authorizing documents authorizing the execution and delivery of this Agreement and the other documents and agreements contemplated herein, the consummation of all transactions contemplated hereby, and authorizing those persons signing on behalf of Purchaser to bind Purchaser; and

(v) such other agreements, documents, or funds reasonably necessary from Purchaser to close escrow as provided for herein.

**3.07 Cancelling Escrow.** Caltrans may unilaterally cancel escrow if Purchaser fails to comply with Section 3.06(b) and/or Purchaser defaults after opening escrow but before close of escrow and such failure to comply or default is not remedied or cured within three (3) business days of Caltrans providing notice to Purchaser of such failure or default.

**SECTION 4. AGREEMENTS**

**4.01 California Transportation Commission Approval and Governing Body Approval.** Purchaser understands and agrees that Caltrans' obligation to sell and convey the Property to Purchaser hereunder is subject to Caltrans first obtaining the written approval of the California Transportation Commission (**"CTC"**) to this Agreement and the sale of the Property hereunder prior to the Closing Date (the **"CTC Approval"**). In the event the CTC fails to approve the sale, all monies deposited into escrow hereunder by Purchaser will be refunded without interest. Caltrans makes no representations, assurances, or warranties, express or implied, concerning the CTC's timely or ultimate approval of this sale.

If applicable, Caltrans understands and agrees that, despite any provision in this Agreement to the contrary, Purchaser's obligation to purchase and accept the Property from Caltrans hereunder is subject to Purchaser first obtaining the written approval of its governing body to this Agreement and the purchase of the Property hereunder prior to the Closing Date. In the event the governing body fails to approve the sale, all monies deposited into escrow hereunder by Purchaser shall be refunded without interest. Purchaser makes no representations, assurances, or warranties, express or implied, concerning the timely or ultimate approval of this sale by its governing body.

**4.02 Leases.** [Deleted.]

**4.03 Covenants, Conditions and Restrictions.**

A. Purchaser acknowledges the purchase of the Property shall be subject to a declaration of covenants, conditions, and restrictions as required by Government Code section 54235 et seq. and the Regulations and agrees that Purchaser and its successors in interest shall be bound by the same. Therefore, prior to close, the parties hereto shall execute a Declaration of Covenants, Conditions and

Restrictions agreement in substantially the form of ***Exhibit "C"*** attached hereto (the **"CC&Rs"**) with respect to the Property, which shall, among other things impose certain ongoing restrictions on the use and occupancy of such Property, as well as imposing various limitations on the subsequent resale of such Property both as to whom it may be sold and the amount of equity or other compensation the Purchaser is entitled to retain upon such subsequent transfer. The CC&Rs shall be recorded immediately following the recordation of the Director's Deed for such Property and shall not be subordinated to any financing obtained by Purchaser with respect to such Property or any other agreements recorded against or otherwise first affecting the Property at close of escrow, except as authorized by the CC&Rs. After recordation, the original recorded CC&Rs for the Property shall be returned (mailed) by the Recorder's Office directly to Caltrans, who shall retain possession thereof. The CC&Rs shall constitute covenants and equitable servitudes that run with the land and shall bind Purchaser and all subsequent owners, lessees, occupants, lenders, encumbrancers, and others holding any interest in, lien on or claim to the Property. Purchaser agrees not to challenge or attempt to terminate, limit, or otherwise alter or amend the CC&Rs. The agreements of Purchaser under this Section 4.03 shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs hereunder.

B. **Historical Covenants**

☒ This Property is not subject to Historical Covenants.

☐ This Property is subject to Historical Covenants attached as Exhibit "__" to protect the historic value and characteristics of the Property. The Historical Covenants are in addition to the CC&Rs described in Section 4.03 A.

**4.04 Title.**

A. **Generally.** Purchaser understands and agrees that the right, title, and interest in the Property to be conveyed hereunder shall not exceed that currently vested in Caltrans (after taking into account any and all rights that may be reserved by Caltrans pursuant to the Director's Deed, the CC&Rs or any other agreement contained in or contemplated by this Agreement related to such Property), and that Caltrans will furnish no policy of title insurance with respect to the sale of the Property hereunder. If a policy of title insurance, endorsement or survey coverage is desired, Purchaser may obtain the same at Purchaser's sole expense, provided, however, in no event or circumstance shall obtaining any such title, endorsement or survey coverage) constitute any basis for extending the Closing Date contemplated hereunder. No later than ten business days prior to the expiration of the Inspection Period, Purchaser shall notify Caltrans in writing of its objection to any matter in the preliminary title report or on a survey. Caltrans shall have five business days to notify Purchaser of its election to cure the matter or not, and the absence of any notice shall be deemed an election not to cure the matter. Purchaser shall have the right to terminate this Agreement prior to the expiration of the Inspection Period if Caltrans does not agree to cure such matter, or if Caltrans agrees to but fails to cure the matter on or prior to Closing, then Purchaser shall have the right to terminate at such time. Upon any such termination, Escrow

Holder shall remit the deposit to Purchaser.

B. **Permitted Encumbrances.** At close of escrow hereunder the Property shall be conveyed to Purchaser by a Director's Deed in substantially the form of ***Exhibit "A"*** hereto (a **"Director's Deed"**), with title to the Property being subject to all of the following exceptions and matters (collectively, the **"Permitted Exceptions"**): (1) a lien to secure payment of real estate taxes, supplemental taxes, and special taxes, bonds and assessments; (2) any reservations or limitations contained in the Director's Deed or any prior deed(s) relating to the Property; (3) the CC&Rs; (4) all title exceptions and other matters shown in the preliminary report for such Property other than any items Caltrans has agreed to cure; (5) any and all other matters apparent from a physical inspection thereof and/or that might be revealed by a survey other than any items Caltrans has agreed to cure; and (6) all other matters created by or with the consent or knowledge of Purchaser, or otherwise disclosed or contemplated in this Agreement. Caltrans shall not have, and does not assume, any liability or obligation whatsoever for any encumbrances or other title matters affecting the Property, or the amendment, removal, or other disposition thereof, provided, however, Caltrans agrees not to encumber the Property or enter into any leases, licenses, and other occupancy agreements with respect to the Property ("Leases") during the Escrow Period without the consent of Purchaser.

**4.05 Operation during Escrow Period.** During the period commencing with the effectiveness of this Agreement until the close of escrow hereunder or termination of this Agreement, Caltrans will continue to operate the Property in substantially the same manner as operated as of the date of this Agreement and will not do, cause, or allow anything to be done with respect to the Property that would materially change, alter or modify the current operation of the Property as a vacant property without the prior written consent of Purchaser, which consent shall not be unreasonably withheld or delayed; provided, however, Caltrans shall not under any circumstances be responsible for or have any obligation or liability with respect to any such change, alteration or modification to the extent the same is caused by any tenant or occupant of a Property or any other person without Caltrans' consent or knowledge, or to the extent the same is otherwise beyond Caltrans' reasonable control. Additionally, notwithstanding the foregoing, Caltrans shall be entitled, at its election and without notice to or obtaining the consent of Purchaser, to take any and all actions and make any and all decisions with respect to the Property as Caltrans deems necessary or desirable, in its sole and absolute discretion, in addressing any emergency relating to the Property or the safety of any occupant thereof, making a Property compliant with applicable laws, and/or keeping and maintaining a Property in a safe and habitable condition.

**4.06 Purchaser's Agreements.** With respect to the period prior to the close of escrow Purchaser acknowledges and agrees as follows:

A. **No Changes.** Purchaser shall have no right to take any action with respect to the Property, including, without limitation changing, renewing or terminating any zoning designations, permits, approvals, certificates or other entitlements related thereto (or applying for any such new matters), giving any notices with respect to or otherwise amending or terminating any Leases related thereto, or making or

undertaking any repairs, alterations or additions to the Property and/or any improvements located thereon, in each case without the prior written consent of Caltrans, which may be conditioned or withheld in Caltrans' sole and absolute discretion.

B. **Restrictions.** Purchaser shall not use or take any actions, or permit or suffer its agents, employees, contractors or consultants (collectively, **"Agents"**) to use or take actions, with respect to the Property in a manner which would in any way: (i) interfere with any activities thereon, or the use or occupancy thereof; (ii) constitute a nuisance or result in waste; (iii) result in the cancellation of any insurance being maintained by or on behalf of Caltrans or any tenants, in the increase in the premiums for any such insurance or in the increase of any of Caltrans' other costs; or (iv) damage any improvements or personalty located thereon.

C. **Compliance with Laws Generally.** Purchaser and its Agents shall not enter any Property, nor shall they take any action with respect thereto (or permit or suffer anything to be done in, on or about the Property) which will in any manner violate any title conditions, maps, entitlements, permits, consents, agreements, Leases or any laws, ordinances, governmental rules or regulations now or hereafter in effect with respect thereto and/or the conduct of any activities thereon by Caltrans or any occupants.

D. **Liens.** Purchaser shall at all times keep the Property and Caltrans free from any liens and claims arising out of any and all actions taken, work and labor performed, materials or services furnished and/or damages or personal injuries caused by or on behalf of Purchaser in connection with any activity of Purchaser and/or its Agents with respect to the Property, whether occurring prior to or after the date hereof. Caltrans may require Purchaser to post, at Purchaser's sole cost and expense, a lien release bond or other undertaking, statutory or otherwise, in such amount as necessary to properly bond around any claim filed against Caltrans and/or the Property with respect to such activities (occurring prior to the close of escrow) of Purchaser or its Agents. The bonding obligations of Purchaser under this Subsection 4.06(d) shall be absolute and unconditional and shall survive the close of escrow and the delivery and recordation of the Director's Deed and CC&Rs hereunder and/or the expiration, revocation, or termination of this Agreement.

E. **Compliance with the Act & Regulations**. Purchaser shall at all times comply with the requirements of the Act and the Regulations.

## SECTION 5. CONDITIONS TO CLOSE

**5.01 Conditions to Purchaser's Obligation to Close.** The matters set forth in this Section 5.01 are conditions precedent to the close of escrow by Purchaser as contemplated in this Agreement, and the same may be declared satisfied or waived by Purchaser. In the event any such condition fails to be satisfied in accordance with the terms hereof through no fault of either party, Purchaser shall have the option of either: (i) waiving such condition and proceeding to close without adjustment of the Purchase Price or any of the other terms of this Agreement, or (ii) terminating this Agreement, in which case the

Deposit shall be refunded to Purchaser without interest, and neither party shall have any further rights, liabilities or obligations hereunder except paying their respective share of escrow costs incurred up to such date and observing those obligations expressly stated herein as surviving the termination of this Agreement.

A. **Title.** At closing, the Property shall be conveyed to the Purchaser pursuant to a Director's Deed subject to all the Permitted Exceptions applicable to such Property as contemplated by Section 4.04 hereof.
B. **CTC Approval and Governing Body Approval.** By the Closing Date, the CTC Approval shall and any governing body approval (if applicable) have been unconditionally obtained as contemplated by Section 4.01 hereof.
C. **Documents and Funds.** By the Closing Date, the escrow deposits referenced in Section 3.06(a) above shall have all been made by Caltrans, and the Escrow Holder shall be irrevocably committed to record the Director's Deed in the Official Records of Los Angeles County, California.
D. **Representations/Covenants.** At close: (i) all the representations of Caltrans contained in this Agreement shall be materially true and correct, and (ii) Caltrans shall have materially complied with its covenants contained in this Agreement.

**5.02 Conditions to Caltrans' Obligation to Close.** The matters set forth in this Section 5.02 are conditions precedent to the close of escrow by Caltrans as contemplated in this Agreement, and the same may be declared satisfied or waived by Caltrans. In the event any such condition fails to be satisfied in accordance with the terms hereof through no fault of either party, Caltrans shall have the option of either: (i) waiving such condition and proceeding to close without adjustment of the Purchase Price or any of the other terms of this Agreement, or (ii) terminating this Agreement, in which case the Deposit shall be refunded to Purchaser without interest, and neither party shall have any further rights, liabilities or obligations hereunder except paying their respective share of escrow costs incurred up to such date and observing those obligations expressly stated herein as surviving the termination of this Agreement.

A. **Balance of Purchase Price.** By the Closing Date, Purchaser shall have deposited the entire Cash Balance of the Purchase Price with Escrow Holder as provided in Section 2.02(b) hereof.
B. **CTC Approval.** By the Closing Date, the CTC Approval shall have been unconditionally obtained as contemplated by Section 4.01 hereof.
C. **Documents and Funds.** By the Closing Date, the escrow deposits referenced in Section 3.06(b) above shall have all been made by Purchaser and Escrow Holder shall be irrevocably committed to:
    (i) disburse the Cash Balance to Caltrans,
    (ii) record the Director's Deed, and CC&Rs immediately thereafter as contemplated herein, in the Official Records of Los Angeles County, California, and
    (iii) deliver to Caltrans a fully executed counterpart original any other appropriate documents as contemplated by Section 3.06(b).

D. **Representations/Covenants.** At close: (i) all the representations of Purchaser contained in this Agreement shall be materially true and correct, and (ii) Purchaser shall have materially complied with its covenants contained in this Agreement.

**SECTION 6. POSSESSION**

Possession of the Property shall be delivered to Purchaser on the Closing Date subject to the Permitted Exceptions applicable to the Property.

**SECTION 7. BROKERS**

**7.01 Caltrans.** Caltrans has retained **Veterans Realty Group** to act as a Consultant in connection with the sale of the Property hereunder, and any compensation due to **Veterans Realty Group** in connection with the transactions contemplated by this Agreement shall be paid by Caltrans.

**7.02 No Other Brokers.** Except for Caltrans' retention of **Veterans Realty Group** above, each party hereby represents and warrants to the other party that no broker, finder, real estate agent or other person has been retained by it or is entitled to any commission, finder's fee or other compensation resulting from any action on its part with respect to the sale of the Property to Purchaser. Purchaser and Caltrans each agree to indemnify, defend, and hold the other and the Property harmless from and against any real estate brokerage commissions or finder's fees, and all costs and expenses (including attorneys' fees and costs) of investigating and defending any such claims, payable or alleged to be payable to any other persons in connection with this Agreement which such indemnifying party may have engaged or is claimed or alleged to have engaged. This section does not prohibit Purchaser from obtaining a broker at his/her own expense. The representations, warranties, indemnification, and other obligations set forth in this Section 7.02 shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs and/or the expiration, revocation, or termination of this Agreement.

**SECTION 8. REPRESENTATIONS & WARRANTIES**

**8.01 By Caltrans.** Caltrans hereby makes the following representations and warranties to Purchaser:

A. Authority. Subject to obtaining the CTC Approval, Caltrans has all requisite power and authority to enter into, deliver and perform this Agreement and all the other agreements contemplated herein and to be executed in connection herewith, and the person(s) executing this Agreement and all other agreements contemplated herein on behalf of Caltrans have been properly authorized to sign on behalf of and bind Caltrans in connection with performing the transactions contemplated herein.

B. Binding. Subject to obtaining the CTC Approval, this Agreement and all documents to be executed by Caltrans as provided herein, as of the date of

execution shall, subject to the operation of any bankruptcy or similar laws, be the legal, valid and binding obligations of Caltrans.

C. Information. Except as otherwise set forth in this Agreement, Caltrans has no actual constructive knowledge of any information affecting the Property that had, has or would have a material effect on Purchaser's ability to use and operate the Property as contemplated by Purchaser. Caltrans has provided to Purchaser all material and factual information requested by the Purchaser and/or as required by law concerning the Property that is in Caltrans' possession, custody and control.

D. Compliance with the Act and Regulations: Caltrans conduct in this sales transaction has been in compliance with the Act and corresponding Regulations.

E. Claims. There is no claim, action, suit, arbitration, proceeding (including condemnation proceedings) or any investigation by or before any court or arbitration body, any governmental, administrative or regulatory authority, or any other body pending or, to Caltrans's knowledge, threatened with respect to the Property (collectively, "Allegations"). Caltrans is not aware of any basis or reason for any such Allegations. There is no order, judgment or decree of any court or arbitration body, any governmental, administrative or regulatory authority, or any other body, against Caltrans with respect to the Property or the sales transaction contemplated by this Agreement.

F. No Violation. Neither the execution and delivery of this Agreement, nor the performance by Caltrans of the sales transaction contemplated hereby, will contravene, conflict with, or result in a breach of any agreement, law, regulation, writ, injunction or decree of any court or governmental authority applicable to Caltrans or by which any of its properties is bound. Except for CTC Approval, Caltrans is not required to obtain any consent or authorization in order to complete the sales transaction contemplated by this Agreement.

G. Right to Purchase. Except pursuant to this Agreement, no third party has an option, right of first offer, right of first refusal, or other similar right to purchase the Property that currently remains in effect.

H. Environmental Matters. As requested by Purchaser and/or mandated by law, Caltrans has provided or made available for review copies of any material documents in its possession, custody and control of Caltrans regarding environmental condition of the Property ("Environmental Materials"). Except as set forth in the Environmental Materials, Caltrans is not aware of the existence of any Hazardous Substances (defined in Section 10 below) attributable to or affecting the Property. There have been no settlements reached by or with any third parties alleging the presence, disposal, release or threatened release of any Hazardous Substances from the use or operation of the Property.

I. Leases. The Property is not subject to any Leases, tenancy and/or similar agreements conferring any right, title or interest in the Property to a third party.

J. Contracts. Other than as disclosed in the title reports provided by the Title

Company and this Agreement, there are no agreements affecting the Property.

Each of the representations made by Caltrans in this Agreement shall be true and correct on the date hereof, and shall be deemed to be made again as of the close of escrow provided for herein, and shall then be true and correct in all material respects. Caltrans shall promptly provide written notice to Purchaser of any developments or information that would make the representations set forth above untrue. The representations and warranties set forth in this Section 8.01 shall expressly survive the close of escrow as described in Section 13.12 below.

**8.02 By Purchaser.** Purchaser and the specific parties signing this Agreement on behalf of Purchaser hereby makes the following representations and warranties to Caltrans:

A. Organization. Purchaser is a municipal corporation duly organized, validly existing and in good standing under the laws of the State of California which has the power and authority to enter into this Agreement and to consummate the transactions contemplated hereby.
B. Authority. Subject to obtaining governing body approval, Purchaser has all requisite power and authority to enter into, deliver, and perform this Agreement and all the other agreements contemplated herein and to be executed in connection herewith, and the person(s) executing this Agreement and the other agreements contemplated herein on behalf of Purchaser have been properly authorized to sign on behalf of and bind Purchaser in connection with performing the transactions contemplated herein.
C. Binding. This Agreement and all documents to be executed by Purchaser as contemplated hereunder shall, subject to the operation of any applicable bankruptcy or similar laws, be the legal, valid and binding obligations of Purchaser, and shall not materially violate any law, agreement, order or decree to which Purchaser is a party or is subject.
D. Litigation. There are no pending or threatened, suits or actions affecting Purchaser which would materially affect Purchaser's ability to enter into or perform its obligations under this Agreement or the documents executed in connection herewith.
E. Information / Compliance. All applications, information, financial statements, and other materials provided by Purchaser or its Agents to Caltrans pursuant to or in connection with the Act, the Regulations and or this Agreement are true, correct and not materially misleading; and Purchaser is in compliance with the Act and the Regulations as relates to the Property and the purchase thereof under this Agreement.
F. No Bankruptcy. Purchaser is not the subject of any pending or threatened bankruptcy proceedings, whether voluntary or involuntary.

Each of the representations and warranties made by Purchaser in this Agreement, or on any document or instrument delivered pursuant hereto shall be true and correct on the date hereof, and shall be deemed to be made again as of close of escrow provided for herein, and shall then be true and correct in all material respects. The representations

and warranties of Purchaser contained in this Section 8.02 shall survive the close of escrow and the delivery and recordation of the Director's Deed and CC&Rs.

**SECTION 9. "AS-IS", WAIVERS AND RELEASE**

Purchaser acknowledges and agrees that, except as set forth in this Agreement, neither Caltrans nor any of its respective employees, agents, managers, members, partners, officers, interest holders, attorneys, contractors or consultants, including without limitation the California Department of Housing and Community Development **("HCD")**, (Caltrans and such other persons being collectively, the **"Seller Parties"**) have made or are making, and specifically negate and disclaim making, any representations, warranties, guaranties, promises, covenants or assurances of any kind or character, whether express, implied, written, oral, past, present or future concerning or with respect to the Property, or the condition or status thereof, including without limitation, the suitability for any purpose or the profitability of owning and operating the Property; the value thereof; the existence or non-existence of any patent or latent defects affecting the same; the physical or environmental condition or status thereof (including without limitation the existence of any mold, lead paint, radon gas or other environmental health hazards); the rental or other income generated thereby; the expenses or costs associated therewith; the size and square footage of the parcel or the improvements located thereon, the age or condition of the such improvements, or the location of property lines or setbacks (or the location of the improvements with respect thereto); the zoning thereof; the condition of title thereto; the existence, necessity or satisfaction of any local, state or federal approvals, permits or certificates for the entitlement, ownership, operation, use or occupancy thereof as contemplated by Purchaser or any tenants, occupants or any future owners thereof; the feasibility of or cost associated with obtaining any such approvals; the compliance of the Property with any and all applicable local, state or federal laws, codes and ordinances; or any other matter.

Purchaser further acknowledges that Purchaser, with the help of its independent experts, contractors, consultants, professionals (including independent legal counsel and accountants), and advisors, prior to the Closing Date, will conduct its independent feasibility, investigation, and due diligence inquiry as described in Section 1.03 above with respect to the Property and will fully satisfy itself as to all matters relating thereto. Except for the representations and warranties of Caltrans set forth in this Agreement, Purchaser is relying solely and exclusively on such independent due diligence in executing this Agreement and purchasing the Property hereunder, and not on any representations, warranties, guaranties, promises, covenants or assurances of any kind or character by Caltrans or any other Seller Parties; and the Property is being purchased **"AS-IS" / "WHERE-IS"** at close in its present condition with all defects and faults, both patent and latent, whether known or unknown, presently existing or that may hereafter arise.

Effective on the Closing Date, Purchaser hereby fully and expressly releases Caltrans, HCD and all of the other Seller Parties and their respective agents, employees, attorneys, consultants, successors and assigns from any and all demands, claims, liabilities, amounts, actions, costs, judgments, expenses and damages (including, without limitation,

attorneys' fees, witness fees and court costs) related to or arising from the Property, or the condition or status of thereof or any other matter relating thereto, including without limitation the matters referenced in the first paragraph of this Section 9, (collectively, the "**Released Matters**"); and Purchaser hereby covenants not to sue, and hereby fully and expressly waives and relinquishes any and all rights and remedies Purchaser may have against, Caltrans, HCD and the other Seller Parties and their respective agents, employees, attorneys, consultants, successors and assigns, or any of them, at law, in equity or otherwise, related to or arising from the Released Matters. However, nothing contained herein shall release or be deemed to release Caltrans from claims arising from its fraud or a breach of any representation or warranty by Caltrans contained in this Agreement (the "Preserved Matters"). Preserved Matters shall not be considered Released Matters. Purchaser acknowledges and agrees that the release, waiver and discharge given by Purchaser hereunder to Caltrans, HCD and the other released parties extends to all Released Matters described above, whether known or unknown, foreseen or unforeseen, patent or latent, which Purchaser may now or hereafter have against Caltrans, HCD or such other persons; and in connection with such release, waiver and discharge, Purchaser hereby expressly waives the benefit of the provisions of California Civil Code Section 1542, which provides as follows:

> **"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."**

Purchaser has read this Section 9, has had the effect and content thereof explained to Purchaser by independent legal counsel, and fully understands and appreciates the same. Purchaser understands and acknowledges that, among other things, the consequence of this waiver of California Civil Code section 1542 is that even if Purchaser should eventually discover any claims or suffer any losses or damages arising from the Released Matters, Purchaser would not be able to make any claim against Caltrans, HCD or the other released persons with respect thereto. Purchaser acknowledges that these consequences apply even as to claims, losses or damages resulting from the Released Matters that may exist as of the date of this Agreement or in the future, but which Purchaser does not know exist, or does not anticipate, and which, if known or anticipated, would materially affect Purchaser's decision to execute this Agreement. The waivers, releases, covenants not to sue and discharges contained in this Section 9 are a material portion of the consideration to Caltrans in agreeing to enter into this Agreement and shall survive the close of escrow and the delivery and recordation of Director's Deed and the CC&Rs in perpetuity.

**SECTION 10. INDEMNIFICATION**

Following the closing of the transaction contemplated herein, except as provided below,

Purchaser shall, at its sole cost and expense, indemnify, defend and hold Caltrans and its officers, agents, employees, attorneys and consultants, including without limitation, HCD, and their respective successors and assigns (collectively, the **"Indemnified Parties"**), free and harmless from and against any and all liabilities, demands, claims and costs (including remediation, reimbursement or contribution costs or claims), damages, losses, and expenses (including and without limitation to attorneys' fees, legal expenses and court costs, and consultant's fees, and investigation and remediation costs) of whatever kind or nature incurred or suffered by, or threatened against, any Property or any Indemnified Party(ies) resulting from or arising out of or by reason of any matter pertaining to the condition or status of the Property, including without limitation, the existence of any Hazardous Substances or Hazardous Substance Conditions in, on, under or about the Property (collectively, "Claims"). Except as provided below, this indemnity is intended to address any and all liability for which Caltrans may now or at any time hereafter be partially or entirely responsible in connection with the contamination, environmental or physical condition or status of any Property, including the prior operation thereof, due to its mere ownership or operation of such Property. As used in this Agreement, the term **"Hazardous Substance"** shall mean any substance whose nature and/or quantity of existence, use, manufacture, disposal or effect, render it subject to federal, state, or local regulation, investigation, remediation or removal as potentially injurious to public health or welfare, including the Comprehensive Environmental Response Compensation and Liability Act or Resource Conservation and Recovery Act as now in effect; and the term **"Hazardous Substance Condition"** shall mean the existence in, on, under or about the Property of a hazardous substance that requires remediation, removal, mitigation and/or other action pursuant to applicable law. This indemnification shall in no event apply to (i) Claims to which Caltrans representations and warranties apply, (ii) any Claims involving Caltrans' willful misconduct, gross negligence or fraud, and (iii) any Claims relating to challenges to Caltrans' acquisition or disposition of the Property.

Purchaser's indemnification and defense of any matters contemplated in this Section 10 for or on behalf of the Property or any Indemnified Parties shall be made by counsel reasonably acceptable to the Indemnified Parties; shall commence immediately upon any such claim or matter being made, threatened, or asserted against Indemnified Parties or the Property without the necessity of the Indemnified Parties first contesting or defending the same, suffering or incurring any loss or adverse disposition, or otherwise taking or failing to take any other action; and shall apply to all such matters regardless of any action, failure or negligence of the Indemnified Parties, it being the express intent that the indemnification, defense and hold harmless obligations of this Section 10 apply to all matters referenced herein except to the extent caused by the gross negligence or willful misconduct of the Indemnified Parties. In the event Purchaser refuses to initiate or continue pursuing to completion any such defense or other obligations hereunder, Indemnitee shall be entitled to undertake, assume, and/or conclude the same, all at Purchaser's sole cost and expense, with counsel selected by Indemnitee. The obligations of Purchaser under this Section 10 shall be absolute and unconditional, and shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs.

**SECTION 11. CASUALTY/CONDEMNATION**

In the event any casualty or condemnation proceeding occurs or is commenced with respect to the Property after the effectiveness hereof but prior to the close of escrow, Caltrans shall notify Purchaser of the same in writing within ten (10) business days after Caltrans has knowledge of the same, and either of the following shall occur:

(A) If Purchaser does not elect to cancel within seven (7) business days after receipt of such notice by Purchaser, the parties shall continue to proceed under this Agreement and close without adjustment to the Purchase Price or any of the other provisions of this Agreement, in which event upon the close of escrow, Caltrans shall assign to Purchaser all of its interest in any such insurance or condemnation proceeds, compensation, award, or other payments or relief resulting from such casualty or condemnation proceedings; or

(B) If Purchaser elects to cancel, and Purchaser provides written notification to Caltrans of its election to terminate this Agreement within such 7-day period, then this Agreement shall terminate, the Deposit shall be returned to Purchaser without interest, and Caltrans shall retain all proceeds, compensation, awards, payments and other benefits or relief related to such casualty and condemnation with respect to the Property.

**SECTION 12. REMEDIES**

**12.01 Of Purchaser.** If the closing does not occur as a result of Caltrans' default under this Agreement, then, provided Purchaser is not in default hereunder, Purchaser may, at its election proceed with either of the following mutually exclusive alternatives as its sole and exclusive remedy:

A. Terminate the Agreement, whereupon: (1) the Deposit shall be returned to Purchaser without interest, (2) Purchaser may seek reimbursement from Caltrans of any and all hard third-party costs and expenses incurred by Purchaser in connection the investigation of the Property or the negotiation and execution of this Agreement, as evidenced by invoices delivered to Caltrans, up to the maximum aggregate amount of fifteen thousand Dollars ($15,000), and (3) neither party shall have any further obligation or liability to the other under this Agreement except for provisions of this Agreement which expressly state that they shall survive the termination of this Agreement; or

B. File in a court of competent jurisdiction an action for specific performance to cause Caltrans to convey the Property to Purchaser in accordance with the terms and conditions of this Agreement; but Purchaser shall not be entitled to recover any monetary damages (whether compensatory, consequential, exemplary, punitive or other) from Caltrans in connection with such default other than seeking

its reasonable attorneys' fees in connection with such action.

**PURCHASER ACKNOWLEDGES AND AGREES THAT THE LIMITATIONS ON REMEDIES AGAINST CALTRANS SET FORTH IN THIS SECTION 12.01 ARE A MATERIAL INDUCEMENT FOR CALTRANS TO ENTER INTO THIS AGREEMENT, AND PURCHASER AGREES THAT SUCH LIMITATIONS ARE REASONABLE AND ENFORCEABLE IN ACCORDANCE WITH THEIR TERMS.**

**12.02 Of Caltrans. LIQUIDATED DAMAGES. PURCHASER AND CALTRANS AGREE THAT SHOULD PURCHASER FAIL TO COMPLETE THE PURCHASE OF THE PROPERTY AS HEREIN PROVIDED BY REASON OF DEFAULT OF PURCHASER, THE PARTIES HERETO, BY INITIALING THIS SECTION 12.02 IN THE SPACE PROVIDED BELOW, AGREE THAT IT WOULD BE IMPRACTICAL OR EXTREMELY DIFFICULT TO ASCERTAIN OR FIX ACTUAL DAMAGES TO CALTRANS AS A RESULT OF SUCH FAILURE OR DEFAULT BY PURCHASER, THAT UNDER THE CIRCUMSTANCES EXISTING AS OF THE DATE OF THIS AGREEMENT THE ENTIRE DEPOSIT PROVIDED FOR IN SECTION 2.02(A) ABOVE IS A REASONABLE ESTIMATE OF CALTRANS' DAMAGES, AND THAT AS CALTRANS' SOLE AND EXCLUSIVE REMEDIES ON ACCOUNT OF SUCH BREACH, CALTRANS SHALL BE ENTITLED TO: (1) RETAIN SAID DEPOSIT AS LIQUIDATED DAMAGES FOR SUCH BREACH BY PURCHASER AND (2) TERMINATE THIS AGREEMENT. THE PAYMENT OF SUCH AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO CALTRANS PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677.**

**THE PROVISIONS HEREOF RELATE ONLY TO CALTRANS' DAMAGES FOR PURCHASER'S DEFAULTS IN ITS AGREEMENT TO PURCHASE THE PROPERTY AS PROVIDED HEREIN. NOTHING CONTAINED HEREIN SHALL LIMIT OR PRECLUDE, OR BE DEEMED TO LIMIT OR PRECLUDE, THE EXERCISE OR ENFORCEMENT BY CALTRANS OF ANY RIGHTS WHICH EXPRESSLY SURVIVE THE TERMINATION OF THIS AGREEMENT.**

**Purchaser's Initials:** _____ **Caltrans' Initials:** _____

**SECTION 13. MISCELLANEOUS**

**13.01 Headings.** This Agreement shall be construed as a whole, and the subject headings of the paragraphs and subparagraphs of this Agreement are included for convenience only and shall not affect the construction or interpretation of any of its provisions or define the provisions in the portions of this Agreement to which they pertain.

**13.02 Assignment.** Purchaser may not assign this Agreement, or any portion hereof or any of its rights or interests hereunder, without the express prior written consent of Caltrans, which consent may be conditioned or withheld in Caltrans' sole and absolute discretion, except as set forth herein. Purchaser may, without Caltrans' consent, but upon notice to Caltrans and Escrow Holder, assign any or all of its rights in, to or under this Agreement to an entity or instrumentality that is wholly controlled by Purchaser. No such assignment (regardless of whether consented to by Caltrans) shall relieve or release

its reasonable attorneys' fees in connection with such action.

**PURCHASER ACKNOWLEDGES AND AGREES THAT THE LIMITATIONS ON REMEDIES AGAINST CALTRANS SET FORTH IN THIS SECTION 12.01 ARE A MATERIAL INDUCEMENT FOR CALTRANS TO ENTER INTO THIS AGREEMENT, AND PURCHASER AGREES THAT SUCH LIMITATIONS ARE REASONABLE AND ENFORCEABLE IN ACCORDANCE WITH THEIR TERMS.**

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**Purchaser's Initials:** _____ **Caltrans' Initials:** M.C

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Purchaser from any of its obligations hereunder. As a condition to the effectiveness of such assignment, all assignees shall execute an assumption agreement reasonably acceptable to Caltrans under which the proposed assignee agrees to fully assume and be bound by all the terms of this Agreement to be observed or performed by Purchaser.

Caltrans shall be free to assign this Agreement, or any portion hereof or any of its rights or interests hereunder, without the consent or approval of Purchaser.

**13.03 Entire Agreement / Amendment.** This Agreement (including all exhibits and schedules hereto and other agreements referenced herein) constitute the entire agreement between the parties pertaining to the subject matter contained herein and supersede all prior written or oral agreements, representations and understandings of the parties relating to the subject matter herein. There are no representations, agreements, arrangements, or understandings, oral or written, relating to the subject matter which are not fully expressed herein. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by all the parties hereto.

This Agreement does not affect the enforceability of other written contracts related to the use and resale of the Property or to preserving the historic nature of the Property.

**13.04 Counterparts.** This Agreement may be executed simultaneously in one or more identical counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. This Agreement shall be fully effective and binding on all parties hereto, as if one or more copies thereof had been executed by all the parties hereto, when all the parties have executed identical counterparts hereof, even though no single counterpart has been executed by all the parties hereto.

**13.05 Binding / Successor & Assigns.** Except to the extent assignment hereof is prohibited, this Agreement shall be binding on, and shall inure to the benefit of, the parties hereto and their successors and assigns.

**13.06 Attorneys' Fees.** If any legal action, arbitration or other proceeding is brought by either party involving a dispute between the parties arising out of the interpretation or enforcement of any condition or provision hereof, or by reason of any breach arising hereunder or the sale of the Property, the prevailing party shall be entitled to recover its reasonable attorneys' fees, court costs and expert witness fees incurred in such action or proceeding in addition to any other relief to which such party may be entitled.

**13.07 Further Acts.** Each party agrees to perform any further acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions in this Agreement.

**13.08 Limited Third-Party Beneficiaries.** Subject to the remainder of this Section 13.08,

this Agreement is for the sole benefit of the parties hereto and there are no third-party beneficiaries, intended or otherwise. Notwithstanding the foregoing, HCD and the other Seller Parties (and other released persons) are intended third-party beneficiaries of Section 9 hereof, and HCD and the other Indemnified Parties are intended third party beneficiaries of Section 10 hereof.

**13.09 Notices.** All notices, requests, demands, and other communications required or desired under this Agreement shall be in writing and shall be given by any of the following methods: (i) personal service at the address set forth below, (ii) email transmission in the manner set forth below, or (iii) depositing such notice in the United States mail postage prepaid, addressed to the other as follows:

Caltrans
Division of Right of Way – SR-710, MS6
100 South Main Street
Los Angeles, CA 90012

City of South Pasadena
City Manager
1414 Mission Street
South Pasadena, CA 91030

Any notice given by personal service shall be deemed given when received, as verified by a written receipt or proof of service. Any notice given by email transmission shall be deemed given when transmitted, as evidenced by printed email; and any notice given by regular mail shall be deemed given on the fifth (5th) business day after its deposit in the United States mail postage prepaid.

Either party may change its address for purposes of this paragraph by giving the other party written notice of the new address to the other party at the address contained herein.

**13.10 Governing Law.** This Agreement has been prepared, negotiated, and entered into in the State of California and shall be governed by, construed and enforced in accordance with the internal laws of the State of California and according to its fair meaning, and not in favor of or against any party. Any action or proceeding relating or arising out of this Agreement shall be filed, if a State action, in the Superior Court of the State of California for the County of Los Angeles.

**13.11 Severability.** If any provision of this Agreement, or the application thereof to any person or circumstance, is held invalid or unenforceable by any court or arbitrator, it is the intent of the parties that all the other provisions of this Agreement, and the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall be construed to be fully valid, enforceable and binding on the parties to the fullest extent permitted by law.

**13.12 Survival / No Merger.** All covenants, representations, warranties, and other agreements under this Agreement which are expressly stated herein as surviving the close of escrow shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs in perpetuity, and shall not merge with or into the Director's Deed or the CC&Rs (or be terminated, limited or otherwise affected thereby).

**13.13 Time is of the Essence.** Time is of the essence of this Agreement in respect to all provisions of this Agreement that specify a time for performance, including the closing of escrow provided for herein, and failure to comply with this provision shall be a material breach of this Agreement.

**13.14 Days / Saturdays, Sundays, and Holidays.** Unless otherwise expressly stated, all time periods referred to herein shall be deemed to mean calendar days. If any date by which an election or a notice shall be given, or by which an action shall be taken, hereunder falls on a Saturday, Sunday, federal or state holiday, then the date by which such election or notice shall be given or such action shall be taken is extended to 5:00 p.m. on the next business day following such Saturday, Sunday, federal or state holiday.

**13.15 Waiver.** Waiver by one party of the performance of any covenant, condition or promise shall not invalidate this Agreement, nor shall it be a waiver by such party of such covenant, condition or promise in the future or of any other covenant, condition, or promise hereunder. Any waiver, to be effective, shall be express, in writing and signed by the waiving party, and shall be delivered to the other party. The exercise by a party of any remedy provided in this Agreement or at law shall not prevent the exercise by that party of any other remedy provided in this Agreement or at law.

**13.16 Construction.** As used in this Agreement, the masculine, feminine, or neuter gender and the singular or plural numbers shall each be deemed to include the other whenever the context so indicates. Each party hereto acknowledges and agrees that each has had independent counsel review and participated in the negotiation and drafting of this Agreement, and each hereby fully waives the application of any law, statute or rule of construction or interpretation, including without limitation California Civil Code Section 1654, to the effect that any ambiguities are to be construed against the drafting party.

**13.17 Exhibits.** All exhibits and schedules attached to this Agreement are hereby incorporated by reference herein and specifically made a part of this Agreement.

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

CALTRANS:

Recommended for Approval by:

STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION

By: _____ Date: _____
Angus Chan
Senior Right of Way Agent

By: _____ Date: _____
Heriberto Salazar
Office Chief, 710 Sales

Approved:

By: _____ Date: _____
Dan Murdoch
Deputy District Director, Right of Way

PURCHASER: CITY OF SOUTH PASADENA

By: Todd Hileman Date: 11/12/2025
Todd Hileman, City Manager
City of South Pasadena

Attest:

By: _____ Date: 11/12/2025
Deputy City Clerk

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

CALTRANS:

Recommended for Approval by:

STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION

By: _____ Date: Nov 17, 2025
Angus Chan
Senior Right of Way Agent

By: _____ Date: 11-20-25
Heriberto Salazar
Office Chief, 710 Sales

Approved:

By: _____ Date: 11/20/25
Dan Murdoch
Deputy District Director, Right of Way

PURCHASER: CITY OF SOUTH PASADENA

By: _____ Date: _____
Todd Hileman, City Manager
City of South Pasadena

Attest:

By: _____ Date: _____
Deputy City Clerk

## Attached Exhibits

| | |
|---|---|
| ***Exhibits "A"*** | *Director's Deed/Legal Description of Property* |
| ***Exhibit "B"*** | *Deleted* |
| ***Exhibit "C"*** | *Declaration of Covenants, Conditions & Restrictions* |
| ***Exhibit "D"*** | Historical Covenants (only included if applicable) |

# STATE ROUTE 710 SALES PROGRAM
# PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("**Agreement**") is entered into as of June 4, 2025, by and between the State of California, Department of Transportation ("**Caltrans**") and the City of South Pasadena, a Municipal Corporation.

**Recitals**

A. Caltrans owns the real property located in Los Angeles County, California commonly known as: **534 Orange Grove Ave., South Pasadena, CA 91030** and more particularly described as set forth in ***Exhibit "A"***, respectively, attached hereto ("**Property**").

B. The parties wish to provide terms and conditions for Purchaser's purchase of the Property from Caltrans. The State Route 710 Sales Program described in Government Code section 54235 et seq. (the "**Act**") and Title 21 Public Works Division 2 Department of Transportation, Chapter 9.5 (the "**Regulations**") provide for the offering of State-owned, surplus residential properties to the City of South Pasadena at the Minimum Sales Price pursuant to 21 CCR § 1483(a)(1), for the purpose of providing affordable housing to low- and moderate-income households. Purchaser and Caltrans acknowledge the Property is subject to the terms of this Agreement, the aforementioned law and regulations, and the Declaration of Covenants, Conditions, and Restrictions (**CC&Rs**), as defined below, to be recorded against the Property upon the close of escrow hereunder.

**NOW, THEREFORE,** in consideration of the foregoing premises, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

## SECTION 1. PURCHASE AND SALE

**1.01 Purchase and Sale.** Caltrans shall sell the Property to Purchaser, and Purchaser shall purchase the Property from Caltrans pursuant to the terms, limitations and conditions stated in this Agreement in accordance with the Act, the Regulations and other applicable laws, rules, and regulations (collectively, "**Applicable Laws**").

**1.02 Conditions Precedent to Effectiveness.** This Agreement shall not become effective unless and until all the following conditions precedent are satisfied on or before the sixtieth (60) calendar day from the date Caltrans' sends this Agreement to Purchaser:

A. Purchaser shall have: (1) executed and returned two original executed counterparts of this Agreement via certified mail, return receipt requested, to Caltrans and sent a copy thereof to the Escrow Holder, and (2) deposited with Escrow Holder the entire Down Payment contemplated by Section 2.02(A) below;

B. Caltrans thereafter executes this Agreement and delivers a fully executed copy hereof to Escrow Holder; and

A failure of any such conditions to timely occur shall, without further notice or action, result in the full and immediate termination of any offer, obligation, liability or agreement of Caltrans to or with Purchaser or any other person with respect to the Property, whether hereunder or otherwise, immediately upon the expiration of such 60-day period, and Caltrans shall thereafter be free to offer, market and sell the Property to other persons, or otherwise dispose of the same, as Caltrans may, in its sole and absolute discretion determine.

**1.03 Information/Prior Due Diligence.** Purchaser hereby expressly acknowledges and agrees:

A. that it is a sophisticated real estate purchaser and/or investor;
B. that it is fully familiar with and understands the Applicable Laws and the CC&Rs, and the risks and obligations associated therewith and imposed on Purchaser and on the Property thereby, including the purchase thereof under this Agreement, and has had the same explained to it by its independent legal counsel and other advisors;
C. that during the Inspection Period permitted under this Agreement: (A) Purchaser will have full access to the Property and all documents, data, reports and information related thereto requested by Purchaser, and will have the opportunity to undertake and perform any and all additional due diligence, investigation, surveys, reports and studies, with respect thereto, including without limitation the current and past physical and environmental condition of the Property, the condition of title thereto, the compliance thereof with any applicable building codes, permits, approvals, agreements or encumbrances affecting the same (including Applicable Laws), the value thereof, the use, operation, management or occupancy thereof and/or the suitability for Purchaser's intended use thereof, and all other matters referenced in Section 9 below, and (B) Purchaser has obtained any and all financing commitments necessary or desirable to purchase, repair and/or rehabilitate the Property; and
D. that with the aid of such independent experts, contractors, consultants, advisors and professionals (including independent legal counsel and accountants) that it deems necessary, appropriate or desirable, Purchaser will, prior to the Closing Date hereof, evaluate and assess the Property and conduct such independent inquiry, feasibility investigation, inspections and due diligence with respect thereto as Purchaser and/or its advisors deem necessary, advisable or desirable, and will fully and unconditionally approve of and satisfy itself as to the same. As a result, there shall be no further access to the Property except as set forth in this Agreement and no further feasibility, inspection or similar rights or contingencies with respect to the purchase of the Property.
E. Notwithstanding anything herein to the contrary, until the date that is sixty (60)

days after the execution of this Agreement by both parties (Inspection Period), upon reasonable notice but without any contingencies hereunder, Purchaser may access the Property and conduct non-invasive inspection, investigations, tests, observations, inquiries and studies as Purchaser deems appropriate. Purchaser shall promptly pay all expenses arising out of such inspections and other work on or about the Property prior to the Closing Date and shall not allow any mechanic's or materialmen's liens to be recorded on the Property (or promptly cause to be removed or bonded over any such liens if recorded on the Property). Purchaser shall promptly repair any damage to the Property caused by Purchaser's investigations. Purchaser shall coordinate with Caltrans any entry on the Property, execute a waiver and indemnity in the form customarily required by Caltrans prior to entry on Caltrans' property and follow applicable health and safety protocols as reasonably required by Caltrans. Following such period, upon Caltrans' reasonable consent and conditions, Purchaser may obtain access to the Property for a limited number of entries.

F. Purchaser shall promptly notify Caltrans during the Inspection Period of any matters discovered in its review of the Property that would cause Purchaser to terminate this Agreement. If within ten days of such notice, Caltrans notifies Purchaser in writing that it will cure such matters, then Caltrans shall have the opportunity to cure such matters fourteen (14) days prior to the Closing Date. Purchaser has the right to terminate if Caltrans does not agree to cure or if the cure is not completed fourteen (14) (days) prior to the Closing Date. Purchaser has a right to inspect the Property to determine that the discoveries have been cured to its satisfaction. Upon any such termination, Escrow Holder shall remit the deposit to Purchaser.

**SECTION 2. PURCHASE PRICE**

**2.01 Purchase Price.** The purchase price for the Property shall be **Forty-Two Thousand Dollars and zero cents ($42,000.00)** (the **"Purchase Price"**).

**2.02 Payment.** The Purchase Price shall be paid by Purchaser in cash, lawful money of the United States as set forth below, time being of the essence thereof:

A. **Deposit.** Immediately upon the execution of this Agreement, Purchaser shall deposit with Escrow Holder the sum of **One Thousand Dollars ($1,000.00)** (the **"Deposit"**) in the form of a cashier's check, wire transfer or other immediately available funds. The entire Deposit shall be applicable to the Purchase Price, without interest, shall be non-refundable except as may be expressly set forth in this Agreement, and shall constitute liquidated damages to Caltrans in the event of Purchaser's default in acquiring the Property. Time is of the essence in making the Deposit into escrow, and as provided above is a condition precedent to the effectiveness of this Agreement.

B. **Cash at Close.** One (1) day prior to the close of Escrow (or by 1:00 p.m. of the

close of escrow for funds delivered by wire transfer) the Purchaser shall deposit the balance of the Purchase Price in the amount of **Forty-One Thousand Dollars and zero cents ($41,000.00)** (the **"Cash Balance"**) with Escrow Holder in the form of a cashier's check, wire transfer or other immediately available funds for delivery to Caltrans upon close of escrow hereunder.

**2.03 Acknowledgement.** [Deleted.]

**2.04 No Seller Financing.** Purchaser acknowledges this Agreement is not a financing agreement and neither Caltrans nor any other governmental agency or department has at any time made any representations, warranties, promises or undertakings, express or implied, to provide any financing or other assistance with respect to all or any portion of the Purchase Price or any other obligations of Purchaser hereunder or with respect to the Property, or with respect to any repair, rehabilitation, updating or other activity contemplated by Purchaser with respect thereto. Purchaser has performed all due diligence regarding obtaining funding and/or financing with respect to the Property, including the purchase thereof hereunder, as provided in Section 1.03 above, and has satisfied itself as to the same.

**2.05 Change in Financial Condition.** If either: (i) Purchaser ultimately fails to secure funds for the Purchase Price in the timeframe specified herein, or (ii) the financial condition of the Purchaser changes prior to Close of Escrow so that it is unable to purchase the Property, then in either such event Purchaser shall be in default under this Agreement and Caltrans shall be entitled to exercise its rights and remedies pursuant to Section 12.02 below.

**2.06 Bonds, Taxes and Assessments.** Subject to the specific proration provisions set forth in Section 3.05 below, all real property taxes, supplemental taxes, special taxes, bonds and/ or assessments which are liens on or levied with respect to the Property shall be assumed by Purchaser at close of escrow without reduction of or adjustment to the Purchase Price.

## SECTION 3. ESCROW

**3.01 Opening.** The purchase and sale of the Property shall be consummated by means of Escrow No. OC2509876-TL (a single escrow) which has opened with Fidelity National Title Company, 4400 MacArthur Blvd., Suite 500, Newport Beach, CA, 92660, Attn: Trinh Le, Escrow Officer, email: tlee@fnf.com, Phone (949) 788-2836 (**"Title Company"** or **"Escrow Holder").**

**3.02 Closing.** The closing shall occur upon the recording of the Director's Deed for the Property, and shall occur when the conditions set forth in Article 5 below have all been satisfied or waived, but in no event later than **5:00 pm**_____, 2025 [the one hundred twentieth (120th) calendar day after the full execution of this Agreement]; provided, however, Caltrans shall, upon receipt of written request prior to such date, grant a one-time thirty (30) calendar day extension to close escrow, (such date, as may

be extended, being the **"Closing Date"**).

If at any time prior to the Closing Date, the Property becomes occupied, whether legally or illegally, Caltrans shall notify the Purchaser and Purchaser shall have 30 days to decide whether to proceed with the purchase of the Property. If the 30 days falls outside the Closing Date, the Closing Date shall be extended 10 days past the 30-day expiration. If Purchaser declines to proceed with the purchase of the Property due to the legal or illegal occupation of the Property, this Agreement shall terminate pursuant to the terms hereof. Upon any such termination, Escrow Holder shall remit the deposit to Purchaser.

**3.03 Instructions.** This Agreement shall to the extent applicable, also act as escrow instructions. The parties agree to execute any additional escrow instructions required by the Escrow Holder provided the same shall be consistent with the terms of this Agreement and shall provide that as between the parties, in the event there are any inconsistencies between such supplemental instructions and this Agreement, the terms of this Agreement shall prevail. Escrow Holder is hereby designated the "real estate reporting person" for purposes of Section 6045 of the Internal Revenue Code of 1986, as amended, and Treasury Reg. 1.6045-4, and any instructions or settlement statements prepared by Escrow Holder shall so provide. Escrow Holder shall be responsible for filing any Form 1099-S with the Internal Revenue Service.

**3.04 Costs.** Charges and expenses incurred in connection with the closing hereunder shall be borne by the parties as follows:

A. Purchaser shall pay all: (A) escrow fees, (B) recording fees, (C) transfer taxes, (D) title insurance premiums and fees (whether for ALTA or CLTA coverage), endorsement coverage and survey costs, and (E) any other real estate transaction fees involved in this transaction;

B. If applicable, Purchaser shall pay for and obtain any city/county required inspections and/or occupancy permits, whether required for closing the sale/escrow transaction or not. Caltrans shall provide Purchaser access to the Property as necessary to comply with this provision; and

C. Each party shall bear their own legal, tax and professional fees and costs.

**3.05 Prorations.** All real property taxes, special taxes, assessments, bonds, and all other similar charges imposed or levied upon the Property by any governmental agency or special district, organization or body and any other obligations related to the Property shall be prorated at close as of the Closing Date. With respect to any prorations based upon an estimation, if and when the tax, assessment or other charge related thereto is segregated by the appropriate agency or other persons, within fifteen (15) days thereof, the parties shall adjust said prorations, as necessary, based on such final segregation and pay any such adjustment to the appropriate party. The provisions of this Section 3.05 shall survive the close of escrow and the delivery and recordation of the Director's Deed and CC&Rs hereunder.

**3.06 Escrow Deposits.** On or before the Closing Date, the parties shall make the following deposits into Escrow:

A. **By Caltrans.** At least one (1) business day prior to such closing, Caltrans shall deposit the following documents with Escrow Holder:

(i) an original **Director's Deed** for the Property duly executed by Caltrans and properly acknowledged and otherwise in recordable form, to be recorded in the Official Records of Los Angeles County, California against the Property described therein at close;

(ii) a counterpart original of the **CC&Rs** for the Property duly executed by Caltrans, and the Monitoring Entity properly acknowledged and otherwise in recordable form to be recorded in the Official Records of Los Angeles County, California against the Property described therein at close immediately following the recordation of the Director's Deed for the Property and prior to any financing obtained by Purchaser and to any other encumbrances or agreements being recorded at close with respect to such Property;

(iii) such Non-Foreign Affidavits pursuant to Sections 1445 and/or 7701 of the Internal Revenue Code, as amended, and such California Form 590s pursuant to applicable sections of the California Revenue and Taxation Code, as necessary to comply with such laws and close escrow hereunder, each in form and content reasonably satisfactory to Purchaser and Caltrans;

(iv) such other agreements or documents reasonably necessary from Caltrans to close escrow as may be expressly provided for herein.

B. **By Purchaser.** At least one (1) business day prior to such closing, Purchaser shall deposit the following funds and documents with Escrow Holder:

(i) the **Cash Balance** as provided in Subsection 2.02(b) above;

(ii) a counterpart original of the **CC&Rs** for the Property executed by Purchaser, properly acknowledged and otherwise in recordable form to be recorded in the Official Records of Los Angeles County, California against the Property described therein at close immediately following the recordation of the Director's Deed for such Property and prior to any financing obtained by Purchaser and to any other encumbrances or agreements being recorded at close with respect to such Property;

(iii) all other sums due from Purchaser as provided herein, including without limitation Purchaser's share of closing costs under Section 3.04 above, in the form of wire transfer or other immediately available funds;

(iv) to the extent Purchaser is an entity, certified copies of Purchaser's organizational documents and/or other entity resolutions or other authorizing documents authorizing the execution and delivery of this Agreement and the other documents and agreements contemplated herein, the consummation of all transactions contemplated hereby, and authorizing those persons signing on behalf of Purchaser to bind Purchaser; and

(v) such other agreements, documents, or funds reasonably necessary from Purchaser to close escrow as provided for herein.

**3.07** **Cancelling Escrow.** Caltrans may unilaterally cancel escrow if Purchaser fails to comply with Section 3.06(b) and/or Purchaser defaults after opening escrow but before close of escrow and such failure to comply or default is not remedied or cured within three (3) business days of Caltrans providing notice to Purchaser of such failure or default.

## SECTION 4. AGREEMENTS

**4.01** **California Transportation Commission Approval and Governing Body Approval.** Purchaser understands and agrees that Caltrans' obligation to sell and convey the Property to Purchaser hereunder is subject to Caltrans first obtaining the written approval of the California Transportation Commission (**"CTC"**) to this Agreement and the sale of the Property hereunder prior to the Closing Date (the **"CTC Approval"**). In the event the CTC fails to approve the sale, all monies deposited into escrow hereunder by Purchaser will be refunded without interest. Caltrans makes no representations, assurances, or warranties, express or implied, concerning the CTC's timely or ultimate approval of this sale.

If applicable, Caltrans understands and agrees that, despite any provision in this Agreement to the contrary, Purchaser's obligation to purchase and accept the Property from Caltrans hereunder is subject to Purchaser first obtaining the written approval of its governing body to this Agreement and the purchase of the Property hereunder prior to the Closing Date. In the event the governing body fails to approve the sale, all monies deposited into escrow hereunder by Purchaser shall be refunded without interest. Purchaser makes no representations, assurances, or warranties, express or implied, concerning the timely or ultimate approval of this sale by its governing body.

**4.02** **Leases.** [Deleted.]

**4.03** **Covenants, Conditions and Restrictions.**

A. Purchaser acknowledges the purchase of the Property shall be subject to a declaration of covenants, conditions, and restrictions as required by Government Code section 54235 et seq. and the Regulations and agrees that Purchaser and its successors in interest shall be bound by the same. Therefore, prior to close, the parties hereto shall execute a Declaration of Covenants, Conditions and

Restrictions agreement in substantially the form of ***Exhibit "C"*** attached hereto (the **"CC&Rs"**) with respect to the Property, which shall, among other things impose certain ongoing restrictions on the use and occupancy of such Property, as well as imposing various limitations on the subsequent resale of such Property both as to whom it may be sold and the amount of equity or other compensation the Purchaser is entitled to retain upon such subsequent transfer. The CC&Rs shall be recorded immediately following the recordation of the Director's Deed for such Property and shall not be subordinated to any financing obtained by Purchaser with respect to such Property or any other agreements recorded against or otherwise first affecting the Property at close of escrow, except as authorized by the CC&Rs. After recordation, the original recorded CC&Rs for the Property shall be returned (mailed) by the Recorder's Office directly to Caltrans, who shall retain possession thereof. The CC&Rs shall constitute covenants and equitable servitudes that run with the land and shall bind Purchaser and all subsequent owners, lessees, occupants, lenders, encumbrancers, and others holding any interest in, lien on or claim to the Property. Purchaser agrees not to challenge or attempt to terminate, limit, or otherwise alter or amend the CC&Rs. The agreements of Purchaser under this Section 4.03 shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs hereunder.

B. **Historical Covenants**

☒ This Property is not subject to Historical Covenants.

☐ This Property is subject to Historical Covenants attached as Exhibit "__" to protect the historic value and characteristics of the Property. The Historical Covenants are in addition to the CC&Rs described in Section 4.03 A.

**4.04 Title.**

A. **Generally.** Purchaser understands and agrees that the right, title, and interest in the Property to be conveyed hereunder shall not exceed that currently vested in Caltrans (after taking into account any and all rights that may be reserved by Caltrans pursuant to the Director's Deed, the CC&Rs or any other agreement contained in or contemplated by this Agreement related to such Property), and that Caltrans will furnish no policy of title insurance with respect to the sale of the Property hereunder. If a policy of title insurance, endorsement or survey coverage is desired, Purchaser may obtain the same at Purchaser's sole expense, provided, however, in no event or circumstance shall obtaining any such title, endorsement or survey coverage) constitute any basis for extending the Closing Date contemplated hereunder. No later than ten business days prior to the expiration of the Inspection Period, Purchaser shall notify Caltrans in writing of its objection to any matter in the preliminary title report or on a survey. Caltrans shall have five business days to notify Purchaser of its election to cure the matter or not, and the absence of any notice shall be deemed an election not to cure the matter. Purchaser shall have the right to terminate this Agreement prior to the expiration of the Inspection Period if Caltrans does not agree to cure such matter, or if Caltrans agrees to but fails to cure the matter on or prior to Closing, then Purchaser shall have the right to terminate at such time. Upon any such termination, Escrow

Holder shall remit the deposit to Purchaser.

B. **Permitted Encumbrances.** At close of escrow hereunder the Property shall be conveyed to Purchaser by a Director's Deed in substantially the form of ***Exhibit "A"*** hereto (a **"Director's Deed"**), with title to the Property being subject to all of the following exceptions and matters (collectively, the **"Permitted Exceptions"**): (1) a lien to secure payment of real estate taxes, supplemental taxes, and special taxes, bonds and assessments; (2) any reservations or limitations contained in the Director's Deed or any prior deed(s) relating to the Property; (3) the CC&Rs; (4) all title exceptions and other matters shown in the preliminary report for such Property other than any items Caltrans has agreed to cure; (5) any and all other matters apparent from a physical inspection thereof and/or that might be revealed by a survey other than any items Caltrans has agreed to cure; and (6) all other matters created by or with the consent or knowledge of Purchaser, or otherwise disclosed or contemplated in this Agreement. Caltrans shall not have, and does not assume, any liability or obligation whatsoever for any encumbrances or other title matters affecting the Property, or the amendment, removal, or other disposition thereof, provided, however, Caltrans agrees not to encumber the Property or enter into any leases, licenses, and other occupancy agreements with respect to the Property ("Leases") during the Escrow Period without the consent of Purchaser.

**4.05 Operation during Escrow Period.** During the period commencing with the effectiveness of this Agreement until the close of escrow hereunder or termination of this Agreement, Caltrans will continue to operate the Property in substantially the same manner as operated as of the date of this Agreement and will not do, cause, or allow anything to be done with respect to the Property that would materially change, alter or modify the current operation of the Property as a vacant property without the prior written consent of Purchaser, which consent shall not be unreasonably withheld or delayed; provided, however, Caltrans shall not under any circumstances be responsible for or have any obligation or liability with respect to any such change, alteration or modification to the extent the same is caused by any tenant or occupant of a Property or any other person without Caltrans' consent or knowledge, or to the extent the same is otherwise beyond Caltrans' reasonable control. Additionally, notwithstanding the foregoing, Caltrans shall be entitled, at its election and without notice to or obtaining the consent of Purchaser, to take any and all actions and make any and all decisions with respect to the Property as Caltrans deems necessary or desirable, in its sole and absolute discretion, in addressing any emergency relating to the Property or the safety of any occupant thereof, making a Property compliant with applicable laws, and/or keeping and maintaining a Property in a safe and habitable condition.

**4.06 Purchaser's Agreements.** With respect to the period prior to the close of escrow Purchaser acknowledges and agrees as follows:

A. **No Changes.** Purchaser shall have no right to take any action with respect to the Property, including, without limitation changing, renewing or terminating any zoning designations, permits, approvals, certificates or other entitlements related thereto (or applying for any such new matters), giving any notices with respect to or otherwise amending or terminating any Leases related thereto, or making or

undertaking any repairs, alterations or additions to the Property and/or any improvements located thereon, in each case without the prior written consent of Caltrans, which may be conditioned or withheld in Caltrans' sole and absolute discretion.

B. **Restrictions.** Purchaser shall not use or take any actions, or permit or suffer its agents, employees, contractors or consultants (collectively, **"Agents"**) to use or take actions, with respect to the Property in a manner which would in any way: (i) interfere with any activities thereon, or the use or occupancy thereof; (ii) constitute a nuisance or result in waste; (iii) result in the cancellation of any insurance being maintained by or on behalf of Caltrans or any tenants, in the increase in the premiums for any such insurance or in the increase of any of Caltrans' other costs; or (iv) damage any improvements or personalty located thereon.

C. **Compliance with Laws Generally.** Purchaser and its Agents shall not enter any Property, nor shall they take any action with respect thereto (or permit or suffer anything to be done in, on or about the Property) which will in any manner violate any title conditions, maps, entitlements, permits, consents, agreements, Leases or any laws, ordinances, governmental rules or regulations now or hereafter in effect with respect thereto and/or the conduct of any activities thereon by Caltrans or any occupants.

D. **Liens.** Purchaser shall at all times keep the Property and Caltrans free from any liens and claims arising out of any and all actions taken, work and labor performed, materials or services furnished and/or damages or personal injuries caused by or on behalf of Purchaser in connection with any activity of Purchaser and/or its Agents with respect to the Property, whether occurring prior to or after the date hereof. Caltrans may require Purchaser to post, at Purchaser's sole cost and expense, a lien release bond or other undertaking, statutory or otherwise, in such amount as necessary to properly bond around any claim filed against Caltrans and/or the Property with respect to such activities (occurring prior to the close of escrow) of Purchaser or its Agents. The bonding obligations of Purchaser under this Subsection 4.06(d) shall be absolute and unconditional and shall survive the close of escrow and the delivery and recordation of the Director's Deed and CC&Rs hereunder and/or the expiration, revocation, or termination of this Agreement.

E. **Compliance with the Act & Regulations**. Purchaser shall at all times comply with the requirements of the Act and the Regulations.

## SECTION 5. CONDITIONS TO CLOSE

**5.01 Conditions to Purchaser's Obligation to Close.** The matters set forth in this Section 5.01 are conditions precedent to the close of escrow by Purchaser as contemplated in this Agreement, and the same may be declared satisfied or waived by Purchaser. In the event any such condition fails to be satisfied in accordance with the terms hereof through no fault of either party, Purchaser shall have the option of either: (i) waiving such condition and proceeding to close without adjustment of the Purchase Price or any of the other terms of this Agreement, or (ii) terminating this Agreement, in which case the

Deposit shall be refunded to Purchaser without interest, and neither party shall have any further rights, liabilities or obligations hereunder except paying their respective share of escrow costs incurred up to such date and observing those obligations expressly stated herein as surviving the termination of this Agreement.

A. **Title.** At closing, the Property shall be conveyed to the Purchaser pursuant to a Director's Deed subject to all the Permitted Exceptions applicable to such Property as contemplated by Section 4.04 hereof.
B. **CTC Approval and Governing Body Approval.** By the Closing Date, the CTC Approval shall and any governing body approval (if applicable) have been unconditionally obtained as contemplated by Section 4.01 hereof.
C. **Documents and Funds.** By the Closing Date, the escrow deposits referenced in Section 3.06(a) above shall have all been made by Caltrans, and the Escrow Holder shall be irrevocably committed to record the Director's Deed in the Official Records of Los Angeles County, California.
D. **Representations/Covenants.** At close: (i) all the representations of Caltrans contained in this Agreement shall be materially true and correct, and (ii) Caltrans shall have materially complied with its covenants contained in this Agreement.

**5.02 Conditions to Caltrans' Obligation to Close.** The matters set forth in this Section 5.02 are conditions precedent to the close of escrow by Caltrans as contemplated in this Agreement, and the same may be declared satisfied or waived by Caltrans. In the event any such condition fails to be satisfied in accordance with the terms hereof through no fault of either party, Caltrans shall have the option of either: (i) waiving such condition and proceeding to close without adjustment of the Purchase Price or any of the other terms of this Agreement, or (ii) terminating this Agreement, in which case the Deposit shall be refunded to Purchaser without interest, and neither party shall have any further rights, liabilities or obligations hereunder except paying their respective share of escrow costs incurred up to such date and observing those obligations expressly stated herein as surviving the termination of this Agreement.

A. **Balance of Purchase Price.** By the Closing Date, Purchaser shall have deposited the entire Cash Balance of the Purchase Price with Escrow Holder as provided in Section 2.02(b) hereof.
B. **CTC Approval.** By the Closing Date, the CTC Approval shall have been unconditionally obtained as contemplated by Section 4.01 hereof.
C. **Documents and Funds.** By the Closing Date, the escrow deposits referenced in Section 3.06(b) above shall have all been made by Purchaser and Escrow Holder shall be irrevocably committed to:
    (i) disburse the Cash Balance to Caltrans,
    (ii) record the Director's Deed, and CC&Rs immediately thereafter as contemplated herein, in the Official Records of Los Angeles County, California, and
    (iii) deliver to Caltrans a fully executed counterpart original any other appropriate documents as contemplated by Section 3.06(b).

D. **Representations/Covenants.** At close: (i) all the representations of Purchaser contained in this Agreement shall be materially true and correct, and (ii) Purchaser shall have materially complied with its covenants contained in this Agreement.

**SECTION 6. POSSESSION**

Possession of the Property shall be delivered to Purchaser on the Closing Date subject to the Permitted Exceptions applicable to the Property.

**SECTION 7. BROKERS**

**7.01 Caltrans.** Caltrans has retained **Veterans Realty Group** to act as a Consultant in connection with the sale of the Property hereunder, and any compensation due to **Veterans Realty Group** in connection with the transactions contemplated by this Agreement shall be paid by Caltrans.

**7.02 No Other Brokers.** Except for Caltrans' retention of **Veterans Realty Group** above, each party hereby represents and warrants to the other party that no broker, finder, real estate agent or other person has been retained by it or is entitled to any commission, finder's fee or other compensation resulting from any action on its part with respect to the sale of the Property to Purchaser. Purchaser and Caltrans each agree to indemnify, defend, and hold the other and the Property harmless from and against any real estate brokerage commissions or finder's fees, and all costs and expenses (including attorneys' fees and costs) of investigating and defending any such claims, payable or alleged to be payable to any other persons in connection with this Agreement which such indemnifying party may have engaged or is claimed or alleged to have engaged. This section does not prohibit Purchaser from obtaining a broker at his/her own expense. The representations, warranties, indemnification, and other obligations set forth in this Section 7.02 shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs and/or the expiration, revocation, or termination of this Agreement.

**SECTION 8. REPRESENTATIONS & WARRANTIES**

**8.01 By Caltrans.** Caltrans hereby makes the following representations and warranties to Purchaser:

A. Authority. Subject to obtaining the CTC Approval, Caltrans has all requisite power and authority to enter into, deliver and perform this Agreement and all the other agreements contemplated herein and to be executed in connection herewith, and the person(s) executing this Agreement and all other agreements contemplated herein on behalf of Caltrans have been properly authorized to sign on behalf of and bind Caltrans in connection with performing the transactions contemplated herein.

B. Binding. Subject to obtaining the CTC Approval, this Agreement and all documents to be executed by Caltrans as provided herein, as of the date of

execution shall, subject to the operation of any bankruptcy or similar laws, be the legal, valid and binding obligations of Caltrans.

C. Information. Except as otherwise set forth in this Agreement, Caltrans has no actual constructive knowledge of any information affecting the Property that had, has or would have a material effect on Purchaser's ability to use and operate the Property as contemplated by Purchaser. Caltrans has provided to Purchaser all material and factual information requested by the Purchaser and/or as required by law concerning the Property that is in Caltrans' possession, custody and control.

D. Compliance with the Act and Regulations: Caltrans conduct in this sales transaction has been in compliance with the Act and corresponding Regulations.

E. Claims. There is no claim, action, suit, arbitration, proceeding (including condemnation proceedings) or any investigation by or before any court or arbitration body, any governmental, administrative or regulatory authority, or any other body pending or, to Caltrans's knowledge, threatened with respect to the Property (collectively, "Allegations"). Caltrans is not aware of any basis or reason for any such Allegations. There is no order, judgment or decree of any court or arbitration body, any governmental, administrative or regulatory authority, or any other body, against Caltrans with respect to the Property or the sales transaction contemplated by this Agreement.

F. No Violation. Neither the execution and delivery of this Agreement, nor the performance by Caltrans of the sales transaction contemplated hereby, will contravene, conflict with, or result in a breach of any agreement, law, regulation, writ, injunction or decree of any court or governmental authority applicable to Caltrans or by which any of its properties is bound. Except for CTC Approval, Caltrans is not required to obtain any consent or authorization in order to complete the sales transaction contemplated by this Agreement.

G. Right to Purchase. Except pursuant to this Agreement, no third party has an option, right of first offer, right of first refusal, or other similar right to purchase the Property that currently remains in effect.

H. Environmental Matters. As requested by Purchaser and/or mandated by law, Caltrans has provided or made available for review copies of any material documents in its possession, custody and control of Caltrans regarding environmental condition of the Property ("Environmental Materials"). Except as set forth in the Environmental Materials, Caltrans is not aware of the existence of any Hazardous Substances (defined in Section 10 below) attributable to or affecting the Property. There have been no settlements reached by or with any third parties alleging the presence, disposal, release or threatened release of any Hazardous Substances from the use or operation of the Property.

I. Leases. The Property is not subject to any Leases, tenancy and/or similar agreements conferring any right, title or interest in the Property to a third party.

J. Contracts. Other than as disclosed in the title reports provided by the Title

Company and this Agreement, there are no agreements affecting the Property.

Each of the representations made by Caltrans in this Agreement shall be true and correct on the date hereof, and shall be deemed to be made again as of the close of escrow provided for herein, and shall then be true and correct in all material respects. Caltrans shall promptly provide written notice to Purchaser of any developments or information that would make the representations set forth above untrue. The representations and warranties set forth in this Section 8.01 shall expressly survive the close of escrow as described in Section 13.12 below.

**8.02 By Purchaser.** Purchaser and the specific parties signing this Agreement on behalf of Purchaser hereby makes the following representations and warranties to Caltrans:

A. Organization. Purchaser is a municipal corporation duly organized, validly existing and in good standing under the laws of the State of California which has the power and authority to enter into this Agreement and to consummate the transactions contemplated hereby.
B. Authority. Subject to obtaining governing body approval, Purchaser has all requisite power and authority to enter into, deliver, and perform this Agreement and all the other agreements contemplated herein and to be executed in connection herewith, and the person(s) executing this Agreement and the other agreements contemplated herein on behalf of Purchaser have been properly authorized to sign on behalf of and bind Purchaser in connection with performing the transactions contemplated herein.
C. Binding. This Agreement and all documents to be executed by Purchaser as contemplated hereunder shall, subject to the operation of any applicable bankruptcy or similar laws, be the legal, valid and binding obligations of Purchaser, and shall not materially violate any law, agreement, order or decree to which Purchaser is a party or is subject.
D. Litigation. There are no pending or threatened, suits or actions affecting Purchaser which would materially affect Purchaser's ability to enter into or perform its obligations under this Agreement or the documents executed in connection herewith.
E. Information / Compliance. All applications, information, financial statements, and other materials provided by Purchaser or its Agents to Caltrans pursuant to or in connection with the Act, the Regulations and or this Agreement are true, correct and not materially misleading; and Purchaser is in compliance with the Act and the Regulations as relates to the Property and the purchase thereof under this Agreement.
F. No Bankruptcy. Purchaser is not the subject of any pending or threatened bankruptcy proceedings, whether voluntary or involuntary.

Each of the representations and warranties made by Purchaser in this Agreement, or on any document or instrument delivered pursuant hereto shall be true and correct on the date hereof, and shall be deemed to be made again as of close of escrow provided for herein, and shall then be true and correct in all material respects. The representations

and warranties of Purchaser contained in this Section 8.02 shall survive the close of escrow and the delivery and recordation of the Director's Deed and CC&Rs.

**SECTION 9. "AS-IS", WAIVERS AND RELEASE**

Purchaser acknowledges and agrees that, except as set forth in this Agreement, neither Caltrans nor any of its respective employees, agents, managers, members, partners, officers, interest holders, attorneys, contractors or consultants, including without limitation the California Department of Housing and Community Development **("HCD")**, (Caltrans and such other persons being collectively, the **"Seller Parties"**) have made or are making, and specifically negate and disclaim making, any representations, warranties, guaranties, promises, covenants or assurances of any kind or character, whether express, implied, written, oral, past, present or future concerning or with respect to the Property, or the condition or status thereof, including without limitation, the suitability for any purpose or the profitability of owning and operating the Property; the value thereof; the existence or non-existence of any patent or latent defects affecting the same; the physical or environmental condition or status thereof (including without limitation the existence of any mold, lead paint, radon gas or other environmental health hazards); the rental or other income generated thereby; the expenses or costs associated therewith; the size and square footage of the parcel or the improvements located thereon, the age or condition of the such improvements, or the location of property lines or setbacks (or the location of the improvements with respect thereto); the zoning thereof; the condition of title thereto; the existence, necessity or satisfaction of any local, state or federal approvals, permits or certificates for the entitlement, ownership, operation, use or occupancy thereof as contemplated by Purchaser or any tenants, occupants or any future owners thereof; the feasibility of or cost associated with obtaining any such approvals; the compliance of the Property with any and all applicable local, state or federal laws, codes and ordinances; or any other matter.

Purchaser further acknowledges that Purchaser, with the help of its independent experts, contractors, consultants, professionals (including independent legal counsel and accountants), and advisors, prior to the Closing Date, will conduct its independent feasibility, investigation, and due diligence inquiry as described in Section 1.03 above with respect to the Property and will fully satisfy itself as to all matters relating thereto. Except for the representations and warranties of Caltrans set forth in this Agreement, Purchaser is relying solely and exclusively on such independent due diligence in executing this Agreement and purchasing the Property hereunder, and not on any representations, warranties, guaranties, promises, covenants or assurances of any kind or character by Caltrans or any other Seller Parties; and the Property is being purchased **"AS-IS"** / **"WHERE-IS"** at close in its present condition with all defects and faults, both patent and latent, whether known or unknown, presently existing or that may hereafter arise.

Effective on the Closing Date, Purchaser hereby fully and expressly releases Caltrans, HCD and all of the other Seller Parties and their respective agents, employees, attorneys, consultants, successors and assigns from any and all demands, claims, liabilities, amounts, actions, costs, judgments, expenses and damages (including, without limitation,

attorneys' fees, witness fees and court costs) related to or arising from the Property, or the condition or status of thereof or any other matter relating thereto, including without limitation the matters referenced in the first paragraph of this Section 9, (collectively, the **"Released Matters"**); and Purchaser hereby covenants not to sue, and hereby fully and expressly waives and relinquishes any and all rights and remedies Purchaser may have against, Caltrans, HCD and the other Seller Parties and their respective agents, employees, attorneys, consultants, successors and assigns, or any of them, at law, in equity or otherwise, related to or arising from the Released Matters. However, nothing contained herein shall release or be deemed to release Caltrans from claims arising from its fraud or a breach of any representation or warranty by Caltrans contained in this Agreement (the "Preserved Matters"). Preserved Matters shall not be considered Released Matters. Purchaser acknowledges and agrees that the release, waiver and discharge given by Purchaser hereunder to Caltrans, HCD and the other released parties extends to all Released Matters described above, whether known or unknown, foreseen or unforeseen, patent or latent, which Purchaser may now or hereafter have against Caltrans, HCD or such other persons; and in connection with such release, waiver and discharge, Purchaser hereby expressly waives the benefit of the provisions of California Civil Code Section 1542, which provides as follows:

> **"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."**

Purchaser has read this Section 9, has had the effect and content thereof explained to Purchaser by independent legal counsel, and fully understands and appreciates the same. Purchaser understands and acknowledges that, among other things, the consequence of this waiver of California Civil Code section 1542 is that even if Purchaser should eventually discover any claims or suffer any losses or damages arising from the Released Matters, Purchaser would not be able to make any claim against Caltrans, HCD or the other released persons with respect thereto. Purchaser acknowledges that these consequences apply even as to claims, losses or damages resulting from the Released Matters that may exist as of the date of this Agreement or in the future, but which Purchaser does not know exist, or does not anticipate, and which, if known or anticipated, would materially affect Purchaser's decision to execute this Agreement. The waivers, releases, covenants not to sue and discharges contained in this Section 9 are a material portion of the consideration to Caltrans in agreeing to enter into this Agreement and shall survive the close of escrow and the delivery and recordation of Director's Deed and the CC&Rs in perpetuity.

**SECTION 10. <u>INDEMNIFICATION</u>**

Following the closing of the transaction contemplated herein, except as provided below,

Purchaser shall, at its sole cost and expense, indemnify, defend and hold Caltrans and its officers, agents, employees, attorneys and consultants, including without limitation, HCD, and their respective successors and assigns (collectively, the **"Indemnified Parties"**), free and harmless from and against any and all liabilities, demands, claims and costs (including remediation, reimbursement or contribution costs or claims), damages, losses, and expenses (including and without limitation to attorneys' fees, legal expenses and court costs, and consultant's fees, and investigation and remediation costs) of whatever kind or nature incurred or suffered by, or threatened against, any Property or any Indemnified Party(ies) resulting from or arising out of or by reason of any matter pertaining to the condition or status of the Property, including without limitation, the existence of any Hazardous Substances or Hazardous Substance Conditions in, on, under or about the Property (collectively, "Claims"). Except as provided below, this indemnity is intended to address any and all liability for which Caltrans may now or at any time hereafter be partially or entirely responsible in connection with the contamination, environmental or physical condition or status of any Property, including the prior operation thereof, due to its mere ownership or operation of such Property. As used in this Agreement, the term **"Hazardous Substance"** shall mean any substance whose nature and/or quantity of existence, use, manufacture, disposal or effect, render it subject to federal, state, or local regulation, investigation, remediation or removal as potentially injurious to public health or welfare, including the Comprehensive Environmental Response Compensation and Liability Act or Resource Conservation and Recovery Act as now in effect; and the term **"Hazardous Substance Condition"** shall mean the existence in, on, under or about the Property of a hazardous substance that requires remediation, removal, mitigation and/or other action pursuant to applicable law. This indemnification shall in no event apply to (i) Claims to which Caltrans representations and warranties apply, (ii) any Claims involving Caltrans' willful misconduct, gross negligence or fraud, and (iii) any Claims relating to challenges to Caltrans' acquisition or disposition of the Property.

Purchaser's indemnification and defense of any matters contemplated in this Section 10 for or on behalf of the Property or any Indemnified Parties shall be made by counsel reasonably acceptable to the Indemnified Parties; shall commence immediately upon any such claim or matter being made, threatened, or asserted against Indemnified Parties or the Property without the necessity of the Indemnified Parties first contesting or defending the same, suffering or incurring any loss or adverse disposition, or otherwise taking or failing to take any other action; and shall apply to all such matters regardless of any action, failure or negligence of the Indemnified Parties, it being the express intent that the indemnification, defense and hold harmless obligations of this Section 10 apply to all matters referenced herein except to the extent caused by the gross negligence or willful misconduct of the Indemnified Parties. In the event Purchaser refuses to initiate or continue pursuing to completion any such defense or other obligations hereunder, Indemnitee shall be entitled to undertake, assume, and/or conclude the same, all at Purchaser's sole cost and expense, with counsel selected by Indemnitee. The obligations of Purchaser under this Section 10 shall be absolute and unconditional, and shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs.

**SECTION 11. CASUALTY/CONDEMNATION**

In the event any casualty or condemnation proceeding occurs or is commenced with respect to the Property after the effectiveness hereof but prior to the close of escrow, Caltrans shall notify Purchaser of the same in writing within ten (10) business days after Caltrans has knowledge of the same, and either of the following shall occur:

(A) If Purchaser does not elect to cancel within seven (7) business days after receipt of such notice by Purchaser, the parties shall continue to proceed under this Agreement and close without adjustment to the Purchase Price or any of the other provisions of this Agreement, in which event upon the close of escrow, Caltrans shall assign to Purchaser all of its interest in any such insurance or condemnation proceeds, compensation, award, or other payments or relief resulting from such casualty or condemnation proceedings; or

(B) If Purchaser elects to cancel, and Purchaser provides written notification to Caltrans of its election to terminate this Agreement within such 7-day period, then this Agreement shall terminate, the Deposit shall be returned to Purchaser without interest, and Caltrans shall retain all proceeds, compensation, awards, payments and other benefits or relief related to such casualty and condemnation with respect to the Property.

**SECTION 12. REMEDIES**

**12.01 Of Purchaser.** If the closing does not occur as a result of Caltrans' default under this Agreement, then, provided Purchaser is not in default hereunder, Purchaser may, at its election proceed with either of the following mutually exclusive alternatives as its sole and exclusive remedy:

A. Terminate the Agreement, whereupon: (1) the Deposit shall be returned to Purchaser without interest, (2) Purchaser may seek reimbursement from Caltrans of any and all hard third-party costs and expenses incurred by Purchaser in connection the investigation of the Property or the negotiation and execution of this Agreement, as evidenced by invoices delivered to Caltrans, up to the maximum aggregate amount of fifteen thousand Dollars ($15,000), and (3) neither party shall have any further obligation or liability to the other under this Agreement except for provisions of this Agreement which expressly state that they shall survive the termination of this Agreement; or

B. File in a court of competent jurisdiction an action for specific performance to cause Caltrans to convey the Property to Purchaser in accordance with the terms and conditions of this Agreement; but Purchaser shall not be entitled to recover any monetary damages (whether compensatory, consequential, exemplary, punitive or other) from Caltrans in connection with such default other than seeking

its reasonable attorneys' fees in connection with such action.

**PURCHASER ACKNOWLEDGES AND AGREES THAT THE LIMITATIONS ON REMEDIES AGAINST CALTRANS SET FORTH IN THIS SECTION 12.01 ARE A MATERIAL INDUCEMENT FOR CALTRANS TO ENTER INTO THIS AGREEMENT, AND PURCHASER AGREES THAT SUCH LIMITATIONS ARE REASONABLE AND ENFORCEABLE IN ACCORDANCE WITH THEIR TERMS.**

**12.02 Of Caltrans. LIQUIDATED DAMAGES. PURCHASER AND CALTRANS AGREE THAT SHOULD PURCHASER FAIL TO COMPLETE THE PURCHASE OF THE PROPERTY AS HEREIN PROVIDED BY REASON OF DEFAULT OF PURCHASER, THE PARTIES HERETO, BY INITIALING THIS SECTION 12.02 IN THE SPACE PROVIDED BELOW, AGREE THAT IT WOULD BE IMPRACTICAL OR EXTREMELY DIFFICULT TO ASCERTAIN OR FIX ACTUAL DAMAGES TO CALTRANS AS A RESULT OF SUCH FAILURE OR DEFAULT BY PURCHASER, THAT UNDER THE CIRCUMSTANCES EXISTING AS OF THE DATE OF THIS AGREEMENT THE ENTIRE DEPOSIT PROVIDED FOR IN SECTION 2.02(A) ABOVE IS A REASONABLE ESTIMATE OF CALTRANS' DAMAGES, AND THAT AS CALTRANS' SOLE AND EXCLUSIVE REMEDIES ON ACCOUNT OF SUCH BREACH, CALTRANS SHALL BE ENTITLED TO: (1) RETAIN SAID DEPOSIT AS LIQUIDATED DAMAGES FOR SUCH BREACH BY PURCHASER AND (2) TERMINATE THIS AGREEMENT. THE PAYMENT OF SUCH AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO CALTRANS PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677.**

**THE PROVISIONS HEREOF RELATE ONLY TO CALTRANS' DAMAGES FOR PURCHASER'S DEFAULTS IN ITS AGREEMENT TO PURCHASE THE PROPERTY AS PROVIDED HEREIN. NOTHING CONTAINED HEREIN SHALL LIMIT OR PRECLUDE, OR BE DEEMED TO LIMIT OR PRECLUDE, THE EXERCISE OR ENFORCEMENT BY CALTRANS OF ANY RIGHTS WHICH EXPRESSLY SURVIVE THE TERMINATION OF THIS AGREEMENT.**

**Purchaser's Initials:** _____ **Caltrans' Initials:** _____

**SECTION 13. MISCELLANEOUS**

**13.01 Headings.** This Agreement shall be construed as a whole, and the subject headings of the paragraphs and subparagraphs of this Agreement are included for convenience only and shall not affect the construction or interpretation of any of its provisions or define the provisions in the portions of this Agreement to which they pertain.

**13.02 Assignment.** Purchaser may not assign this Agreement, or any portion hereof or any of its rights or interests hereunder, without the express prior written consent of Caltrans, which consent may be conditioned or withheld in Caltrans' sole and absolute discretion, except as set forth herein. Purchaser may, without Caltrans' consent, but upon notice to Caltrans and Escrow Holder, assign any or all of its rights in, to or under this Agreement to an entity or instrumentality that is wholly controlled by Purchaser. No such assignment (regardless of whether consented to by Caltrans) shall relieve or release

its reasonable attorneys' fees in connection with such action.

**PURCHASER ACKNOWLEDGES AND AGREES THAT THE LIMITATIONS ON REMEDIES AGAINST CALTRANS SET FORTH IN THIS SECTION 12.01 ARE A MATERIAL INDUCEMENT FOR CALTRANS TO ENTER INTO THIS AGREEMENT, AND PURCHASER AGREES THAT SUCH LIMITATIONS ARE REASONABLE AND ENFORCEABLE IN ACCORDANCE WITH THEIR TERMS.**

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Purchaser from any of its obligations hereunder. As a condition to the effectiveness of such assignment, all assignees shall execute an assumption agreement reasonably acceptable to Caltrans under which the proposed assignee agrees to fully assume and be bound by all the terms of this Agreement to be observed or performed by Purchaser.

Caltrans shall be free to assign this Agreement, or any portion hereof or any of its rights or interests hereunder, without the consent or approval of Purchaser.

**13.03 Entire Agreement / Amendment.** This Agreement (including all exhibits and schedules hereto and other agreements referenced herein) constitute the entire agreement between the parties pertaining to the subject matter contained herein and supersede all prior written or oral agreements, representations and understandings of the parties relating to the subject matter herein. There are no representations, agreements, arrangements, or understandings, oral or written, relating to the subject matter which are not fully expressed herein. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by all the parties hereto.

This Agreement does not affect the enforceability of other written contracts related to the use and resale of the Property or to preserving the historic nature of the Property.

**13.04 Counterparts.** This Agreement may be executed simultaneously in one or more identical counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. This Agreement shall be fully effective and binding on all parties hereto, as if one or more copies thereof had been executed by all the parties hereto, when all the parties have executed identical counterparts hereof, even though no single counterpart has been executed by all the parties hereto.

**13.05 Binding / Successor & Assigns.** Except to the extent assignment hereof is prohibited, this Agreement shall be binding on, and shall inure to the benefit of, the parties hereto and their successors and assigns.

**13.06 Attorneys' Fees.** If any legal action, arbitration or other proceeding is brought by either party involving a dispute between the parties arising out of the interpretation or enforcement of any condition or provision hereof, or by reason of any breach arising hereunder or the sale of the Property, the prevailing party shall be entitled to recover its reasonable attorneys' fees, court costs and expert witness fees incurred in such action or proceeding in addition to any other relief to which such party may be entitled.

**13.07 Further Acts.** Each party agrees to perform any further acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions in this Agreement.

**13.08 Limited Third-Party Beneficiaries.** Subject to the remainder of this Section 13.08,

this Agreement is for the sole benefit of the parties hereto and there are no third-party beneficiaries, intended or otherwise. Notwithstanding the foregoing, HCD and the other Seller Parties (and other released persons) are intended third-party beneficiaries of Section 9 hereof, and HCD and the other Indemnified Parties are intended third party beneficiaries of Section 10 hereof.

**13.09 Notices.** All notices, requests, demands, and other communications required or desired under this Agreement shall be in writing and shall be given by any of the following methods: (i) personal service at the address set forth below, (ii) email transmission in the manner set forth below, or (iii) depositing such notice in the United States mail postage prepaid, addressed to the other as follows:

Caltrans
Division of Right of Way – SR-710, MS6
100 South Main Street
Los Angeles, CA 90012

City of South Pasadena
City Manager
1414 Mission Street
South Pasadena, CA 91030

Any notice given by personal service shall be deemed given when received, as verified by a written receipt or proof of service. Any notice given by email transmission shall be deemed given when transmitted, as evidenced by printed email; and any notice given by regular mail shall be deemed given on the fifth (5th) business day after its deposit in the United States mail postage prepaid.

Either party may change its address for purposes of this paragraph by giving the other party written notice of the new address to the other party at the address contained herein.

**13.10 Governing Law.** This Agreement has been prepared, negotiated, and entered into in the State of California and shall be governed by, construed and enforced in accordance with the internal laws of the State of California and according to its fair meaning, and not in favor of or against any party. Any action or proceeding relating or arising out of this Agreement shall be filed, if a State action, in the Superior Court of the State of California for the County of Los Angeles.

**13.11 Severability.** If any provision of this Agreement, or the application thereof to any person or circumstance, is held invalid or unenforceable by any court or arbitrator, it is the intent of the parties that all the other provisions of this Agreement, and the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall be construed to be fully valid, enforceable and binding on the parties to the fullest extent permitted by law.

**13.12 Survival / No Merger.** All covenants, representations, warranties, and other agreements under this Agreement which are expressly stated herein as surviving the close of escrow shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs in perpetuity, and shall not merge with or into the Director's Deed or the CC&Rs (or be terminated, limited or otherwise affected thereby).

**13.13 Time is of the Essence.** Time is of the essence of this Agreement in respect to all provisions of this Agreement that specify a time for performance, including the closing of escrow provided for herein, and failure to comply with this provision shall be a material breach of this Agreement.

**13.14 Days / Saturdays, Sundays, and Holidays.** Unless otherwise expressly stated, all time periods referred to herein shall be deemed to mean calendar days. If any date by which an election or a notice shall be given, or by which an action shall be taken, hereunder falls on a Saturday, Sunday, federal or state holiday, then the date by which such election or notice shall be given or such action shall be taken is extended to 5:00 p.m. on the next business day following such Saturday, Sunday, federal or state holiday.

**13.15 Waiver.** Waiver by one party of the performance of any covenant, condition or promise shall not invalidate this Agreement, nor shall it be a waiver by such party of such covenant, condition or promise in the future or of any other covenant, condition, or promise hereunder. Any waiver, to be effective, shall be express, in writing and signed by the waiving party, and shall be delivered to the other party. The exercise by a party of any remedy provided in this Agreement or at law shall not prevent the exercise by that party of any other remedy provided in this Agreement or at law.

**13.16 Construction.** As used in this Agreement, the masculine, feminine, or neuter gender and the singular or plural numbers shall each be deemed to include the other whenever the context so indicates. Each party hereto acknowledges and agrees that each has had independent counsel review and participated in the negotiation and drafting of this Agreement, and each hereby fully waives the application of any law, statute or rule of construction or interpretation, including without limitation California Civil Code Section 1654, to the effect that any ambiguities are to be construed against the drafting party.

**13.17 Exhibits.** All exhibits and schedules attached to this Agreement are hereby incorporated by reference herein and specifically made a part of this Agreement.

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

CALTRANS:

Recommended for Approval by:

STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION

By: _____ Date: _____
Angus Chan
Senior Right of Way Agent

By: _____ Date: _____
Heriberto Salazar
Office Chief, 710 Sales

Approved:

By: _____ Date: _____
Dan Murdoch
Deputy District Director, Right of Way

PURCHASER: CITY OF SOUTH PASADENA

By: Todd Hileman Date: November 17, 2025
Todd Hileman, City Manager
City of South Pasadena

Attest:

By: _____ Date: November 17, 2025
Deputy City Clerk

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

CALTRANS:

Recommended for Approval by:

STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION

By: _____ Date: NOV 17, 2025
Angus Chan
Senior Right of Way Agent

By: _____ Date: 11-20-25
Heriberto Salazar
Office Chief, 710 Sales

Approved:

By: _____ Date: 11/20/25
Dan Murdoch
Deputy District Director, Right of Way

PURCHASER: CITY OF SOUTH PASADENA

By: _____ Date: _____
Todd Hileman, City Manager
City of South Pasadena

Attest:

By: _____ Date: _____
Deputy City Clerk

## Attached Exhibits

| | |
|---|---|
| ***Exhibits "A"*** | *Director's Deed/Legal Description of Property* |
| ***Exhibit "B"*** | *Deleted* |
| ***Exhibit "C"*** | *Declaration of Covenants, Conditions & Restrictions* |
| ***Exhibit "D"*** | Historical Covenants (only included if applicable) |

# STATE ROUTE 710 SALES PROGRAM
# PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("**Agreement**") is entered into as of June 4, 2025, by and between the State of California, Department of Transportation ("**Caltrans**") and the City of South Pasadena, a Municipal Corporation.

**Recitals**

A. Caltrans owns the real property located in Los Angeles County, California commonly known as: **535 Meridian Ave., South Pasadena, CA 91030** and more particularly described as set forth in ***Exhibit "A"***, respectively, attached hereto ("**Property**").

B. The parties wish to provide terms and conditions for Purchaser's purchase of the Property from Caltrans. The State Route 710 Sales Program described in Government Code section 54235 et seq. (the "**Act**") and Title 21 Public Works Division 2 Department of Transportation, Chapter 9.5 (the "**Regulations**") provide for the offering of State-owned, surplus residential properties to the City of South Pasadena at the Minimum Sales Price pursuant to 21 CCR § 1483(a)(1), for the purpose of providing affordable housing to low- and moderate-income households. Purchaser and Caltrans acknowledge the Property is subject to the terms of this Agreement, the aforementioned law and regulations, and the Declaration of Covenants, Conditions, and Restrictions (**CC&Rs**), as defined below, to be recorded against the Property upon the close of escrow hereunder.

**NOW, THEREFORE,** in consideration of the foregoing premises, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

## SECTION 1. PURCHASE AND SALE

**1.01 Purchase and Sale.** Caltrans shall sell the Property to Purchaser, and Purchaser shall purchase the Property from Caltrans pursuant to the terms, limitations and conditions stated in this Agreement in accordance with the Act, the Regulations and other applicable laws, rules, and regulations (collectively, "**Applicable Laws**").

**1.02 Conditions Precedent to Effectiveness.** This Agreement shall not become effective unless and until all the following conditions precedent are satisfied on or before the sixtieth (60) calendar day from the date Caltrans' sends this Agreement to Purchaser:

A. Purchaser shall have: (1) executed and returned two original executed counterparts of this Agreement via certified mail, return receipt requested, to Caltrans and sent a copy thereof to the Escrow Holder, and (2) deposited with Escrow Holder the entire Down Payment contemplated by Section 2.02(A) below;

B. Caltrans thereafter executes this Agreement and delivers a fully executed copy hereof to Escrow Holder; and

A failure of any such conditions to timely occur shall, without further notice or action, result in the full and immediate termination of any offer, obligation, liability or agreement of Caltrans to or with Purchaser or any other person with respect to the Property, whether hereunder or otherwise, immediately upon the expiration of such 60-day period, and Caltrans shall thereafter be free to offer, market and sell the Property to other persons, or otherwise dispose of the same, as Caltrans may, in its sole and absolute discretion determine.

**1.03 Information/Prior Due Diligence.** Purchaser hereby expressly acknowledges and agrees:

A. that it is a sophisticated real estate purchaser and/or investor;
B. that it is fully familiar with and understands the Applicable Laws and the CC&Rs, and the risks and obligations associated therewith and imposed on Purchaser and on the Property thereby, including the purchase thereof under this Agreement, and has had the same explained to it by its independent legal counsel and other advisors;
C. that during the Inspection Period permitted under this Agreement: (A) Purchaser will have full access to the Property and all documents, data, reports and information related thereto requested by Purchaser, and will have the opportunity to undertake and perform any and all additional due diligence, investigation, surveys, reports and studies, with respect thereto, including without limitation the current and past physical and environmental condition of the Property, the condition of title thereto, the compliance thereof with any applicable building codes, permits, approvals, agreements or encumbrances affecting the same (including Applicable Laws), the value thereof, the use, operation, management or occupancy thereof and/or the suitability for Purchaser's intended use thereof, and all other matters referenced in Section 9 below, and (B) Purchaser has obtained any and all financing commitments necessary or desirable to purchase, repair and/or rehabilitate the Property; and
D. that with the aid of such independent experts, contractors, consultants, advisors and professionals (including independent legal counsel and accountants) that it deems necessary, appropriate or desirable, Purchaser will, prior to the Closing Date hereof, evaluate and assess the Property and conduct such independent inquiry, feasibility investigation, inspections and due diligence with respect thereto as Purchaser and/or its advisors deem necessary, advisable or desirable, and will fully and unconditionally approve of and satisfy itself as to the same. As a result, there shall be no further access to the Property except as set forth in this Agreement and no further feasibility, inspection or similar rights or contingencies with respect to the purchase of the Property.
E. Notwithstanding anything herein to the contrary, until the date that is sixty (60)

days after the execution of this Agreement by both parties (Inspection Period), upon reasonable notice but without any contingencies hereunder, Purchaser may access the Property and conduct non-invasive inspection, investigations, tests, observations, inquiries and studies as Purchaser deems appropriate. Purchaser shall promptly pay all expenses arising out of such inspections and other work on or about the Property prior to the Closing Date and shall not allow any mechanic's or materialmen's liens to be recorded on the Property (or promptly cause to be removed or bonded over any such liens if recorded on the Property). Purchaser shall promptly repair any damage to the Property caused by Purchaser's investigations. Purchaser shall coordinate with Caltrans any entry on the Property, execute a waiver and indemnity in the form customarily required by Caltrans prior to entry on Caltrans' property and follow applicable health and safety protocols as reasonably required by Caltrans. Following such period, upon Caltrans' reasonable consent and conditions, Purchaser may obtain access to the Property for a limited number of entries.

F. Purchaser shall promptly notify Caltrans during the Inspection Period of any matters discovered in its review of the Property that would cause Purchaser to terminate this Agreement. If within ten days of such notice, Caltrans notifies Purchaser in writing that it will cure such matters, then Caltrans shall have the opportunity to cure such matters fourteen (14) days prior to the Closing Date. Purchaser has the right to terminate if Caltrans does not agree to cure or if the cure is not completed fourteen (14) (days) prior to the Closing Date. Purchaser has a right to inspect the Property to determine that the discoveries have been cured to its satisfaction. Upon any such termination, Escrow Holder shall remit the deposit to Purchaser.

**SECTION 2. PURCHASE PRICE**

**2.01 Purchase Price.** The purchase price for the Property shall be **Five Hundred Fifty Thousand Dollars and zero cents ($550,000.00)** (the **"Purchase Price"**).

**2.02 Payment.** The Purchase Price shall be paid by Purchaser in cash, lawful money of the United States as set forth below, time being of the essence thereof:

A. **Deposit.** Immediately upon the execution of this Agreement, Purchaser shall deposit with Escrow Holder the sum of **One Thousand Dollars ($1,000.00)** (the "**Deposit**") in the form of a cashier's check, wire transfer or other immediately available funds. The entire Deposit shall be applicable to the Purchase Price, without interest, shall be non-refundable except as may be expressly set forth in this Agreement, and shall constitute liquidated damages to Caltrans in the event of Purchaser's default in acquiring the Property. Time is of the essence in making the Deposit into escrow, and as provided above is a condition precedent to the effectiveness of this Agreement.

B. **Cash at Close.** One (1) day prior to the close of Escrow (or by 1:00 p.m. of the

close of escrow for funds delivered by wire transfer) the Purchaser shall deposit the balance of the Purchase Price in the amount of **Five Hundred Forty-Nine Thousand Dollars and zero cents ($549,000.00)** (the **"Cash Balance"**) with Escrow Holder in the form of a cashier's check, wire transfer or other immediately available funds for delivery to Caltrans upon close of escrow hereunder.

**2.03 Acknowledgement.** [Deleted.]

**2.04 No Seller Financing.** Purchaser acknowledges this Agreement is not a financing agreement and neither Caltrans nor any other governmental agency or department has at any time made any representations, warranties, promises or undertakings, express or implied, to provide any financing or other assistance with respect to all or any portion of the Purchase Price or any other obligations of Purchaser hereunder or with respect to the Property, or with respect to any repair, rehabilitation, updating or other activity contemplated by Purchaser with respect thereto. Purchaser has performed all due diligence regarding obtaining funding and/or financing with respect to the Property, including the purchase thereof hereunder, as provided in Section 1.03 above, and has satisfied itself as to the same.

**2.05 Change in Financial Condition.** If either: (i) Purchaser ultimately fails to secure funds for the Purchase Price in the timeframe specified herein, or (ii) the financial condition of the Purchaser changes prior to Close of Escrow so that it is unable to purchase the Property, then in either such event Purchaser shall be in default under this Agreement and Caltrans shall be entitled to exercise its rights and remedies pursuant to Section 12.02 below.

**2.06 Bonds, Taxes and Assessments.** Subject to the specific proration provisions set forth in Section 3.05 below, all real property taxes, supplemental taxes, special taxes, bonds and/ or assessments which are liens on or levied with respect to the Property shall be assumed by Purchaser at close of escrow without reduction of or adjustment to the Purchase Price.

## SECTION 3. ESCROW

**3.01 Opening.** The purchase and sale of the Property shall be consummated by means of Escrow No. OC2509877-TL (a single escrow) which has opened with Fidelity National Title Company, 4400 MacArthur Blvd., Suite 500, Newport Beach, CA, 92660, Attn: Trinh Le, Escrow Officer, email: tlee@fnf.com, Phone (949) 788-2836 (**"Title Company"** or **"Escrow Holder").**

**3.02 Closing.** The closing shall occur upon the recording of the Director's Deed for the Property, and shall occur when the conditions set forth in Article 5 below have all been satisfied or waived, but in no event later than **5:00 pm**_____, 2025 [the one hundred twentieth (120th) calendar day after the full execution of this Agreement]; provided, however, Caltrans shall, upon receipt of written request prior to such date, grant a one-time thirty (30) calendar day extension to close escrow, (such date, as may

be extended, being the **"Closing Date"**).

If at any time prior to the Closing Date, the Property becomes occupied, whether legally or illegally, Caltrans shall notify the Purchaser and Purchaser shall have 30 days to decide whether to proceed with the purchase of the Property. If the 30 days falls outside the Closing Date, the Closing Date shall be extended 10 days past the 30-day expiration. If Purchaser declines to proceed with the purchase of the Property due to the legal or illegal occupation of the Property, this Agreement shall terminate pursuant to the terms hereof. Upon any such termination, Escrow Holder shall remit the deposit to Purchaser.

**3.03 Instructions.** This Agreement shall to the extent applicable, also act as escrow instructions. The parties agree to execute any additional escrow instructions required by the Escrow Holder provided the same shall be consistent with the terms of this Agreement and shall provide that as between the parties, in the event there are any inconsistencies between such supplemental instructions and this Agreement, the terms of this Agreement shall prevail. Escrow Holder is hereby designated the "real estate reporting person" for purposes of Section 6045 of the Internal Revenue Code of 1986, as amended, and Treasury Reg. 1.6045-4, and any instructions or settlement statements prepared by Escrow Holder shall so provide. Escrow Holder shall be responsible for filing any Form 1099-S with the Internal Revenue Service.

**3.04 Costs.** Charges and expenses incurred in connection with the closing hereunder shall be borne by the parties as follows:

A. Purchaser shall pay all: (A) escrow fees, (B) recording fees, (C) transfer taxes, (D) title insurance premiums and fees (whether for ALTA or CLTA coverage), endorsement coverage and survey costs, and (E) any other real estate transaction fees involved in this transaction;

B. If applicable, Purchaser shall pay for and obtain any city/county required inspections and/or occupancy permits, whether required for closing the sale/escrow transaction or not. Caltrans shall provide Purchaser access to the Property as necessary to comply with this provision; and

C. Each party shall bear their own legal, tax and professional fees and costs.

**3.05 Prorations.** All real property taxes, special taxes, assessments, bonds, and all other similar charges imposed or levied upon the Property by any governmental agency or special district, organization or body and any other obligations related to the Property shall be prorated at close as of the Closing Date. With respect to any prorations based upon an estimation, if and when the tax, assessment or other charge related thereto is segregated by the appropriate agency or other persons, within fifteen (15) days thereof, the parties shall adjust said prorations, as necessary, based on such final segregation and pay any such adjustment to the appropriate party. The provisions of this Section 3.05 shall survive the close of escrow and the delivery and recordation of the Director's Deed and CC&Rs hereunder.

**3.06** **Escrow Deposits.** On or before the Closing Date, the parties shall make the following deposits into Escrow:

A. **By Caltrans.** At least one (1) business day prior to such closing, Caltrans shall deposit the following documents with Escrow Holder:

(i) an original **Director's Deed** for the Property duly executed by Caltrans and properly acknowledged and otherwise in recordable form, to be recorded in the Official Records of Los Angeles County, California against the Property described therein at close;

(ii) a counterpart original of the **CC&Rs** for the Property duly executed by Caltrans, and the Monitoring Entity properly acknowledged and otherwise in recordable form to be recorded in the Official Records of Los Angeles County, California against the Property described therein at close immediately following the recordation of the Director's Deed for the Property and prior to any financing obtained by Purchaser and to any other encumbrances or agreements being recorded at close with respect to such Property;

(iii) such Non-Foreign Affidavits pursuant to Sections 1445 and/or 7701 of the Internal Revenue Code, as amended, and such California Form 590s pursuant to applicable sections of the California Revenue and Taxation Code, as necessary to comply with such laws and close escrow hereunder, each in form and content reasonably satisfactory to Purchaser and Caltrans;

(iv) such other agreements or documents reasonably necessary from Caltrans to close escrow as may be expressly provided for herein.

B. **By Purchaser.** At least one (1) business day prior to such closing, Purchaser shall deposit the following funds and documents with Escrow Holder:

(i) the **Cash Balance** as provided in Subsection 2.02(b) above;

(ii) a counterpart original of the **CC&Rs** for the Property executed by Purchaser, properly acknowledged and otherwise in recordable form to be recorded in the Official Records of Los Angeles County, California against the Property described therein at close immediately following the recordation of the Director's Deed for such Property and prior to any financing obtained by Purchaser and to any other encumbrances or agreements being recorded at close with respect to such Property;

(iii) all other sums due from Purchaser as provided herein, including without limitation Purchaser's share of closing costs under Section 3.04 above, in the form of wire transfer or other immediately available funds;

(iv) to the extent Purchaser is an entity, certified copies of Purchaser's organizational documents and/or other entity resolutions or other authorizing documents authorizing the execution and delivery of this Agreement and the other documents and agreements contemplated herein, the consummation of all transactions contemplated hereby, and authorizing those persons signing on behalf of Purchaser to bind Purchaser; and

(v) such other agreements, documents, or funds reasonably necessary from Purchaser to close escrow as provided for herein.

**3.07 Cancelling Escrow.** Caltrans may unilaterally cancel escrow if Purchaser fails to comply with Section 3.06(b) and/or Purchaser defaults after opening escrow but before close of escrow and such failure to comply or default is not remedied or cured within three (3) business days of Caltrans providing notice to Purchaser of such failure or default.

## SECTION 4. AGREEMENTS

**4.01 California Transportation Commission Approval and Governing Body Approval.** Purchaser understands and agrees that Caltrans' obligation to sell and convey the Property to Purchaser hereunder is subject to Caltrans first obtaining the written approval of the California Transportation Commission (**"CTC"**) to this Agreement and the sale of the Property hereunder prior to the Closing Date (the **"CTC Approval"**). In the event the CTC fails to approve the sale, all monies deposited into escrow hereunder by Purchaser will be refunded without interest. Caltrans makes no representations, assurances, or warranties, express or implied, concerning the CTC's timely or ultimate approval of this sale.

If applicable, Caltrans understands and agrees that, despite any provision in this Agreement to the contrary, Purchaser's obligation to purchase and accept the Property from Caltrans hereunder is subject to Purchaser first obtaining the written approval of its governing body to this Agreement and the purchase of the Property hereunder prior to the Closing Date. In the event the governing body fails to approve the sale, all monies deposited into escrow hereunder by Purchaser shall be refunded without interest. Purchaser makes no representations, assurances, or warranties, express or implied, concerning the timely or ultimate approval of this sale by its governing body.

**4.02 Leases.** [Deleted.]

**4.03 Covenants, Conditions and Restrictions.**

A. Purchaser acknowledges the purchase of the Property shall be subject to a declaration of covenants, conditions, and restrictions as required by Government Code section 54235 et seq. and the Regulations and agrees that Purchaser and its successors in interest shall be bound by the same. Therefore, prior to close, the parties hereto shall execute a Declaration of Covenants, Conditions and

Restrictions agreement in substantially the form of ***Exhibit "C"*** attached hereto (the **"CC&Rs"**) with respect to the Property, which shall, among other things impose certain ongoing restrictions on the use and occupancy of such Property, as well as imposing various limitations on the subsequent resale of such Property both as to whom it may be sold and the amount of equity or other compensation the Purchaser is entitled to retain upon such subsequent transfer. The CC&Rs shall be recorded immediately following the recordation of the Director's Deed for such Property and shall not be subordinated to any financing obtained by Purchaser with respect to such Property or any other agreements recorded against or otherwise first affecting the Property at close of escrow, except as authorized by the CC&Rs. After recordation, the original recorded CC&Rs for the Property shall be returned (mailed) by the Recorder's Office directly to Caltrans, who shall retain possession thereof. The CC&Rs shall constitute covenants and equitable servitudes that run with the land and shall bind Purchaser and all subsequent owners, lessees, occupants, lenders, encumbrancers, and others holding any interest in, lien on or claim to the Property. Purchaser agrees not to challenge or attempt to terminate, limit, or otherwise alter or amend the CC&Rs. The agreements of Purchaser under this Section 4.03 shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs hereunder.

B. **Historical Covenants**

☒ This Property is not subject to Historical Covenants.

☐ This Property is subject to Historical Covenants attached as Exhibit "__" to protect the historic value and characteristics of the Property. The Historical Covenants are in addition to the CC&Rs described in Section 4.03 A.

**4.04 Title.**

A. **Generally.** Purchaser understands and agrees that the right, title, and interest in the Property to be conveyed hereunder shall not exceed that currently vested in Caltrans (after taking into account any and all rights that may be reserved by Caltrans pursuant to the Director's Deed, the CC&Rs or any other agreement contained in or contemplated by this Agreement related to such Property), and that Caltrans will furnish no policy of title insurance with respect to the sale of the Property hereunder. If a policy of title insurance, endorsement or survey coverage is desired, Purchaser may obtain the same at Purchaser's sole expense, provided, however, in no event or circumstance shall obtaining any such title, endorsement or survey coverage) constitute any basis for extending the Closing Date contemplated hereunder. No later than ten business days prior to the expiration of the Inspection Period, Purchaser shall notify Caltrans in writing of its objection to any matter in the preliminary title report or on a survey. Caltrans shall have five business days to notify Purchaser of its election to cure the matter or not, and the absence of any notice shall be deemed an election not to cure the matter. Purchaser shall have the right to terminate this Agreement prior to the expiration of the Inspection Period if Caltrans does not agree to cure such matter, or if Caltrans agrees to but fails to cure the matter on or prior to Closing, then Purchaser shall have the right to terminate at such time. Upon any such termination, Escrow

Holder shall remit the deposit to Purchaser.

B. **Permitted Encumbrances.** At close of escrow hereunder the Property shall be conveyed to Purchaser by a Director's Deed in substantially the form of ***Exhibit "A"*** hereto (a **"Director's Deed"**), with title to the Property being subject to all of the following exceptions and matters (collectively, the **"Permitted Exceptions"**): (1) a lien to secure payment of real estate taxes, supplemental taxes, and special taxes, bonds and assessments; (2) any reservations or limitations contained in the Director's Deed or any prior deed(s) relating to the Property; (3) the CC&Rs; (4) all title exceptions and other matters shown in the preliminary report for such Property other than any items Caltrans has agreed to cure; (5) any and all other matters apparent from a physical inspection thereof and/or that might be revealed by a survey other than any items Caltrans has agreed to cure; and (6) all other matters created by or with the consent or knowledge of Purchaser, or otherwise disclosed or contemplated in this Agreement. Caltrans shall not have, and does not assume, any liability or obligation whatsoever for any encumbrances or other title matters affecting the Property, or the amendment, removal, or other disposition thereof, provided, however, Caltrans agrees not to encumber the Property or enter into any leases, licenses, and other occupancy agreements with respect to the Property ("Leases") during the Escrow Period without the consent of Purchaser.

**4.05 Operation during Escrow Period.** During the period commencing with the effectiveness of this Agreement until the close of escrow hereunder or termination of this Agreement, Caltrans will continue to operate the Property in substantially the same manner as operated as of the date of this Agreement and will not do, cause, or allow anything to be done with respect to the Property that would materially change, alter or modify the current operation of the Property as a vacant property without the prior written consent of Purchaser, which consent shall not be unreasonably withheld or delayed; provided, however, Caltrans shall not under any circumstances be responsible for or have any obligation or liability with respect to any such change, alteration or modification to the extent the same is caused by any tenant or occupant of a Property or any other person without Caltrans' consent or knowledge, or to the extent the same is otherwise beyond Caltrans' reasonable control. Additionally, notwithstanding the foregoing, Caltrans shall be entitled, at its election and without notice to or obtaining the consent of Purchaser, to take any and all actions and make any and all decisions with respect to the Property as Caltrans deems necessary or desirable, in its sole and absolute discretion, in addressing any emergency relating to the Property or the safety of any occupant thereof, making a Property compliant with applicable laws, and/or keeping and maintaining a Property in a safe and habitable condition.

**4.06 Purchaser's Agreements.** With respect to the period prior to the close of escrow Purchaser acknowledges and agrees as follows:

A. **No Changes.** Purchaser shall have no right to take any action with respect to the Property, including, without limitation changing, renewing or terminating any zoning designations, permits, approvals, certificates or other entitlements related thereto (or applying for any such new matters), giving any notices with respect to or otherwise amending or terminating any Leases related thereto, or making or

undertaking any repairs, alterations or additions to the Property and/or any improvements located thereon, in each case without the prior written consent of Caltrans, which may be conditioned or withheld in Caltrans' sole and absolute discretion.

B. **Restrictions.** Purchaser shall not use or take any actions, or permit or suffer its agents, employees, contractors or consultants (collectively, **"Agents"**) to use or take actions, with respect to the Property in a manner which would in any way: (i) interfere with any activities thereon, or the use or occupancy thereof; (ii) constitute a nuisance or result in waste; (iii) result in the cancellation of any insurance being maintained by or on behalf of Caltrans or any tenants, in the increase in the premiums for any such insurance or in the increase of any of Caltrans' other costs; or (iv) damage any improvements or personalty located thereon.

C. **Compliance with Laws Generally.** Purchaser and its Agents shall not enter any Property, nor shall they take any action with respect thereto (or permit or suffer anything to be done in, on or about the Property) which will in any manner violate any title conditions, maps, entitlements, permits, consents, agreements, Leases or any laws, ordinances, governmental rules or regulations now or hereafter in effect with respect thereto and/or the conduct of any activities thereon by Caltrans or any occupants.

D. **Liens.** Purchaser shall at all times keep the Property and Caltrans free from any liens and claims arising out of any and all actions taken, work and labor performed, materials or services furnished and/or damages or personal injuries caused by or on behalf of Purchaser in connection with any activity of Purchaser and/or its Agents with respect to the Property, whether occurring prior to or after the date hereof. Caltrans may require Purchaser to post, at Purchaser's sole cost and expense, a lien release bond or other undertaking, statutory or otherwise, in such amount as necessary to properly bond around any claim filed against Caltrans and/or the Property with respect to such activities (occurring prior to the close of escrow) of Purchaser or its Agents. The bonding obligations of Purchaser under this Subsection 4.06(d) shall be absolute and unconditional and shall survive the close of escrow and the delivery and recordation of the Director's Deed and CC&Rs hereunder and/or the expiration, revocation, or termination of this Agreement.

E. **Compliance with the Act & Regulations**. Purchaser shall at all times comply with the requirements of the Act and the Regulations.

## SECTION 5. CONDITIONS TO CLOSE

**5.01 Conditions to Purchaser's Obligation to Close.** The matters set forth in this Section 5.01 are conditions precedent to the close of escrow by Purchaser as contemplated in this Agreement, and the same may be declared satisfied or waived by Purchaser. In the event any such condition fails to be satisfied in accordance with the terms hereof through no fault of either party, Purchaser shall have the option of either: (i) waiving such condition and proceeding to close without adjustment of the Purchase Price or any of the other terms of this Agreement, or (ii) terminating this Agreement, in which case the

Deposit shall be refunded to Purchaser without interest, and neither party shall have any further rights, liabilities or obligations hereunder except paying their respective share of escrow costs incurred up to such date and observing those obligations expressly stated herein as surviving the termination of this Agreement.

A. **Title.** At closing, the Property shall be conveyed to the Purchaser pursuant to a Director's Deed subject to all the Permitted Exceptions applicable to such Property as contemplated by Section 4.04 hereof.
B. **CTC Approval and Governing Body Approval.** By the Closing Date, the CTC Approval shall and any governing body approval (if applicable) have been unconditionally obtained as contemplated by Section 4.01 hereof.
C. **Documents and Funds.** By the Closing Date, the escrow deposits referenced in Section 3.06(a) above shall have all been made by Caltrans, and the Escrow Holder shall be irrevocably committed to record the Director's Deed in the Official Records of Los Angeles County, California.
D. **Representations/Covenants.** At close: (i) all the representations of Caltrans contained in this Agreement shall be materially true and correct, and (ii) Caltrans shall have materially complied with its covenants contained in this Agreement.

**5.02 Conditions to Caltrans' Obligation to Close.** The matters set forth in this Section 5.02 are conditions precedent to the close of escrow by Caltrans as contemplated in this Agreement, and the same may be declared satisfied or waived by Caltrans. In the event any such condition fails to be satisfied in accordance with the terms hereof through no fault of either party, Caltrans shall have the option of either: (i) waiving such condition and proceeding to close without adjustment of the Purchase Price or any of the other terms of this Agreement, or (ii) terminating this Agreement, in which case the Deposit shall be refunded to Purchaser without interest, and neither party shall have any further rights, liabilities or obligations hereunder except paying their respective share of escrow costs incurred up to such date and observing those obligations expressly stated herein as surviving the termination of this Agreement.

A. **Balance of Purchase Price.** By the Closing Date, Purchaser shall have deposited the entire Cash Balance of the Purchase Price with Escrow Holder as provided in Section 2.02(b) hereof.
B. **CTC Approval.** By the Closing Date, the CTC Approval shall have been unconditionally obtained as contemplated by Section 4.01 hereof.
C. **Documents and Funds.** By the Closing Date, the escrow deposits referenced in Section 3.06(b) above shall have all been made by Purchaser and Escrow Holder shall be irrevocably committed to:
    (i) disburse the Cash Balance to Caltrans,
    (ii) record the Director's Deed, and CC&Rs immediately thereafter as contemplated herein, in the Official Records of Los Angeles County, California, and
    (iii) deliver to Caltrans a fully executed counterpart original any other appropriate documents as contemplated by Section 3.06(b).

D. **Representations/Covenants.** At close: (i) all the representations of Purchaser contained in this Agreement shall be materially true and correct, and (ii) Purchaser shall have materially complied with its covenants contained in this Agreement.

**SECTION 6. POSSESSION**

Possession of the Property shall be delivered to Purchaser on the Closing Date subject to the Permitted Exceptions applicable to the Property.

**SECTION 7. BROKERS**

**7.01 Caltrans.** Caltrans has retained **Veterans Realty Group** to act as a Consultant in connection with the sale of the Property hereunder, and any compensation due to **Veterans Realty Group** in connection with the transactions contemplated by this Agreement shall be paid by Caltrans.

**7.02 No Other Brokers.** Except for Caltrans' retention of **Veterans Realty Group** above, each party hereby represents and warrants to the other party that no broker, finder, real estate agent or other person has been retained by it or is entitled to any commission, finder's fee or other compensation resulting from any action on its part with respect to the sale of the Property to Purchaser. Purchaser and Caltrans each agree to indemnify, defend, and hold the other and the Property harmless from and against any real estate brokerage commissions or finder's fees, and all costs and expenses (including attorneys' fees and costs) of investigating and defending any such claims, payable or alleged to be payable to any other persons in connection with this Agreement which such indemnifying party may have engaged or is claimed or alleged to have engaged. This section does not prohibit Purchaser from obtaining a broker at his/her own expense. The representations, warranties, indemnification, and other obligations set forth in this Section 7.02 shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs and/or the expiration, revocation, or termination of this Agreement.

**SECTION 8. REPRESENTATIONS & WARRANTIES**

**8.01 By Caltrans.** Caltrans hereby makes the following representations and warranties to Purchaser:

A. Authority. Subject to obtaining the CTC Approval, Caltrans has all requisite power and authority to enter into, deliver and perform this Agreement and all the other agreements contemplated herein and to be executed in connection herewith, and the person(s) executing this Agreement and all other agreements contemplated herein on behalf of Caltrans have been properly authorized to sign on behalf of and bind Caltrans in connection with performing the transactions contemplated herein.

B. Binding. Subject to obtaining the CTC Approval, this Agreement and all documents to be executed by Caltrans as provided herein, as of the date of

execution shall, subject to the operation of any bankruptcy or similar laws, be the legal, valid and binding obligations of Caltrans.

C. Information. Except as otherwise set forth in this Agreement, Caltrans has no actual constructive knowledge of any information affecting the Property that had, has or would have a material effect on Purchaser's ability to use and operate the Property as contemplated by Purchaser. Caltrans has provided to Purchaser all material and factual information requested by the Purchaser and/or as required by law concerning the Property that is in Caltrans' possession, custody and control.

D. Compliance with the Act and Regulations: Caltrans conduct in this sales transaction has been in compliance with the Act and corresponding Regulations.

E. Claims. There is no claim, action, suit, arbitration, proceeding (including condemnation proceedings) or any investigation by or before any court or arbitration body, any governmental, administrative or regulatory authority, or any other body pending or, to Caltrans's knowledge, threatened with respect to the Property (collectively, "Allegations"). Caltrans is not aware of any basis or reason for any such Allegations. There is no order, judgment or decree of any court or arbitration body, any governmental, administrative or regulatory authority, or any other body, against Caltrans with respect to the Property or the sales transaction contemplated by this Agreement.

F. No Violation. Neither the execution and delivery of this Agreement, nor the performance by Caltrans of the sales transaction contemplated hereby, will contravene, conflict with, or result in a breach of any agreement, law, regulation, writ, injunction or decree of any court or governmental authority applicable to Caltrans or by which any of its properties is bound. Except for CTC Approval, Caltrans is not required to obtain any consent or authorization in order to complete the sales transaction contemplated by this Agreement.

G. Right to Purchase. Except pursuant to this Agreement, no third party has an option, right of first offer, right of first refusal, or other similar right to purchase the Property that currently remains in effect.

H. Environmental Matters. As requested by Purchaser and/or mandated by law, Caltrans has provided or made available for review copies of any material documents in its possession, custody and control of Caltrans regarding environmental condition of the Property ("Environmental Materials"). Except as set forth in the Environmental Materials, Caltrans is not aware of the existence of any Hazardous Substances (defined in Section 10 below) attributable to or affecting the Property. There have been no settlements reached by or with any third parties alleging the presence, disposal, release or threatened release of any Hazardous Substances from the use or operation of the Property.

I. Leases. The Property is not subject to any Leases, tenancy and/or similar agreements conferring any right, title or interest in the Property to a third party.

J. Contracts. Other than as disclosed in the title reports provided by the Title

Company and this Agreement, there are no agreements affecting the Property.

Each of the representations made by Caltrans in this Agreement shall be true and correct on the date hereof, and shall be deemed to be made again as of the close of escrow provided for herein, and shall then be true and correct in all material respects. Caltrans shall promptly provide written notice to Purchaser of any developments or information that would make the representations set forth above untrue. The representations and warranties set forth in this Section 8.01 shall expressly survive the close of escrow as described in Section 13.12 below.

**8.02 By Purchaser.** Purchaser and the specific parties signing this Agreement on behalf of Purchaser hereby makes the following representations and warranties to Caltrans:

A. Organization. Purchaser is a municipal corporation duly organized, validly existing and in good standing under the laws of the State of California which has the power and authority to enter into this Agreement and to consummate the transactions contemplated hereby.
B. Authority. Subject to obtaining governing body approval, Purchaser has all requisite power and authority to enter into, deliver, and perform this Agreement and all the other agreements contemplated herein and to be executed in connection herewith, and the person(s) executing this Agreement and the other agreements contemplated herein on behalf of Purchaser have been properly authorized to sign on behalf of and bind Purchaser in connection with performing the transactions contemplated herein.
C. Binding. This Agreement and all documents to be executed by Purchaser as contemplated hereunder shall, subject to the operation of any applicable bankruptcy or similar laws, be the legal, valid and binding obligations of Purchaser, and shall not materially violate any law, agreement, order or decree to which Purchaser is a party or is subject.
D. Litigation. There are no pending or threatened, suits or actions affecting Purchaser which would materially affect Purchaser's ability to enter into or perform its obligations under this Agreement or the documents executed in connection herewith.
E. Information / Compliance. All applications, information, financial statements, and other materials provided by Purchaser or its Agents to Caltrans pursuant to or in connection with the Act, the Regulations and or this Agreement are true, correct and not materially misleading; and Purchaser is in compliance with the Act and the Regulations as relates to the Property and the purchase thereof under this Agreement.
F. No Bankruptcy. Purchaser is not the subject of any pending or threatened bankruptcy proceedings, whether voluntary or involuntary.

Each of the representations and warranties made by Purchaser in this Agreement, or on any document or instrument delivered pursuant hereto shall be true and correct on the date hereof, and shall be deemed to be made again as of close of escrow provided for herein, and shall then be true and correct in all material respects. The representations

and warranties of Purchaser contained in this Section 8.02 shall survive the close of escrow and the delivery and recordation of the Director's Deed and CC&Rs.

**SECTION 9. "AS-IS", WAIVERS AND RELEASE**

Purchaser acknowledges and agrees that, except as set forth in this Agreement, neither Caltrans nor any of its respective employees, agents, managers, members, partners, officers, interest holders, attorneys, contractors or consultants, including without limitation the California Department of Housing and Community Development **("HCD")**, (Caltrans and such other persons being collectively, the **"Seller Parties"**) have made or are making, and specifically negate and disclaim making, any representations, warranties, guaranties, promises, covenants or assurances of any kind or character, whether express, implied, written, oral, past, present or future concerning or with respect to the Property, or the condition or status thereof, including without limitation, the suitability for any purpose or the profitability of owning and operating the Property; the value thereof; the existence or non-existence of any patent or latent defects affecting the same; the physical or environmental condition or status thereof (including without limitation the existence of any mold, lead paint, radon gas or other environmental health hazards); the rental or other income generated thereby; the expenses or costs associated therewith; the size and square footage of the parcel or the improvements located thereon, the age or condition of the such improvements, or the location of property lines or setbacks (or the location of the improvements with respect thereto); the zoning thereof; the condition of title thereto; the existence, necessity or satisfaction of any local, state or federal approvals, permits or certificates for the entitlement, ownership, operation, use or occupancy thereof as contemplated by Purchaser or any tenants, occupants or any future owners thereof; the feasibility of or cost associated with obtaining any such approvals; the compliance of the Property with any and all applicable local, state or federal laws, codes and ordinances; or any other matter.

Purchaser further acknowledges that Purchaser, with the help of its independent experts, contractors, consultants, professionals (including independent legal counsel and accountants), and advisors, prior to the Closing Date, will conduct its independent feasibility, investigation, and due diligence inquiry as described in Section 1.03 above with respect to the Property and will fully satisfy itself as to all matters relating thereto. Except for the representations and warranties of Caltrans set forth in this Agreement, Purchaser is relying solely and exclusively on such independent due diligence in executing this Agreement and purchasing the Property hereunder, and not on any representations, warranties, guaranties, promises, covenants or assurances of any kind or character by Caltrans or any other Seller Parties; and the Property is being purchased **"AS-IS" / "WHERE-IS"** at close in its present condition with all defects and faults, both patent and latent, whether known or unknown, presently existing or that may hereafter arise.

Effective on the Closing Date, Purchaser hereby fully and expressly releases Caltrans, HCD and all of the other Seller Parties and their respective agents, employees, attorneys, consultants, successors and assigns from any and all demands, claims, liabilities, amounts, actions, costs, judgments, expenses and damages (including, without limitation,

attorneys' fees, witness fees and court costs) related to or arising from the Property, or the condition or status of thereof or any other matter relating thereto, including without limitation the matters referenced in the first paragraph of this Section 9, (collectively, the "**Released Matters**"); and Purchaser hereby covenants not to sue, and hereby fully and expressly waives and relinquishes any and all rights and remedies Purchaser may have against, Caltrans, HCD and the other Seller Parties and their respective agents, employees, attorneys, consultants, successors and assigns, or any of them, at law, in equity or otherwise, related to or arising from the Released Matters. However, nothing contained herein shall release or be deemed to release Caltrans from claims arising from its fraud or a breach of any representation or warranty by Caltrans contained in this Agreement (the "Preserved Matters"). Preserved Matters shall not be considered Released Matters. Purchaser acknowledges and agrees that the release, waiver and discharge given by Purchaser hereunder to Caltrans, HCD and the other released parties extends to all Released Matters described above, whether known or unknown, foreseen or unforeseen, patent or latent, which Purchaser may now or hereafter have against Caltrans, HCD or such other persons; and in connection with such release, waiver and discharge, Purchaser hereby expressly waives the benefit of the provisions of California Civil Code Section 1542, which provides as follows:

> **"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."**

Purchaser has read this Section 9, has had the effect and content thereof explained to Purchaser by independent legal counsel, and fully understands and appreciates the same. Purchaser understands and acknowledges that, among other things, the consequence of this waiver of California Civil Code section 1542 is that even if Purchaser should eventually discover any claims or suffer any losses or damages arising from the Released Matters, Purchaser would not be able to make any claim against Caltrans, HCD or the other released persons with respect thereto. Purchaser acknowledges that these consequences apply even as to claims, losses or damages resulting from the Released Matters that may exist as of the date of this Agreement or in the future, but which Purchaser does not know exist, or does not anticipate, and which, if known or anticipated, would materially affect Purchaser's decision to execute this Agreement. The waivers, releases, covenants not to sue and discharges contained in this Section 9 are a material portion of the consideration to Caltrans in agreeing to enter into this Agreement and shall survive the close of escrow and the delivery and recordation of Director's Deed and the CC&Rs in perpetuity.

**SECTION 10. INDEMNIFICATION**

Following the closing of the transaction contemplated herein, except as provided below,

Purchaser shall, at its sole cost and expense, indemnify, defend and hold Caltrans and its officers, agents, employees, attorneys and consultants, including without limitation, HCD, and their respective successors and assigns (collectively, the **"Indemnified Parties"**), free and harmless from and against any and all liabilities, demands, claims and costs (including remediation, reimbursement or contribution costs or claims), damages, losses, and expenses (including and without limitation to attorneys' fees, legal expenses and court costs, and consultant's fees, and investigation and remediation costs) of whatever kind or nature incurred or suffered by, or threatened against, any Property or any Indemnified Party(ies) resulting from or arising out of or by reason of any matter pertaining to the condition or status of the Property, including without limitation, the existence of any Hazardous Substances or Hazardous Substance Conditions in, on, under or about the Property (collectively, "Claims"). Except as provided below, this indemnity is intended to address any and all liability for which Caltrans may now or at any time hereafter be partially or entirely responsible in connection with the contamination, environmental or physical condition or status of any Property, including the prior operation thereof, due to its mere ownership or operation of such Property. As used in this Agreement, the term **"Hazardous Substance"** shall mean any substance whose nature and/or quantity of existence, use, manufacture, disposal or effect, render it subject to federal, state, or local regulation, investigation, remediation or removal as potentially injurious to public health or welfare, including the Comprehensive Environmental Response Compensation and Liability Act or Resource Conservation and Recovery Act as now in effect; and the term **"Hazardous Substance Condition"** shall mean the existence in, on, under or about the Property of a hazardous substance that requires remediation, removal, mitigation and/or other action pursuant to applicable law. This indemnification shall in no event apply to (i) Claims to which Caltrans representations and warranties apply, (ii) any Claims involving Caltrans' willful misconduct, gross negligence or fraud, and (iii) any Claims relating to challenges to Caltrans' acquisition or disposition of the Property.

Purchaser's indemnification and defense of any matters contemplated in this Section 10 for or on behalf of the Property or any Indemnified Parties shall be made by counsel reasonably acceptable to the Indemnified Parties; shall commence immediately upon any such claim or matter being made, threatened, or asserted against Indemnified Parties or the Property without the necessity of the Indemnified Parties first contesting or defending the same, suffering or incurring any loss or adverse disposition, or otherwise taking or failing to take any other action; and shall apply to all such matters regardless of any action, failure or negligence of the Indemnified Parties, it being the express intent that the indemnification, defense and hold harmless obligations of this Section 10 apply to all matters referenced herein except to the extent caused by the gross negligence or willful misconduct of the Indemnified Parties. In the event Purchaser refuses to initiate or continue pursuing to completion any such defense or other obligations hereunder, Indemnitee shall be entitled to undertake, assume, and/or conclude the same, all at Purchaser's sole cost and expense, with counsel selected by Indemnitee. The obligations of Purchaser under this Section 10 shall be absolute and unconditional, and shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs.

## SECTION 11. CASUALTY/CONDEMNATION

In the event any casualty or condemnation proceeding occurs or is commenced with respect to the Property after the effectiveness hereof but prior to the close of escrow, Caltrans shall notify Purchaser of the same in writing within ten (10) business days after Caltrans has knowledge of the same, and either of the following shall occur:

(A) If Purchaser does not elect to cancel within seven (7) business days after receipt of such notice by Purchaser, the parties shall continue to proceed under this Agreement and close without adjustment to the Purchase Price or any of the other provisions of this Agreement, in which event upon the close of escrow, Caltrans shall assign to Purchaser all of its interest in any such insurance or condemnation proceeds, compensation, award, or other payments or relief resulting from such casualty or condemnation proceedings; or

(B) If Purchaser elects to cancel, and Purchaser provides written notification to Caltrans of its election to terminate this Agreement within such 7-day period, then this Agreement shall terminate, the Deposit shall be returned to Purchaser without interest, and Caltrans shall retain all proceeds, compensation, awards, payments and other benefits or relief related to such casualty and condemnation with respect to the Property.

## SECTION 12. REMEDIES

**12.01 Of Purchaser.** If the closing does not occur as a result of Caltrans' default under this Agreement, then, provided Purchaser is not in default hereunder, Purchaser may, at its election proceed with either of the following mutually exclusive alternatives as its sole and exclusive remedy:

A. Terminate the Agreement, whereupon: (1) the Deposit shall be returned to Purchaser without interest, (2) Purchaser may seek reimbursement from Caltrans of any and all hard third-party costs and expenses incurred by Purchaser in connection the investigation of the Property or the negotiation and execution of this Agreement, as evidenced by invoices delivered to Caltrans, up to the maximum aggregate amount of fifteen thousand Dollars ($15,000), and (3) neither party shall have any further obligation or liability to the other under this Agreement except for provisions of this Agreement which expressly state that they shall survive the termination of this Agreement; or

B. File in a court of competent jurisdiction an action for specific performance to cause Caltrans to convey the Property to Purchaser in accordance with the terms and conditions of this Agreement; but Purchaser shall not be entitled to recover any monetary damages (whether compensatory, consequential, exemplary, punitive or other) from Caltrans in connection with such default other than seeking

its reasonable attorneys' fees in connection with such action.

**PURCHASER ACKNOWLEDGES AND AGREES THAT THE LIMITATIONS ON REMEDIES AGAINST CALTRANS SET FORTH IN THIS SECTION 12.01 ARE A MATERIAL INDUCEMENT FOR CALTRANS TO ENTER INTO THIS AGREEMENT, AND PURCHASER AGREES THAT SUCH LIMITATIONS ARE REASONABLE AND ENFORCEABLE IN ACCORDANCE WITH THEIR TERMS.**

**12.02 Of Caltrans. LIQUIDATED DAMAGES. PURCHASER AND CALTRANS AGREE THAT SHOULD PURCHASER FAIL TO COMPLETE THE PURCHASE OF THE PROPERTY AS HEREIN PROVIDED BY REASON OF DEFAULT OF PURCHASER, THE PARTIES HERETO, BY INITIALING THIS SECTION 12.02 IN THE SPACE PROVIDED BELOW, AGREE THAT IT WOULD BE IMPRACTICAL OR EXTREMELY DIFFICULT TO ASCERTAIN OR FIX ACTUAL DAMAGES TO CALTRANS AS A RESULT OF SUCH FAILURE OR DEFAULT BY PURCHASER, THAT UNDER THE CIRCUMSTANCES EXISTING AS OF THE DATE OF THIS AGREEMENT THE ENTIRE DEPOSIT PROVIDED FOR IN SECTION 2.02(A) ABOVE IS A REASONABLE ESTIMATE OF CALTRANS' DAMAGES, AND THAT AS CALTRANS' SOLE AND EXCLUSIVE REMEDIES ON ACCOUNT OF SUCH BREACH, CALTRANS SHALL BE ENTITLED TO: (1) RETAIN SAID DEPOSIT AS LIQUIDATED DAMAGES FOR SUCH BREACH BY PURCHASER AND (2) TERMINATE THIS AGREEMENT. THE PAYMENT OF SUCH AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO CALTRANS PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677.**

**THE PROVISIONS HEREOF RELATE ONLY TO CALTRANS' DAMAGES FOR PURCHASER'S DEFAULTS IN ITS AGREEMENT TO PURCHASE THE PROPERTY AS PROVIDED HEREIN. NOTHING CONTAINED HEREIN SHALL LIMIT OR PRECLUDE, OR BE DEEMED TO LIMIT OR PRECLUDE, THE EXERCISE OR ENFORCEMENT BY CALTRANS OF ANY RIGHTS WHICH EXPRESSLY SURVIVE THE TERMINATION OF THIS AGREEMENT.**

**Purchaser's Initials:** _____ **Caltrans' Initials:** _____

**SECTION 13. MISCELLANEOUS**

**13.01 Headings.** This Agreement shall be construed as a whole, and the subject headings of the paragraphs and subparagraphs of this Agreement are included for convenience only and shall not affect the construction or interpretation of any of its provisions or define the provisions in the portions of this Agreement to which they pertain.

**13.02 Assignment.** Purchaser may not assign this Agreement, or any portion hereof or any of its rights or interests hereunder, without the express prior written consent of Caltrans, which consent may be conditioned or withheld in Caltrans' sole and absolute discretion, except as set forth herein. Purchaser may, without Caltrans' consent, but upon notice to Caltrans and Escrow Holder, assign any or all of its rights in, to or under this Agreement to an entity or instrumentality that is wholly controlled by Purchaser. No such assignment (regardless of whether consented to by Caltrans) shall relieve or release

its reasonable attorneys' fees in connection with such action.

**PURCHASER ACKNOWLEDGES AND AGREES THAT THE LIMITATIONS ON REMEDIES AGAINST CALTRANS SET FORTH IN THIS SECTION 12.01 ARE A MATERIAL INDUCEMENT FOR CALTRANS TO ENTER INTO THIS AGREEMENT, AND PURCHASER AGREES THAT SUCH LIMITATIONS ARE REASONABLE AND ENFORCEABLE IN ACCORDANCE WITH THEIR TERMS.**

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**Purchaser's Initials:** _____ **Caltrans' Initials:** A.C.

**SECTION 13. MISCELLANEOUS**

**13.01 Headings.** This Agreement shall be construed as a whole, and the subject headings of the paragraphs and subparagraphs of this Agreement are included for convenience only and shall not affect the construction or interpretation of any of its provisions or define the provisions in the portions of this Agreement to which they pertain.

**13.02 Assignment.** Purchaser may not assign this Agreement, or any portion hereof or any of its rights or interests hereunder, without the express prior written consent of Caltrans, which consent may be conditioned or withheld in Caltrans' sole and absolute discretion, except as set forth herein. Purchaser may, without Caltrans' consent, but upon notice to Caltrans and Escrow Holder, assign any or all of its rights in, to or under this Agreement to an entity or instrumentality that is wholly controlled by Purchaser. No such assignment (regardless of whether consented to by Caltrans) shall relieve or release

Purchaser from any of its obligations hereunder. As a condition to the effectiveness of such assignment, all assignees shall execute an assumption agreement reasonably acceptable to Caltrans under which the proposed assignee agrees to fully assume and be bound by all the terms of this Agreement to be observed or performed by Purchaser.

Caltrans shall be free to assign this Agreement, or any portion hereof or any of its rights or interests hereunder, without the consent or approval of Purchaser.

**13.03 Entire Agreement / Amendment.** This Agreement (including all exhibits and schedules hereto and other agreements referenced herein) constitute the entire agreement between the parties pertaining to the subject matter contained herein and supersede all prior written or oral agreements, representations and understandings of the parties relating to the subject matter herein. There are no representations, agreements, arrangements, or understandings, oral or written, relating to the subject matter which are not fully expressed herein. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by all the parties hereto.

This Agreement does not affect the enforceability of other written contracts related to the use and resale of the Property or to preserving the historic nature of the Property.

**13.04 Counterparts.** This Agreement may be executed simultaneously in one or more identical counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. This Agreement shall be fully effective and binding on all parties hereto, as if one or more copies thereof had been executed by all the parties hereto, when all the parties have executed identical counterparts hereof, even though no single counterpart has been executed by all the parties hereto.

**13.05 Binding / Successor & Assigns.** Except to the extent assignment hereof is prohibited, this Agreement shall be binding on, and shall inure to the benefit of, the parties hereto and their successors and assigns.

**13.06 Attorneys' Fees.** If any legal action, arbitration or other proceeding is brought by either party involving a dispute between the parties arising out of the interpretation or enforcement of any condition or provision hereof, or by reason of any breach arising hereunder or the sale of the Property, the prevailing party shall be entitled to recover its reasonable attorneys' fees, court costs and expert witness fees incurred in such action or proceeding in addition to any other relief to which such party may be entitled.

**13.07 Further Acts.** Each party agrees to perform any further acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions in this Agreement.

**13.08 Limited Third-Party Beneficiaries.** Subject to the remainder of this Section 13.08,

this Agreement is for the sole benefit of the parties hereto and there are no third-party beneficiaries, intended or otherwise. Notwithstanding the foregoing, HCD and the other Seller Parties (and other released persons) are intended third-party beneficiaries of Section 9 hereof, and HCD and the other Indemnified Parties are intended third party beneficiaries of Section 10 hereof.

**13.09 Notices.** All notices, requests, demands, and other communications required or desired under this Agreement shall be in writing and shall be given by any of the following methods: (i) personal service at the address set forth below, (ii) email transmission in the manner set forth below, or (iii) depositing such notice in the United States mail postage prepaid, addressed to the other as follows:

Caltrans
Division of Right of Way – SR-710, MS6
100 South Main Street
Los Angeles, CA 90012

City of South Pasadena
City Manager
1414 Mission Street
South Pasadena, CA 91030

Any notice given by personal service shall be deemed given when received, as verified by a written receipt or proof of service. Any notice given by email transmission shall be deemed given when transmitted, as evidenced by printed email; and any notice given by regular mail shall be deemed given on the fifth (5th) business day after its deposit in the United States mail postage prepaid.

Either party may change its address for purposes of this paragraph by giving the other party written notice of the new address to the other party at the address contained herein.

**13.10 Governing Law.** This Agreement has been prepared, negotiated, and entered into in the State of California and shall be governed by, construed and enforced in accordance with the internal laws of the State of California and according to its fair meaning, and not in favor of or against any party. Any action or proceeding relating or arising out of this Agreement shall be filed, if a State action, in the Superior Court of the State of California for the County of Los Angeles.

**13.11 Severability.** If any provision of this Agreement, or the application thereof to any person or circumstance, is held invalid or unenforceable by any court or arbitrator, it is the intent of the parties that all the other provisions of this Agreement, and the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall be construed to be fully valid, enforceable and binding on the parties to the fullest extent permitted by law.

**13.12 Survival / No Merger.** All covenants, representations, warranties, and other agreements under this Agreement which are expressly stated herein as surviving the close of escrow shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs in perpetuity, and shall not merge with or into the Director's Deed or the CC&Rs (or be terminated, limited or otherwise affected thereby).

**13.13 Time is of the Essence.** Time is of the essence of this Agreement in respect to all provisions of this Agreement that specify a time for performance, including the closing of escrow provided for herein, and failure to comply with this provision shall be a material breach of this Agreement.

**13.14 Days / Saturdays, Sundays, and Holidays.** Unless otherwise expressly stated, all time periods referred to herein shall be deemed to mean calendar days. If any date by which an election or a notice shall be given, or by which an action shall be taken, hereunder falls on a Saturday, Sunday, federal or state holiday, then the date by which such election or notice shall be given or such action shall be taken is extended to 5:00 p.m. on the next business day following such Saturday, Sunday, federal or state holiday.

**13.15 Waiver.** Waiver by one party of the performance of any covenant, condition or promise shall not invalidate this Agreement, nor shall it be a waiver by such party of such covenant, condition or promise in the future or of any other covenant, condition, or promise hereunder. Any waiver, to be effective, shall be express, in writing and signed by the waiving party, and shall be delivered to the other party. The exercise by a party of any remedy provided in this Agreement or at law shall not prevent the exercise by that party of any other remedy provided in this Agreement or at law.

**13.16 Construction.** As used in this Agreement, the masculine, feminine, or neuter gender and the singular or plural numbers shall each be deemed to include the other whenever the context so indicates. Each party hereto acknowledges and agrees that each has had independent counsel review and participated in the negotiation and drafting of this Agreement, and each hereby fully waives the application of any law, statute or rule of construction or interpretation, including without limitation California Civil Code Section 1654, to the effect that any ambiguities are to be construed against the drafting party.

**13.17 Exhibits.** All exhibits and schedules attached to this Agreement are hereby incorporated by reference herein and specifically made a part of this Agreement.

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

CALTRANS:

Recommended for Approval by:

STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION

By: _____ Date: _____
Angus Chan
Senior Right of Way Agent

By: _____ Date: _____
Heriberto Salazar
Office Chief, 710 Sales

Approved:

By: _____ Date: _____
Dan Murdoch
Deputy District Director, Right of Way

PURCHASER: CITY OF SOUTH PASADENA

By: Todd Hileman Date: 11/12/2025
Todd Hileman, City Manager
City of South Pasadena

Attest:

By: _____ Date: 11/12/2025
Deputy City Clerk

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

CALTRANS:

Recommended for Approval by:

STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION

By: _____ Date: NOV 17, 2025
Angus Chan
Senior Right of Way Agent

By: _____ Date: 11-20-25
Heriberto Salazar
Office Chief, 710 Sales

Approved:

By: _____ Date: 11/20/25
Dan Murdoch
Deputy District Director, Right of Way

PURCHASER: CITY OF SOUTH PASADENA

By: _____ Date: _____
Todd Hileman, City Manager
City of South Pasadena

Attest:

By: _____ Date: _____
Deputy City Clerk

## Attached Exhibits

| | |
|---|---|
| ***Exhibits "A"*** | *Director's Deed/Legal Description of Property* |
| ***Exhibit "B"*** | *Deleted* |
| ***Exhibit "C"*** | *Declaration of Covenants, Conditions & Restrictions* |
| ***Exhibit "D"*** | Historical Covenants (only included if applicable) |

# STATE ROUTE 710 SALES PROGRAM
# PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("**Agreement**") is entered into as of June 4, 2025, by and between the State of California, Department of Transportation ("**Caltrans**") and the City of South Pasadena, a Municipal Corporation.

**Recitals**

A. Caltrans owns the real property located in Los Angeles County, California commonly known as: **901 Bonita Dr., South Pasadena, CA 91030** and more particularly described as set forth in ***Exhibit "A"***, respectively, attached hereto ("**Property**").

B. The parties wish to provide terms and conditions for Purchaser's purchase of the Property from Caltrans. The State Route 710 Sales Program described in Government Code section 54235 et seq. (the "**Act**") and Title 21 Public Works Division 2 Department of Transportation, Chapter 9.5 (the "**Regulations**") provide for the offering of State-owned, surplus residential properties to the City of South Pasadena at the Minimum Sales Price pursuant to 21 CCR § 1483(a)(1), for the purpose of providing affordable housing to low- and moderate-income households. Purchaser and Caltrans acknowledge the Property is subject to the terms of this Agreement, the aforementioned law and regulations, and the Declaration of Covenants, Conditions, and Restrictions (**CC&Rs**), as defined below, to be recorded against the Property upon the close of escrow hereunder.

**NOW, THEREFORE,** in consideration of the foregoing premises, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

## SECTION 1. PURCHASE AND SALE

**1.01 Purchase and Sale.** Caltrans shall sell the Property to Purchaser, and Purchaser shall purchase the Property from Caltrans pursuant to the terms, limitations and conditions stated in this Agreement in accordance with the Act, the Regulations and other applicable laws, rules, and regulations (collectively, "**Applicable Laws**").

**1.02 Conditions Precedent to Effectiveness.** This Agreement shall not become effective unless and until all the following conditions precedent are satisfied on or before the sixtieth (60) calendar day from the date Caltrans' sends this Agreement to Purchaser:

A. Purchaser shall have: (1) executed and returned two original executed counterparts of this Agreement via certified mail, return receipt requested, to Caltrans and sent a copy thereof to the Escrow Holder, and (2) deposited with Escrow Holder the entire Down Payment contemplated by Section 2.02(A) below;

B. Caltrans thereafter executes this Agreement and delivers a fully executed copy hereof to Escrow Holder; and

A failure of any such conditions to timely occur shall, without further notice or action, result in the full and immediate termination of any offer, obligation, liability or agreement of Caltrans to or with Purchaser or any other person with respect to the Property, whether hereunder or otherwise, immediately upon the expiration of such 60-day period, and Caltrans shall thereafter be free to offer, market and sell the Property to other persons, or otherwise dispose of the same, as Caltrans may, in its sole and absolute discretion determine.

**1.03 Information/Prior Due Diligence.** Purchaser hereby expressly acknowledges and agrees:

A. that it is a sophisticated real estate purchaser and/or investor;
B. that it is fully familiar with and understands the Applicable Laws and the CC&Rs, and the risks and obligations associated therewith and imposed on Purchaser and on the Property thereby, including the purchase thereof under this Agreement, and has had the same explained to it by its independent legal counsel and other advisors;
C. that during the Inspection Period permitted under this Agreement: (A) Purchaser will have full access to the Property and all documents, data, reports and information related thereto requested by Purchaser, and will have the opportunity to undertake and perform any and all additional due diligence, investigation, surveys, reports and studies, with respect thereto, including without limitation the current and past physical and environmental condition of the Property, the condition of title thereto, the compliance thereof with any applicable building codes, permits, approvals, agreements or encumbrances affecting the same (including Applicable Laws), the value thereof, the use, operation, management or occupancy thereof and/or the suitability for Purchaser's intended use thereof, and all other matters referenced in Section 9 below, and (B) Purchaser has obtained any and all financing commitments necessary or desirable to purchase, repair and/or rehabilitate the Property; and
D. that with the aid of such independent experts, contractors, consultants, advisors and professionals (including independent legal counsel and accountants) that it deems necessary, appropriate or desirable, Purchaser will, prior to the Closing Date hereof, evaluate and assess the Property and conduct such independent inquiry, feasibility investigation, inspections and due diligence with respect thereto as Purchaser and/or its advisors deem necessary, advisable or desirable, and will fully and unconditionally approve of and satisfy itself as to the same. As a result, there shall be no further access to the Property except as set forth in this Agreement and no further feasibility, inspection or similar rights or contingencies with respect to the purchase of the Property.
E. Notwithstanding anything herein to the contrary, until the date that is sixty (60)

days after the execution of this Agreement by both parties (Inspection Period), upon reasonable notice but without any contingencies hereunder, Purchaser may access the Property and conduct non-invasive inspection, investigations, tests, observations, inquiries and studies as Purchaser deems appropriate. Purchaser shall promptly pay all expenses arising out of such inspections and other work on or about the Property prior to the Closing Date and shall not allow any mechanic's or materialmen's liens to be recorded on the Property (or promptly cause to be removed or bonded over any such liens if recorded on the Property). Purchaser shall promptly repair any damage to the Property caused by Purchaser's investigations. Purchaser shall coordinate with Caltrans any entry on the Property, execute a waiver and indemnity in the form customarily required by Caltrans prior to entry on Caltrans' property and follow applicable health and safety protocols as reasonably required by Caltrans. Following such period, upon Caltrans' reasonable consent and conditions, Purchaser may obtain access to the Property for a limited number of entries.

F. Purchaser shall promptly notify Caltrans during the Inspection Period of any matters discovered in its review of the Property that would cause Purchaser to terminate this Agreement. If within ten days of such notice, Caltrans notifies Purchaser in writing that it will cure such matters, then Caltrans shall have the opportunity to cure such matters fourteen (14) days prior to the Closing Date. Purchaser has the right to terminate if Caltrans does not agree to cure or if the cure is not completed fourteen (14) (days) prior to the Closing Date. Purchaser has a right to inspect the Property to determine that the discoveries have been cured to its satisfaction. Upon any such termination, Escrow Holder shall remit the deposit to Purchaser.

## SECTION 2. PURCHASE PRICE

**2.01 Purchase Price.** The purchase price for the Property shall be **Twenty Thousand Seven Hundred Dollars and zero cents ($20,700.00)** (the **"Purchase Price"**).

**2.02 Payment.** The Purchase Price shall be paid by Purchaser in cash, lawful money of the United States as set forth below, time being of the essence thereof:

A. **Deposit.** Immediately upon the execution of this Agreement, Purchaser shall deposit with Escrow Holder the sum of **One Thousand Dollars ($1,000.00)** (the **"Deposit"**) in the form of a cashier's check, wire transfer or other immediately available funds. The entire Deposit shall be applicable to the Purchase Price, without interest, shall be non-refundable except as may be expressly set forth in this Agreement, and shall constitute liquidated damages to Caltrans in the event of Purchaser's default in acquiring the Property. Time is of the essence in making the Deposit into escrow, and as provided above is a condition precedent to the effectiveness of this Agreement.

B. **Cash at Close.** One (1) day prior to the close of Escrow (or by 1:00 p.m. of the

close of escrow for funds delivered by wire transfer) the Purchaser shall deposit the balance of the Purchase Price in the amount of **Nineteen Thousand Seven Hundred Dollars and zero cents ($19,700.00)** (the **"Cash Balance"**) with Escrow Holder in the form of a cashier's check, wire transfer or other immediately available funds for delivery to Caltrans upon close of escrow hereunder.

**2.03 Acknowledgement.** [Deleted.]

**2.04 No Seller Financing.** Purchaser acknowledges this Agreement is not a financing agreement and neither Caltrans nor any other governmental agency or department has at any time made any representations, warranties, promises or undertakings, express or implied, to provide any financing or other assistance with respect to all or any portion of the Purchase Price or any other obligations of Purchaser hereunder or with respect to the Property, or with respect to any repair, rehabilitation, updating or other activity contemplated by Purchaser with respect thereto. Purchaser has performed all due diligence regarding obtaining funding and/or financing with respect to the Property, including the purchase thereof hereunder, as provided in Section 1.03 above, and has satisfied itself as to the same.

**2.05 Change in Financial Condition.** If either: (i) Purchaser ultimately fails to secure funds for the Purchase Price in the timeframe specified herein, or (ii) the financial condition of the Purchaser changes prior to Close of Escrow so that it is unable to purchase the Property, then in either such event Purchaser shall be in default under this Agreement and Caltrans shall be entitled to exercise its rights and remedies pursuant to Section 12.02 below.

**2.06 Bonds, Taxes and Assessments.** Subject to the specific proration provisions set forth in Section 3.05 below, all real property taxes, supplemental taxes, special taxes, bonds and/ or assessments which are liens on or levied with respect to the Property shall be assumed by Purchaser at close of escrow without reduction of or adjustment to the Purchase Price.

## SECTION 3. ESCROW

**3.01 Opening.** The purchase and sale of the Property shall be consummated by means of Escrow No. OC2509878-TL (a single escrow) which has opened with Fidelity National Title Company, 4400 MacArthur Blvd., Suite 500, Newport Beach, CA, 92660, Attn: Trinh Le, Escrow Officer, email: tlee@fnf.com, Phone (949) 788-2836 (**"Title Company"** or **"Escrow Holder").**

**2.07 Closing.** The closing shall occur upon the recording of the Director's Deed for the Property, and shall occur when the conditions set forth in Article 5 below have all been satisfied or waived, but in no event later than **5:00 pm_____, 2025** *[the one hundred twentieth (120th) calendar day after the full execution of this Agreement]*; provided, however, Caltrans shall, upon receipt of written request prior to such date,

grant a one-time thirty (30) calendar day extension to close escrow, (such date, as may be extended, being the **"Closing Date"**).

If at any time prior to the Closing Date, the Property becomes occupied, whether legally or illegally, Caltrans shall notify the Purchaser and Purchaser shall have 30 days to decide whether to proceed with the purchase of the Property. If the 30 days falls outside the Closing Date, the Closing Date shall be extended 10 days past the 30-day expiration. If Purchaser declines to proceed with the purchase of the Property due to the legal or illegal occupation of the Property, this Agreement shall terminate pursuant to the terms hereof. Upon any such termination, Escrow Holder shall remit the deposit to Purchaser.

**3.02 Instructions.** This Agreement shall to the extent applicable, also act as escrow instructions. The parties agree to execute any additional escrow instructions required by the Escrow Holder provided the same shall be consistent with the terms of this Agreement and shall provide that as between the parties, in the event there are any inconsistencies between such supplemental instructions and this Agreement, the terms of this Agreement shall prevail. Escrow Holder is hereby designated the "real estate reporting person" for purposes of Section 6045 of the Internal Revenue Code of 1986, as amended, and Treasury Reg. 1.6045-4, and any instructions or settlement statements prepared by Escrow Holder shall so provide. Escrow Holder shall be responsible for filing any Form 1099-S with the Internal Revenue Service.

**3.03 Costs.** Charges and expenses incurred in connection with the closing hereunder shall be borne by the parties as follows:

A. Purchaser shall pay all: (A) escrow fees, (B) recording fees, (C) transfer taxes, (D) title insurance premiums and fees (whether for ALTA or CLTA coverage), endorsement coverage and survey costs, and (E) any other real estate transaction fees involved in this transaction;

B. If applicable, Purchaser shall pay for and obtain any city/county required inspections and/or occupancy permits, whether required for closing the sale/escrow transaction or not. Caltrans shall provide Purchaser access to the Property as necessary to comply with this provision; and

C. Each party shall bear their own legal, tax and professional fees and costs.

**3.04 Prorations.** All real property taxes, special taxes, assessments, bonds, and all other similar charges imposed or levied upon the Property by any governmental agency or special district, organization or body and any other obligations related to the Property shall be prorated at close as of the Closing Date. With respect to any prorations based upon an estimation, if and when the tax, assessment or other charge related thereto is segregated by the appropriate agency or other persons, within fifteen (15) days thereof, the parties shall adjust said prorations, as necessary, based on such final segregation and pay any such adjustment to the appropriate party. The provisions of this Section 3.05 shall survive the close of escrow and the delivery and recordation of the Director's Deed and CC&Rs hereunder.

**3.05 Escrow Deposits.** On or before the Closing Date, the parties shall make the following deposits into Escrow:

A. **By Caltrans.** At least one (1) business day prior to such closing, Caltrans shall deposit the following documents with Escrow Holder:

(i) an original **Director's Deed** for the Property duly executed by Caltrans and properly acknowledged and otherwise in recordable form, to be recorded in the Official Records of Los Angeles County, California against the Property described therein at close;

(ii) a counterpart original of the **CC&Rs** for the Property duly executed by Caltrans, and the Monitoring Entity properly acknowledged and otherwise in recordable form to be recorded in the Official Records of Los Angeles County, California against the Property described therein at close immediately following the recordation of the Director's Deed for the Property and prior to any financing obtained by Purchaser and to any other encumbrances or agreements being recorded at close with respect to such Property;

(iii) such Non-Foreign Affidavits pursuant to Sections 1445 and/or 7701 of the Internal Revenue Code, as amended, and such California Form 590s pursuant to applicable sections of the California Revenue and Taxation Code, as necessary to comply with such laws and close escrow hereunder, each in form and content reasonably satisfactory to Purchaser and Caltrans;

(iv) such other agreements or documents reasonably necessary from Caltrans to close escrow as may be expressly provided for herein.

B. **By Purchaser.** At least one (1) business day prior to such closing, Purchaser shall deposit the following funds and documents with Escrow Holder:

(i) the **Cash Balance** as provided in Subsection 2.02(b) above;

(ii) a counterpart original of the **CC&Rs** for the Property executed by Purchaser, properly acknowledged and otherwise in recordable form to be recorded in the Official Records of Los Angeles County, California against the Property described therein at close immediately following the recordation of the Director's Deed for such Property and prior to any financing obtained by Purchaser and to any other encumbrances or agreements being recorded at close with respect to such Property;

(iii) all other sums due from Purchaser as provided herein, including without limitation Purchaser's share of closing costs under Section 3.04 above, in the form of wire transfer or other immediately available funds;

(iv) to the extent Purchaser is an entity, certified copies of Purchaser's organizational documents and/or other entity resolutions or other authorizing documents authorizing the execution and delivery of this Agreement and the other documents and agreements contemplated herein, the consummation of all transactions contemplated hereby, and authorizing those persons signing on behalf of Purchaser to bind Purchaser; and

(v) such other agreements, documents, or funds reasonably necessary from Purchaser to close escrow as provided for herein.

**3.06** **Cancelling Escrow.** Caltrans may unilaterally cancel escrow if Purchaser fails to comply with Section 3.06(b) and/or Purchaser defaults after opening escrow but before close of escrow and such failure to comply or default is not remedied or cured within three (3) business days of Caltrans providing notice to Purchaser of such failure or default.

**SECTION 4. AGREEMENTS**

**4.01** **California Transportation Commission Approval and Governing Body Approval.** Purchaser understands and agrees that Caltrans' obligation to sell and convey the Property to Purchaser hereunder is subject to Caltrans first obtaining the written approval of the California Transportation Commission (**"CTC"**) to this Agreement and the sale of the Property hereunder prior to the Closing Date (the **"CTC Approval"**). In the event the CTC fails to approve the sale, all monies deposited into escrow hereunder by Purchaser will be refunded without interest. Caltrans makes no representations, assurances, or warranties, express or implied, concerning the CTC's timely or ultimate approval of this sale.

If applicable, Caltrans understands and agrees that, despite any provision in this Agreement to the contrary, Purchaser's obligation to purchase and accept the Property from Caltrans hereunder is subject to Purchaser first obtaining the written approval of its governing body to this Agreement and the purchase of the Property hereunder prior to the Closing Date. In the event the governing body fails to approve the sale, all monies deposited into escrow hereunder by Purchaser shall be refunded without interest. Purchaser makes no representations, assurances, or warranties, express or implied, concerning the timely or ultimate approval of this sale by its governing body.

**4.02** **Leases.** [Deleted.]

**4.03** **Covenants, Conditions and Restrictions.**

A. Purchaser acknowledges the purchase of the Property shall be subject to a declaration of covenants, conditions, and restrictions as required by Government Code section 54235 et seq. and the Regulations and agrees that Purchaser and its successors in interest shall be bound by the same. Therefore, prior to close, the parties hereto shall execute a Declaration of Covenants, Conditions and

Restrictions agreement in substantially the form of ***Exhibit "C"*** attached hereto (the **"CC&Rs"**) with respect to the Property, which shall, among other things impose certain ongoing restrictions on the use and occupancy of such Property, as well as imposing various limitations on the subsequent resale of such Property both as to whom it may be sold and the amount of equity or other compensation the Purchaser is entitled to retain upon such subsequent transfer. The CC&Rs shall be recorded immediately following the recordation of the Director's Deed for such Property and shall not be subordinated to any financing obtained by Purchaser with respect to such Property or any other agreements recorded against or otherwise first affecting the Property at close of escrow, except as authorized by the CC&Rs. After recordation, the original recorded CC&Rs for the Property shall be returned (mailed) by the Recorder's Office directly to Caltrans, who shall retain possession thereof. The CC&Rs shall constitute covenants and equitable servitudes that run with the land and shall bind Purchaser and all subsequent owners, lessees, occupants, lenders, encumbrancers, and others holding any interest in, lien on or claim to the Property. Purchaser agrees not to challenge or attempt to terminate, limit, or otherwise alter or amend the CC&Rs. The agreements of Purchaser under this Section 4.03 shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs hereunder.

B. **Historical Covenants**

☒ This Property is not subject to Historical Covenants.

☐ This Property is subject to Historical Covenants attached as Exhibit "__" to protect the historic value and characteristics of the Property. The Historical Covenants are in addition to the CC&Rs described in Section 4.03 A.

**4.04 Title.**

A. **Generally.** Purchaser understands and agrees that the right, title, and interest in the Property to be conveyed hereunder shall not exceed that currently vested in Caltrans (after taking into account any and all rights that may be reserved by Caltrans pursuant to the Director's Deed, the CC&Rs or any other agreement contained in or contemplated by this Agreement related to such Property), and that Caltrans will furnish no policy of title insurance with respect to the sale of the Property hereunder. If a policy of title insurance, endorsement or survey coverage is desired, Purchaser may obtain the same at Purchaser's sole expense, provided, however, in no event or circumstance shall obtaining any such title, endorsement or survey coverage) constitute any basis for extending the Closing Date contemplated hereunder. No later than ten business days prior to the expiration of the Inspection Period, Purchaser shall notify Caltrans in writing of its objection to any matter in the preliminary title report or on a survey. Caltrans shall have five business days to notify Purchaser of its election to cure the matter or not, and the absence of any notice shall be deemed an election not to cure the matter. Purchaser shall have the right to terminate this Agreement prior to the expiration of the Inspection Period if Caltrans does not agree to cure such matter, or if Caltrans agrees to but fails to cure the matter on or prior to Closing, then Purchaser shall have the right to terminate at such time. Upon any such termination, Escrow

Holder shall remit the deposit to Purchaser.

B. **Permitted Encumbrances.** At close of escrow hereunder the Property shall be conveyed to Purchaser by a Director's Deed in substantially the form of ***Exhibit "A"*** hereto (a **"Director's Deed"**), with title to the Property being subject to all of the following exceptions and matters (collectively, the **"Permitted Exceptions"**): (1) a lien to secure payment of real estate taxes, supplemental taxes, and special taxes, bonds and assessments; (2) any reservations or limitations contained in the Director's Deed or any prior deed(s) relating to the Property; (3) the CC&Rs; (4) all title exceptions and other matters shown in the preliminary report for such Property other than any items Caltrans has agreed to cure; (5) any and all other matters apparent from a physical inspection thereof and/or that might be revealed by a survey other than any items Caltrans has agreed to cure; and (6) all other matters created by or with the consent or knowledge of Purchaser, or otherwise disclosed or contemplated in this Agreement. Caltrans shall not have, and does not assume, any liability or obligation whatsoever for any encumbrances or other title matters affecting the Property, or the amendment, removal, or other disposition thereof, provided, however, Caltrans agrees not to encumber the Property or enter into any leases, licenses, and other occupancy agreements with respect to the Property ("Leases") during the Escrow Period without the consent of Purchaser.

**4.05 Operation during Escrow Period.** During the period commencing with the effectiveness of this Agreement until the close of escrow hereunder or termination of this Agreement, Caltrans will continue to operate the Property in substantially the same manner as operated as of the date of this Agreement and will not do, cause, or allow anything to be done with respect to the Property that would materially change, alter or modify the current operation of the Property as a vacant property without the prior written consent of Purchaser, which consent shall not be unreasonably withheld or delayed; provided, however, Caltrans shall not under any circumstances be responsible for or have any obligation or liability with respect to any such change, alteration or modification to the extent the same is caused by any tenant or occupant of a Property or any other person without Caltrans' consent or knowledge, or to the extent the same is otherwise beyond Caltrans' reasonable control. Additionally, notwithstanding the foregoing, Caltrans shall be entitled, at its election and without notice to or obtaining the consent of Purchaser, to take any and all actions and make any and all decisions with respect to the Property as Caltrans deems necessary or desirable, in its sole and absolute discretion, in addressing any emergency relating to the Property or the safety of any occupant thereof, making a Property compliant with applicable laws, and/or keeping and maintaining a Property in a safe and habitable condition.

**4.06 Purchaser's Agreements.** With respect to the period prior to the close of escrow Purchaser acknowledges and agrees as follows:

A. **No Changes.** Purchaser shall have no right to take any action with respect to the Property, including, without limitation changing, renewing or terminating any zoning designations, permits, approvals, certificates or other entitlements related thereto (or applying for any such new matters), giving any notices with respect to or otherwise amending or terminating any Leases related thereto, or making or

undertaking any repairs, alterations or additions to the Property and/or any improvements located thereon, in each case without the prior written consent of Caltrans, which may be conditioned or withheld in Caltrans' sole and absolute discretion.

B. **Restrictions.** Purchaser shall not use or take any actions, or permit or suffer its agents, employees, contractors or consultants (collectively, **"Agents"**) to use or take actions, with respect to the Property in a manner which would in any way: (i) interfere with any activities thereon, or the use or occupancy thereof; (ii) constitute a nuisance or result in waste; (iii) result in the cancellation of any insurance being maintained by or on behalf of Caltrans or any tenants, in the increase in the premiums for any such insurance or in the increase of any of Caltrans' other costs; or (iv) damage any improvements or personalty located thereon.

C. **Compliance with Laws Generally.** Purchaser and its Agents shall not enter any Property, nor shall they take any action with respect thereto (or permit or suffer anything to be done in, on or about the Property) which will in any manner violate any title conditions, maps, entitlements, permits, consents, agreements, Leases or any laws, ordinances, governmental rules or regulations now or hereafter in effect with respect thereto and/or the conduct of any activities thereon by Caltrans or any occupants.

D. **Liens.** Purchaser shall at all times keep the Property and Caltrans free from any liens and claims arising out of any and all actions taken, work and labor performed, materials or services furnished and/or damages or personal injuries caused by or on behalf of Purchaser in connection with any activity of Purchaser and/or its Agents with respect to the Property, whether occurring prior to or after the date hereof. Caltrans may require Purchaser to post, at Purchaser's sole cost and expense, a lien release bond or other undertaking, statutory or otherwise, in such amount as necessary to properly bond around any claim filed against Caltrans and/or the Property with respect to such activities (occurring prior to the close of escrow) of Purchaser or its Agents. The bonding obligations of Purchaser under this Subsection 4.06(d) shall be absolute and unconditional and shall survive the close of escrow and the delivery and recordation of the Director's Deed and CC&Rs hereunder and/or the expiration, revocation, or termination of this Agreement.

E. **Compliance with the Act & Regulations**. Purchaser shall at all times comply with the requirements of the Act and the Regulations.

## SECTION 5. CONDITIONS TO CLOSE

**5.01 Conditions to Purchaser's Obligation to Close.** The matters set forth in this Section 5.01 are conditions precedent to the close of escrow by Purchaser as contemplated in this Agreement, and the same may be declared satisfied or waived by Purchaser. In the event any such condition fails to be satisfied in accordance with the terms hereof through no fault of either party, Purchaser shall have the option of either: (i) waiving such condition and proceeding to close without adjustment of the Purchase Price or any of the other terms of this Agreement, or (ii) terminating this Agreement, in which case the

Deposit shall be refunded to Purchaser without interest, and neither party shall have any further rights, liabilities or obligations hereunder except paying their respective share of escrow costs incurred up to such date and observing those obligations expressly stated herein as surviving the termination of this Agreement.

A. **Title.** At closing, the Property shall be conveyed to the Purchaser pursuant to a Director's Deed subject to all the Permitted Exceptions applicable to such Property as contemplated by Section 4.04 hereof.
B. **CTC Approval and Governing Body Approval.** By the Closing Date, the CTC Approval shall and any governing body approval (if applicable) have been unconditionally obtained as contemplated by Section 4.01 hereof.
C. **Documents and Funds.** By the Closing Date, the escrow deposits referenced in Section 3.06(a) above shall have all been made by Caltrans, and the Escrow Holder shall be irrevocably committed to record the Director's Deed in the Official Records of Los Angeles County, California.
D. **Representations/Covenants.** At close: (i) all the representations of Caltrans contained in this Agreement shall be materially true and correct, and (ii) Caltrans shall have materially complied with its covenants contained in this Agreement.

**5.02 Conditions to Caltrans' Obligation to Close.** The matters set forth in this Section 5.02 are conditions precedent to the close of escrow by Caltrans as contemplated in this Agreement, and the same may be declared satisfied or waived by Caltrans. In the event any such condition fails to be satisfied in accordance with the terms hereof through no fault of either party, Caltrans shall have the option of either: (i) waiving such condition and proceeding to close without adjustment of the Purchase Price or any of the other terms of this Agreement, or (ii) terminating this Agreement, in which case the Deposit shall be refunded to Purchaser without interest, and neither party shall have any further rights, liabilities or obligations hereunder except paying their respective share of escrow costs incurred up to such date and observing those obligations expressly stated herein as surviving the termination of this Agreement.

A. **Balance of Purchase Price.** By the Closing Date, Purchaser shall have deposited the entire Cash Balance of the Purchase Price with Escrow Holder as provided in Section 2.02(b) hereof.
B. **CTC Approval.** By the Closing Date, the CTC Approval shall have been unconditionally obtained as contemplated by Section 4.01 hereof.
C. **Documents and Funds.** By the Closing Date, the escrow deposits referenced in Section 3.06(b) above shall have all been made by Purchaser and Escrow Holder shall be irrevocably committed to:
    (i) disburse the Cash Balance to Caltrans,
    (ii) record the Director's Deed, and CC&Rs immediately thereafter as contemplated herein, in the Official Records of Los Angeles County, California, and
    (iii) deliver to Caltrans a fully executed counterpart original any other appropriate documents as contemplated by Section 3.06(b).

D. **Representations/Covenants.** At close: (i) all the representations of Purchaser contained in this Agreement shall be materially true and correct, and (ii) Purchaser shall have materially complied with its covenants contained in this Agreement.

**SECTION 6. POSSESSION**

Possession of the Property shall be delivered to Purchaser on the Closing Date subject to the Permitted Exceptions applicable to the Property.

**SECTION 7. BROKERS**

**7.01 Caltrans.** Caltrans has retained **Veterans Realty Group** to act as a Consultant in connection with the sale of the Property hereunder, and any compensation due to **Veterans Realty Group** in connection with the transactions contemplated by this Agreement shall be paid by Caltrans.

**7.02 No Other Brokers.** Except for Caltrans' retention of **Veterans Realty Group** above, each party hereby represents and warrants to the other party that no broker, finder, real estate agent or other person has been retained by it or is entitled to any commission, finder's fee or other compensation resulting from any action on its part with respect to the sale of the Property to Purchaser. Purchaser and Caltrans each agree to indemnify, defend, and hold the other and the Property harmless from and against any real estate brokerage commissions or finder's fees, and all costs and expenses (including attorneys' fees and costs) of investigating and defending any such claims, payable or alleged to be payable to any other persons in connection with this Agreement which such indemnifying party may have engaged or is claimed or alleged to have engaged. This section does not prohibit Purchaser from obtaining a broker at his/her own expense. The representations, warranties, indemnification, and other obligations set forth in this Section 7.02 shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs and/or the expiration, revocation, or termination of this Agreement.

**SECTION 8. REPRESENTATIONS & WARRANTIES**

**8.01 By Caltrans.** Caltrans hereby makes the following representations and warranties to Purchaser:

A. Authority. Subject to obtaining the CTC Approval, Caltrans has all requisite power and authority to enter into, deliver and perform this Agreement and all the other agreements contemplated herein and to be executed in connection herewith, and the person(s) executing this Agreement and all other agreements contemplated herein on behalf of Caltrans have been properly authorized to sign on behalf of and bind Caltrans in connection with performing the transactions contemplated herein.

B. Binding. Subject to obtaining the CTC Approval, this Agreement and all documents to be executed by Caltrans as provided herein, as of the date of

execution shall, subject to the operation of any bankruptcy or similar laws, be the legal, valid and binding obligations of Caltrans.

C. Information. Except as otherwise set forth in this Agreement, Caltrans has no actual constructive knowledge of any information affecting the Property that had, has or would have a material effect on Purchaser's ability to use and operate the Property as contemplated by Purchaser. Caltrans has provided to Purchaser all material and factual information requested by the Purchaser and/or as required by law concerning the Property that is in Caltrans' possession, custody and control.

D. Compliance with the Act and Regulations: Caltrans conduct in this sales transaction has been in compliance with the Act and corresponding Regulations.

E. Claims. There is no claim, action, suit, arbitration, proceeding (including condemnation proceedings) or any investigation by or before any court or arbitration body, any governmental, administrative or regulatory authority, or any other body pending or, to Caltrans's knowledge, threatened with respect to the Property (collectively, "Allegations"). Caltrans is not aware of any basis or reason for any such Allegations. There is no order, judgment or decree of any court or arbitration body, any governmental, administrative or regulatory authority, or any other body, against Caltrans with respect to the Property or the sales transaction contemplated by this Agreement.

F. No Violation. Neither the execution and delivery of this Agreement, nor the performance by Caltrans of the sales transaction contemplated hereby, will contravene, conflict with, or result in a breach of any agreement, law, regulation, writ, injunction or decree of any court or governmental authority applicable to Caltrans or by which any of its properties is bound. Except for CTC Approval, Caltrans is not required to obtain any consent or authorization in order to complete the sales transaction contemplated by this Agreement.

G. Right to Purchase. Except pursuant to this Agreement, no third party has an option, right of first offer, right of first refusal, or other similar right to purchase the Property that currently remains in effect.

H. Environmental Matters. As requested by Purchaser and/or mandated by law, Caltrans has provided or made available for review copies of any material documents in its possession, custody and control of Caltrans regarding environmental condition of the Property ("Environmental Materials"). Except as set forth in the Environmental Materials, Caltrans is not aware of the existence of any Hazardous Substances (defined in Section 10 below) attributable to or affecting the Property. There have been no settlements reached by or with any third parties alleging the presence, disposal, release or threatened release of any Hazardous Substances from the use or operation of the Property.

I. Leases. The Property is not subject to any Leases, tenancy and/or similar agreements conferring any right, title or interest in the Property to a third party.

J. Contracts. Other than as disclosed in the title reports provided by the Title

Company and this Agreement, there are no agreements affecting the Property.

Each of the representations made by Caltrans in this Agreement shall be true and correct on the date hereof, and shall be deemed to be made again as of the close of escrow provided for herein, and shall then be true and correct in all material respects. Caltrans shall promptly provide written notice to Purchaser of any developments or information that would make the representations set forth above untrue. The representations and warranties set forth in this Section 8.01 shall expressly survive the close of escrow as described in Section 13.12 below.

**8.02 By Purchaser.** Purchaser and the specific parties signing this Agreement on behalf of Purchaser hereby makes the following representations and warranties to Caltrans:

A. Organization. Purchaser is a municipal corporation duly organized, validly existing and in good standing under the laws of the State of California which has the power and authority to enter into this Agreement and to consummate the transactions contemplated hereby.
B. Authority. Subject to obtaining governing body approval, Purchaser has all requisite power and authority to enter into, deliver, and perform this Agreement and all the other agreements contemplated herein and to be executed in connection herewith, and the person(s) executing this Agreement and the other agreements contemplated herein on behalf of Purchaser have been properly authorized to sign on behalf of and bind Purchaser in connection with performing the transactions contemplated herein.
C. Binding. This Agreement and all documents to be executed by Purchaser as contemplated hereunder shall, subject to the operation of any applicable bankruptcy or similar laws, be the legal, valid and binding obligations of Purchaser, and shall not materially violate any law, agreement, order or decree to which Purchaser is a party or is subject.
D. Litigation. There are no pending or threatened, suits or actions affecting Purchaser which would materially affect Purchaser's ability to enter into or perform its obligations under this Agreement or the documents executed in connection herewith.
E. Information / Compliance. All applications, information, financial statements, and other materials provided by Purchaser or its Agents to Caltrans pursuant to or in connection with the Act, the Regulations and or this Agreement are true, correct and not materially misleading; and Purchaser is in compliance with the Act and the Regulations as relates to the Property and the purchase thereof under this Agreement.
F. No Bankruptcy. Purchaser is not the subject of any pending or threatened bankruptcy proceedings, whether voluntary or involuntary.

Each of the representations and warranties made by Purchaser in this Agreement, or on any document or instrument delivered pursuant hereto shall be true and correct on the date hereof, and shall be deemed to be made again as of close of escrow provided for herein, and shall then be true and correct in all material respects. The representations

and warranties of Purchaser contained in this Section 8.02 shall survive the close of escrow and the delivery and recordation of the Director's Deed and CC&Rs.

**SECTION 9. "AS-IS", WAIVERS AND RELEASE**

Purchaser acknowledges and agrees that, except as set forth in this Agreement, neither Caltrans nor any of its respective employees, agents, managers, members, partners, officers, interest holders, attorneys, contractors or consultants, including without limitation the California Department of Housing and Community Development **("HCD")**, (Caltrans and such other persons being collectively, the **"Seller Parties"**) have made or are making, and specifically negate and disclaim making, any representations, warranties, guaranties, promises, covenants or assurances of any kind or character, whether express, implied, written, oral, past, present or future concerning or with respect to the Property, or the condition or status thereof, including without limitation, the suitability for any purpose or the profitability of owning and operating the Property; the value thereof; the existence or non-existence of any patent or latent defects affecting the same; the physical or environmental condition or status thereof (including without limitation the existence of any mold, lead paint, radon gas or other environmental health hazards); the rental or other income generated thereby; the expenses or costs associated therewith; the size and square footage of the parcel or the improvements located thereon, the age or condition of the such improvements, or the location of property lines or setbacks (or the location of the improvements with respect thereto); the zoning thereof; the condition of title thereto; the existence, necessity or satisfaction of any local, state or federal approvals, permits or certificates for the entitlement, ownership, operation, use or occupancy thereof as contemplated by Purchaser or any tenants, occupants or any future owners thereof; the feasibility of or cost associated with obtaining any such approvals; the compliance of the Property with any and all applicable local, state or federal laws, codes and ordinances; or any other matter.

Purchaser further acknowledges that Purchaser, with the help of its independent experts, contractors, consultants, professionals (including independent legal counsel and accountants), and advisors, prior to the Closing Date, will conduct its independent feasibility, investigation, and due diligence inquiry as described in Section 1.03 above with respect to the Property and will fully satisfy itself as to all matters relating thereto. Except for the representations and warranties of Caltrans set forth in this Agreement, Purchaser is relying solely and exclusively on such independent due diligence in executing this Agreement and purchasing the Property hereunder, and not on any representations, warranties, guaranties, promises, covenants or assurances of any kind or character by Caltrans or any other Seller Parties; and the Property is being purchased **"AS-IS" / "WHERE-IS"** at close in its present condition with all defects and faults, both patent and latent, whether known or unknown, presently existing or that may hereafter arise.

Effective on the Closing Date, Purchaser hereby fully and expressly releases Caltrans, HCD and all of the other Seller Parties and their respective agents, employees, attorneys, consultants, successors and assigns from any and all demands, claims, liabilities, amounts, actions, costs, judgments, expenses and damages (including, without limitation,

attorneys' fees, witness fees and court costs) related to or arising from the Property, or the condition or status of thereof or any other matter relating thereto, including without limitation the matters referenced in the first paragraph of this Section 9, (collectively, the "**Released Matters**"); and Purchaser hereby covenants not to sue, and hereby fully and expressly waives and relinquishes any and all rights and remedies Purchaser may have against, Caltrans, HCD and the other Seller Parties and their respective agents, employees, attorneys, consultants, successors and assigns, or any of them, at law, in equity or otherwise, related to or arising from the Released Matters. However, nothing contained herein shall release or be deemed to release Caltrans from claims arising from its fraud or a breach of any representation or warranty by Caltrans contained in this Agreement (the "Preserved Matters"). Preserved Matters shall not be considered Released Matters. Purchaser acknowledges and agrees that the release, waiver and discharge given by Purchaser hereunder to Caltrans, HCD and the other released parties extends to all Released Matters described above, whether known or unknown, foreseen or unforeseen, patent or latent, which Purchaser may now or hereafter have against Caltrans, HCD or such other persons; and in connection with such release, waiver and discharge, Purchaser hereby expressly waives the benefit of the provisions of California Civil Code Section 1542, which provides as follows:

> **"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."**

Purchaser has read this Section 9, has had the effect and content thereof explained to Purchaser by independent legal counsel, and fully understands and appreciates the same. Purchaser understands and acknowledges that, among other things, the consequence of this waiver of California Civil Code section 1542 is that even if Purchaser should eventually discover any claims or suffer any losses or damages arising from the Released Matters, Purchaser would not be able to make any claim against Caltrans, HCD or the other released persons with respect thereto. Purchaser acknowledges that these consequences apply even as to claims, losses or damages resulting from the Released Matters that may exist as of the date of this Agreement or in the future, but which Purchaser does not know exist, or does not anticipate, and which, if known or anticipated, would materially affect Purchaser's decision to execute this Agreement. The waivers, releases, covenants not to sue and discharges contained in this Section 9 are a material portion of the consideration to Caltrans in agreeing to enter into this Agreement and shall survive the close of escrow and the delivery and recordation of Director's Deed and the CC&Rs in perpetuity.

**SECTION 10. <u>INDEMNIFICATION</u>**

Following the closing of the transaction contemplated herein, except as provided below,

Purchaser shall, at its sole cost and expense, indemnify, defend and hold Caltrans and its officers, agents, employees, attorneys and consultants, including without limitation, HCD, and their respective successors and assigns (collectively, the **"Indemnified Parties"**), free and harmless from and against any and all liabilities, demands, claims and costs (including remediation, reimbursement or contribution costs or claims), damages, losses, and expenses (including and without limitation to attorneys' fees, legal expenses and court costs, and consultant's fees, and investigation and remediation costs) of whatever kind or nature incurred or suffered by, or threatened against, any Property or any Indemnified Party(ies) resulting from or arising out of or by reason of any matter pertaining to the condition or status of the Property, including without limitation, the existence of any Hazardous Substances or Hazardous Substance Conditions in, on, under or about the Property (collectively, "Claims"). Except as provided below, this indemnity is intended to address any and all liability for which Caltrans may now or at any time hereafter be partially or entirely responsible in connection with the contamination, environmental or physical condition or status of any Property, including the prior operation thereof, due to its mere ownership or operation of such Property. As used in this Agreement, the term **"Hazardous Substance"** shall mean any substance whose nature and/or quantity of existence, use, manufacture, disposal or effect, render it subject to federal, state, or local regulation, investigation, remediation or removal as potentially injurious to public health or welfare, including the Comprehensive Environmental Response Compensation and Liability Act or Resource Conservation and Recovery Act as now in effect; and the term **"Hazardous Substance Condition"** shall mean the existence in, on, under or about the Property of a hazardous substance that requires remediation, removal, mitigation and/or other action pursuant to applicable law. This indemnification shall in no event apply to (i) Claims to which Caltrans representations and warranties apply, (ii) any Claims involving Caltrans' willful misconduct, gross negligence or fraud, and (iii) any Claims relating to challenges to Caltrans' acquisition or disposition of the Property.

Purchaser's indemnification and defense of any matters contemplated in this Section 10 for or on behalf of the Property or any Indemnified Parties shall be made by counsel reasonably acceptable to the Indemnified Parties; shall commence immediately upon any such claim or matter being made, threatened, or asserted against Indemnified Parties or the Property without the necessity of the Indemnified Parties first contesting or defending the same, suffering or incurring any loss or adverse disposition, or otherwise taking or failing to take any other action; and shall apply to all such matters regardless of any action, failure or negligence of the Indemnified Parties, it being the express intent that the indemnification, defense and hold harmless obligations of this Section 10 apply to all matters referenced herein except to the extent caused by the gross negligence or willful misconduct of the Indemnified Parties. In the event Purchaser refuses to initiate or continue pursuing to completion any such defense or other obligations hereunder, Indemnitee shall be entitled to undertake, assume, and/or conclude the same, all at Purchaser's sole cost and expense, with counsel selected by Indemnitee. The obligations of Purchaser under this Section 10 shall be absolute and unconditional, and shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs.

## SECTION 11. CASUALTY/CONDEMNATION

In the event any casualty or condemnation proceeding occurs or is commenced with respect to the Property after the effectiveness hereof but prior to the close of escrow, Caltrans shall notify Purchaser of the same in writing within ten (10) business days after Caltrans has knowledge of the same, and either of the following shall occur:

(A) If Purchaser does not elect to cancel within seven (7) business days after receipt of such notice by Purchaser, the parties shall continue to proceed under this Agreement and close without adjustment to the Purchase Price or any of the other provisions of this Agreement, in which event upon the close of escrow, Caltrans shall assign to Purchaser all of its interest in any such insurance or condemnation proceeds, compensation, award, or other payments or relief resulting from such casualty or condemnation proceedings; or

(B) If Purchaser elects to cancel, and Purchaser provides written notification to Caltrans of its election to terminate this Agreement within such 7-day period, then this Agreement shall terminate, the Deposit shall be returned to Purchaser without interest, and Caltrans shall retain all proceeds, compensation, awards, payments and other benefits or relief related to such casualty and condemnation with respect to the Property.

## SECTION 12. REMEDIES

**12.01 Of Purchaser.** If the closing does not occur as a result of Caltrans' default under this Agreement, then, provided Purchaser is not in default hereunder, Purchaser may, at its election proceed with either of the following mutually exclusive alternatives as its sole and exclusive remedy:

A. Terminate the Agreement, whereupon: (1) the Deposit shall be returned to Purchaser without interest, (2) Purchaser may seek reimbursement from Caltrans of any and all hard third-party costs and expenses incurred by Purchaser in connection the investigation of the Property or the negotiation and execution of this Agreement, as evidenced by invoices delivered to Caltrans, up to the maximum aggregate amount of fifteen thousand Dollars ($15,000), and (3) neither party shall have any further obligation or liability to the other under this Agreement except for provisions of this Agreement which expressly state that they shall survive the termination of this Agreement; or

B. File in a court of competent jurisdiction an action for specific performance to cause Caltrans to convey the Property to Purchaser in accordance with the terms and conditions of this Agreement; but Purchaser shall not be entitled to recover any monetary damages (whether compensatory, consequential, exemplary, punitive or other) from Caltrans in connection with such default other than seeking

its reasonable attorneys' fees in connection with such action.

**PURCHASER ACKNOWLEDGES AND AGREES THAT THE LIMITATIONS ON REMEDIES AGAINST CALTRANS SET FORTH IN THIS SECTION 12.01 ARE A MATERIAL INDUCEMENT FOR CALTRANS TO ENTER INTO THIS AGREEMENT, AND PURCHASER AGREES THAT SUCH LIMITATIONS ARE REASONABLE AND ENFORCEABLE IN ACCORDANCE WITH THEIR TERMS.**

**12.02 Of Caltrans. LIQUIDATED DAMAGES. PURCHASER AND CALTRANS AGREE THAT SHOULD PURCHASER FAIL TO COMPLETE THE PURCHASE OF THE PROPERTY AS HEREIN PROVIDED BY REASON OF DEFAULT OF PURCHASER, THE PARTIES HERETO, BY INITIALING THIS SECTION 12.02 IN THE SPACE PROVIDED BELOW, AGREE THAT IT WOULD BE IMPRACTICAL OR EXTREMELY DIFFICULT TO ASCERTAIN OR FIX ACTUAL DAMAGES TO CALTRANS AS A RESULT OF SUCH FAILURE OR DEFAULT BY PURCHASER, THAT UNDER THE CIRCUMSTANCES EXISTING AS OF THE DATE OF THIS AGREEMENT THE ENTIRE DEPOSIT PROVIDED FOR IN SECTION 2.02(A) ABOVE IS A REASONABLE ESTIMATE OF CALTRANS' DAMAGES, AND THAT AS CALTRANS' SOLE AND EXCLUSIVE REMEDIES ON ACCOUNT OF SUCH BREACH, CALTRANS SHALL BE ENTITLED TO: (1) RETAIN SAID DEPOSIT AS LIQUIDATED DAMAGES FOR SUCH BREACH BY PURCHASER AND (2) TERMINATE THIS AGREEMENT. THE PAYMENT OF SUCH AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO CALTRANS PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677.**

**THE PROVISIONS HEREOF RELATE ONLY TO CALTRANS' DAMAGES FOR PURCHASER'S DEFAULTS IN ITS AGREEMENT TO PURCHASE THE PROPERTY AS PROVIDED HEREIN. NOTHING CONTAINED HEREIN SHALL LIMIT OR PRECLUDE, OR BE DEEMED TO LIMIT OR PRECLUDE, THE EXERCISE OR ENFORCEMENT BY CALTRANS OF ANY RIGHTS WHICH EXPRESSLY SURVIVE THE TERMINATION OF THIS AGREEMENT.**

**Purchaser's Initials:** JH **Caltrans' Initials:** _____

**SECTION 13. MISCELLANEOUS**

**13.01 Headings.** This Agreement shall be construed as a whole, and the subject headings of the paragraphs and subparagraphs of this Agreement are included for convenience only and shall not affect the construction or interpretation of any of its provisions or define the provisions in the portions of this Agreement to which they pertain.

**13.02 Assignment.** Purchaser may not assign this Agreement, or any portion hereof or any of its rights or interests hereunder, without the express prior written consent of Caltrans, which consent may be conditioned or withheld in Caltrans' sole and absolute discretion, except as set forth herein. Purchaser may, without Caltrans' consent, but upon notice to Caltrans and Escrow Holder, assign any or all of its rights in, to or under this Agreement to an entity or instrumentality that is wholly controlled by Purchaser. No such assignment (regardless of whether consented to by Caltrans) shall relieve or release

its reasonable attorneys' fees in connection with such action.

**PURCHASER ACKNOWLEDGES AND AGREES THAT THE LIMITATIONS ON REMEDIES AGAINST CALTRANS SET FORTH IN THIS SECTION 12.01 ARE A MATERIAL INDUCEMENT FOR CALTRANS TO ENTER INTO THIS AGREEMENT, AND PURCHASER AGREES THAT SUCH LIMITATIONS ARE REASONABLE AND ENFORCEABLE IN ACCORDANCE WITH THEIR TERMS.**

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**Purchaser's Initials:** _____ **Caltrans' Initials:** Ae

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**13.02 Assignment.** Purchaser may not assign this Agreement, or any portion hereof or any of its rights or interests hereunder, without the express prior written consent of Caltrans, which consent may be conditioned or withheld in Caltrans' sole and absolute discretion, except as set forth herein. Purchaser may, without Caltrans' consent, but upon notice to Caltrans and Escrow Holder, assign any or all of its rights in, to or under this Agreement to an entity or instrumentality that is wholly controlled by Purchaser. No such assignment (regardless of whether consented to by Caltrans) shall relieve or release

Purchaser from any of its obligations hereunder. As a condition to the effectiveness of such assignment, all assignees shall execute an assumption agreement reasonably acceptable to Caltrans under which the proposed assignee agrees to fully assume and be bound by all the terms of this Agreement to be observed or performed by Purchaser.

Caltrans shall be free to assign this Agreement, or any portion hereof or any of its rights or interests hereunder, without the consent or approval of Purchaser.

**13.03 Entire Agreement / Amendment.** This Agreement (including all exhibits and schedules hereto and other agreements referenced herein) constitute the entire agreement between the parties pertaining to the subject matter contained herein and supersede all prior written or oral agreements, representations and understandings of the parties relating to the subject matter herein. There are no representations, agreements, arrangements, or understandings, oral or written, relating to the subject matter which are not fully expressed herein. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by all the parties hereto.

This Agreement does not affect the enforceability of other written contracts related to the use and resale of the Property or to preserving the historic nature of the Property.

**13.04 Counterparts.** This Agreement may be executed simultaneously in one or more identical counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. This Agreement shall be fully effective and binding on all parties hereto, as if one or more copies thereof had been executed by all the parties hereto, when all the parties have executed identical counterparts hereof, even though no single counterpart has been executed by all the parties hereto.

**13.05 Binding / Successor & Assigns.** Except to the extent assignment hereof is prohibited, this Agreement shall be binding on, and shall inure to the benefit of, the parties hereto and their successors and assigns.

**13.06 Attorneys' Fees.** If any legal action, arbitration or other proceeding is brought by either party involving a dispute between the parties arising out of the interpretation or enforcement of any condition or provision hereof, or by reason of any breach arising hereunder or the sale of the Property, the prevailing party shall be entitled to recover its reasonable attorneys' fees, court costs and expert witness fees incurred in such action or proceeding in addition to any other relief to which such party may be entitled.

**13.07 Further Acts.** Each party agrees to perform any further acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions in this Agreement.

**13.08 Limited Third-Party Beneficiaries.** Subject to the remainder of this Section 13.08,

this Agreement is for the sole benefit of the parties hereto and there are no third-party beneficiaries, intended or otherwise. Notwithstanding the foregoing, HCD and the other Seller Parties (and other released persons) are intended third-party beneficiaries of Section 9 hereof, and HCD and the other Indemnified Parties are intended third party beneficiaries of Section 10 hereof.

**13.09 Notices.** All notices, requests, demands, and other communications required or desired under this Agreement shall be in writing and shall be given by any of the following methods: (i) personal service at the address set forth below, (ii) email transmission in the manner set forth below, or (iii) depositing such notice in the United States mail postage prepaid, addressed to the other as follows:

Caltrans
Division of Right of Way – SR-710, MS6
100 South Main Street
Los Angeles, CA 90012

City of South Pasadena
City Manager
1414 Mission Street
South Pasadena, CA 91030

Any notice given by personal service shall be deemed given when received, as verified by a written receipt or proof of service. Any notice given by email transmission shall be deemed given when transmitted, as evidenced by printed email; and any notice given by regular mail shall be deemed given on the fifth (5th) business day after its deposit in the United States mail postage prepaid.

Either party may change its address for purposes of this paragraph by giving the other party written notice of the new address to the other party at the address contained herein.

**13.10 Governing Law.** This Agreement has been prepared, negotiated, and entered into in the State of California and shall be governed by, construed and enforced in accordance with the internal laws of the State of California and according to its fair meaning, and not in favor of or against any party. Any action or proceeding relating or arising out of this Agreement shall be filed, if a State action, in the Superior Court of the State of California for the County of Los Angeles.

**13.11 Severability.** If any provision of this Agreement, or the application thereof to any person or circumstance, is held invalid or unenforceable by any court or arbitrator, it is the intent of the parties that all the other provisions of this Agreement, and the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall be construed to be fully valid, enforceable and binding on the parties to the fullest extent permitted by law.

**13.12 Survival / No Merger.** All covenants, representations, warranties, and other agreements under this Agreement which are expressly stated herein as surviving the close of escrow shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs in perpetuity, and shall not merge with or into the Director's Deed or the CC&Rs (or be terminated, limited or otherwise affected thereby).

**13.13 Time is of the Essence.** Time is of the essence of this Agreement in respect to all provisions of this Agreement that specify a time for performance, including the closing of escrow provided for herein, and failure to comply with this provision shall be a material breach of this Agreement.

**13.14 Days / Saturdays, Sundays, and Holidays.** Unless otherwise expressly stated, all time periods referred to herein shall be deemed to mean calendar days. If any date by which an election or a notice shall be given, or by which an action shall be taken, hereunder falls on a Saturday, Sunday, federal or state holiday, then the date by which such election or notice shall be given or such action shall be taken is extended to 5:00 p.m. on the next business day following such Saturday, Sunday, federal or state holiday.

**13.15 Waiver.** Waiver by one party of the performance of any covenant, condition or promise shall not invalidate this Agreement, nor shall it be a waiver by such party of such covenant, condition or promise in the future or of any other covenant, condition, or promise hereunder. Any waiver, to be effective, shall be express, in writing and signed by the waiving party, and shall be delivered to the other party. The exercise by a party of any remedy provided in this Agreement or at law shall not prevent the exercise by that party of any other remedy provided in this Agreement or at law.

**13.16 Construction.** As used in this Agreement, the masculine, feminine, or neuter gender and the singular or plural numbers shall each be deemed to include the other whenever the context so indicates. Each party hereto acknowledges and agrees that each has had independent counsel review and participated in the negotiation and drafting of this Agreement, and each hereby fully waives the application of any law, statute or rule of construction or interpretation, including without limitation California Civil Code Section 1654, to the effect that any ambiguities are to be construed against the drafting party.

**13.17 Exhibits.** All exhibits and schedules attached to this Agreement are hereby incorporated by reference herein and specifically made a part of this Agreement.

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

CALTRANS:

Recommended for Approval by:

STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION

By: _____ Date: _____
Angus Chan
Senior Right of Way Agent

By: _____ Date: _____
Heriberto Salazar
Office Chief, 710 Sales

Approved:

By: _____ Date: _____
Dan Murdoch
Deputy District Director, Right of Way

PURCHASER: CITY OF SOUTH PASADENA

By: Todd Hileman Date: 11/12/2025
Todd Hileman, City Manager
City of South Pasadena

Attest:

By: _____ Date: 11/12/2025
Deputy City Clerk

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

CALTRANS:

Recommended for Approval by:

STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION

By: _____ Date: Nov 17, 2025
Angus Chan
Senior Right of Way Agent

By: _____ Date: 11-20-25
Heriberto Salazar
Office Chief, 710 Sales

Approved:

By: _____ Date: 11/20/25
Dan Murdoch
Deputy District Director, Right of Way

PURCHASER: CITY OF SOUTH PASADENA

By: _____ Date: _____
Todd Hileman, City Manager
City of South Pasadena

Attest:

By: _____ Date: _____
Deputy City Clerk

## Attached Exhibits

| | |
|---|---|
| ***Exhibits "A"*** | *Director's Deed/Legal Description of Property* |
| ***Exhibit "B"*** | *Deleted* |
| ***Exhibit "C"*** | *Declaration of Covenants, Conditions & Restrictions* |
| ***Exhibit "D"*** | Historical Covenants (only included if applicable) |

# STATE ROUTE 710 SALES PROGRAM
# PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("**Agreement**") is entered into as of June 4, 2025, by and between the State of California, Department of Transportation ("**Caltrans**") and the City of South Pasadena, a Municipal Corporation.

**Recitals**

A. Caltrans owns the real property located in Los Angeles County, California commonly known as: **540 Prospect Ave., South Pasadena, CA 91030** and more particularly described as set forth in ***Exhibit "A"***, respectively, attached hereto ("**Property**").

B. The parties wish to provide terms and conditions for Purchaser's purchase of the Property from Caltrans. The State Route 710 Sales Program described in Government Code section 54235 et seq. (the "**Act**") and Title 21 Public Works Division 2 Department of Transportation, Chapter 9.5 (the "**Regulations**") provide for the offering of State-owned, surplus residential properties to the City of South Pasadena at the Minimum Sales Price pursuant to 21 CCR § 1483(a)(1), for the purpose of providing affordable housing to low- and moderate-income households. Purchaser and Caltrans acknowledge the Property is subject to the terms of this Agreement, the aforementioned law and regulations, and the Declaration of Covenants, Conditions, and Restrictions (**CC&Rs**), as defined below, to be recorded against the Property upon the close of escrow hereunder.

**NOW, THEREFORE,** in consideration of the foregoing premises, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

## SECTION 1. PURCHASE AND SALE

**1.01 Purchase and Sale.** Caltrans shall sell the Property to Purchaser, and Purchaser shall purchase the Property from Caltrans pursuant to the terms, limitations and conditions stated in this Agreement in accordance with the Act, the Regulations and other applicable laws, rules, and regulations (collectively, "**Applicable Laws**").

**1.02 Conditions Precedent to Effectiveness.** This Agreement shall not become effective unless and until all the following conditions precedent are satisfied on or before the sixtieth (60) calendar day from the date Caltrans' sends this Agreement to Purchaser:

A. Purchaser shall have: (1) executed and returned two original executed counterparts of this Agreement via certified mail, return receipt requested, to Caltrans and sent a copy thereof to the Escrow Holder, and (2) deposited with Escrow Holder the entire Down Payment contemplated by Section 2.02(A) below;

B. Caltrans thereafter executes this Agreement and delivers a fully executed copy hereof to Escrow Holder; and

A failure of any such conditions to timely occur shall, without further notice or action, result in the full and immediate termination of any offer, obligation, liability or agreement of Caltrans to or with Purchaser or any other person with respect to the Property, whether hereunder or otherwise, immediately upon the expiration of such 60-day period, and Caltrans shall thereafter be free to offer, market and sell the Property to other persons, or otherwise dispose of the same, as Caltrans may, in its sole and absolute discretion determine.

**1.03 Information/Prior Due Diligence.** Purchaser hereby expressly acknowledges and agrees:

A. that it is a sophisticated real estate purchaser and/or investor;
B. that it is fully familiar with and understands the Applicable Laws and the CC&Rs, and the risks and obligations associated therewith and imposed on Purchaser and on the Property thereby, including the purchase thereof under this Agreement, and has had the same explained to it by its independent legal counsel and other advisors;
C. that during the Inspection Period permitted under this Agreement: (A) Purchaser will have full access to the Property and all documents, data, reports and information related thereto requested by Purchaser, and will have the opportunity to undertake and perform any and all additional due diligence, investigation, surveys, reports and studies, with respect thereto, including without limitation the current and past physical and environmental condition of the Property, the condition of title thereto, the compliance thereof with any applicable building codes, permits, approvals, agreements or encumbrances affecting the same (including Applicable Laws), the value thereof, the use, operation, management or occupancy thereof and/or the suitability for Purchaser's intended use thereof, and all other matters referenced in Section 9 below, and (B) Purchaser has obtained any and all financing commitments necessary or desirable to purchase, repair and/or rehabilitate the Property; and
D. that with the aid of such independent experts, contractors, consultants, advisors and professionals (including independent legal counsel and accountants) that it deems necessary, appropriate or desirable, Purchaser will, prior to the Closing Date hereof, evaluate and assess the Property and conduct such independent inquiry, feasibility investigation, inspections and due diligence with respect thereto as Purchaser and/or its advisors deem necessary, advisable or desirable, and will fully and unconditionally approve of and satisfy itself as to the same. As a result, there shall be no further access to the Property except as set forth in this Agreement and no further feasibility, inspection or similar rights or contingencies with respect to the purchase of the Property.
E. Notwithstanding anything herein to the contrary, until the date that is sixty (60)

days after the execution of this Agreement by both parties (Inspection Period), upon reasonable notice but without any contingencies hereunder, Purchaser may access the Property and conduct non-invasive inspection, investigations, tests, observations, inquiries and studies as Purchaser deems appropriate. Purchaser shall promptly pay all expenses arising out of such inspections and other work on or about the Property prior to the Closing Date and shall not allow any mechanic's or materialmen's liens to be recorded on the Property (or promptly cause to be removed or bonded over any such liens if recorded on the Property). Purchaser shall promptly repair any damage to the Property caused by Purchaser's investigations. Purchaser shall coordinate with Caltrans any entry on the Property, execute a waiver and indemnity in the form customarily required by Caltrans prior to entry on Caltrans' property and follow applicable health and safety protocols as reasonably required by Caltrans. Following such period, upon Caltrans' reasonable consent and conditions, Purchaser may obtain access to the Property for a limited number of entries.

F. Purchaser shall promptly notify Caltrans during the Inspection Period of any matters discovered in its review of the Property that would cause Purchaser to terminate this Agreement. If within ten days of such notice, Caltrans notifies Purchaser in writing that it will cure such matters, then Caltrans shall have the opportunity to cure such matters fourteen (14) days prior to the Closing Date. Purchaser has the right to terminate if Caltrans does not agree to cure or if the cure is not completed fourteen (14) (days) prior to the Closing Date. Purchaser has a right to inspect the Property to determine that the discoveries have been cured to its satisfaction. Upon any such termination, Escrow Holder shall remit the deposit to Purchaser.

**SECTION 2. PURCHASE PRICE**

**2.01 Purchase Price.** The purchase price for the Property shall be **Thirty-Three Thousand Five Hundred Dollars and zero cents ($33,500.00)** (the **"Purchase Price"**).

**2.02 Payment.** The Purchase Price shall be paid by Purchaser in cash, lawful money of the United States as set forth below, time being of the essence thereof:

A. **Deposit.** Immediately upon the execution of this Agreement, Purchaser shall deposit with Escrow Holder the sum of **One Thousand Dollars ($1,000.00)** (the **"Deposit"**) in the form of a cashier's check, wire transfer or other immediately available funds. The entire Deposit shall be applicable to the Purchase Price, without interest, shall be non-refundable except as may be expressly set forth in this Agreement, and shall constitute liquidated damages to Caltrans in the event of Purchaser's default in acquiring the Property. Time is of the essence in making the Deposit into escrow, and as provided above is a condition precedent to the effectiveness of this Agreement.

B. **Cash at Close.** One (1) day prior to the close of Escrow (or by 1:00 p.m. of the

close of escrow for funds delivered by wire transfer) the Purchaser shall deposit the balance of the Purchase Price in the amount of **Thirty-Two Thousand Five Hundred Dollars and zero cents ($32,500.00)** (the **"Cash Balance"**) with Escrow Holder in the form of a cashier's check, wire transfer or other immediately available funds for delivery to Caltrans upon close of escrow hereunder.

**2.03 Acknowledgement.** [Deleted.]

**2.04 No Seller Financing.** Purchaser acknowledges this Agreement is not a financing agreement and neither Caltrans nor any other governmental agency or department has at any time made any representations, warranties, promises or undertakings, express or implied, to provide any financing or other assistance with respect to all or any portion of the Purchase Price or any other obligations of Purchaser hereunder or with respect to the Property, or with respect to any repair, rehabilitation, updating or other activity contemplated by Purchaser with respect thereto. Purchaser has performed all due diligence regarding obtaining funding and/or financing with respect to the Property, including the purchase thereof hereunder, as provided in Section 1.03 above, and has satisfied itself as to the same.

**2.05 Change in Financial Condition.** If either: (i) Purchaser ultimately fails to secure funds for the Purchase Price in the timeframe specified herein, or (ii) the financial condition of the Purchaser changes prior to Close of Escrow so that it is unable to purchase the Property, then in either such event Purchaser shall be in default under this Agreement and Caltrans shall be entitled to exercise its rights and remedies pursuant to Section 12.02 below.

**2.06 Bonds, Taxes and Assessments.** Subject to the specific proration provisions set forth in Section 3.05 below, all real property taxes, supplemental taxes, special taxes, bonds and/ or assessments which are liens on or levied with respect to the Property shall be assumed by Purchaser at close of escrow without reduction of or adjustment to the Purchase Price.

## SECTION 3. ESCROW

**3.01 Opening.** The purchase and sale of the Property shall be consummated by means of Escrow No. OC2509879-TL (a single escrow) which has opened with Fidelity National Title Company, 4400 MacArthur Blvd., Suite 500, Newport Beach, CA, 92660, Attn: Trinh Le, Escrow Officer, email: tlee@fnf.com, Phone (949) 788-2836 (**"Title Company"** or **"Escrow Holder").**

**3.02 Closing.** The closing shall occur upon the recording of the Director's Deed for the Property, and shall occur when the conditions set forth in Article 5 below have all been satisfied or waived, but in no event later than **5:00 pm**_____, 2025 [the one hundred twentieth (120th) calendar day after the full execution of this Agreement]; provided, however, Caltrans shall, upon receipt of written request prior to such date, grant a one-time thirty (30) calendar day extension to close escrow, (such date, as may

be extended, being the **"Closing Date"**).

If at any time prior to the Closing Date, the Property becomes occupied, whether legally or illegally, Caltrans shall notify the Purchaser and Purchaser shall have 30 days to decide whether to proceed with the purchase of the Property. If the 30 days falls outside the Closing Date, the Closing Date shall be extended 10 days past the 30-day expiration. If Purchaser declines to proceed with the purchase of the Property due to the legal or illegal occupation of the Property, this Agreement shall terminate pursuant to the terms hereof. Upon any such termination, Escrow Holder shall remit the deposit to Purchaser.

**3.03 Instructions.** This Agreement shall to the extent applicable, also act as escrow instructions. The parties agree to execute any additional escrow instructions required by the Escrow Holder provided the same shall be consistent with the terms of this Agreement and shall provide that as between the parties, in the event there are any inconsistencies between such supplemental instructions and this Agreement, the terms of this Agreement shall prevail. Escrow Holder is hereby designated the "real estate reporting person" for purposes of Section 6045 of the Internal Revenue Code of 1986, as amended, and Treasury Reg. 1.6045-4, and any instructions or settlement statements prepared by Escrow Holder shall so provide. Escrow Holder shall be responsible for filing any Form 1099-S with the Internal Revenue Service.

**3.04 Costs.** Charges and expenses incurred in connection with the closing hereunder shall be borne by the parties as follows:

A. Purchaser shall pay all: (A) escrow fees, (B) recording fees, (C) transfer taxes, (D) title insurance premiums and fees (whether for ALTA or CLTA coverage), endorsement coverage and survey costs, and (E) any other real estate transaction fees involved in this transaction;

B. If applicable, Purchaser shall pay for and obtain any city/county required inspections and/or occupancy permits, whether required for closing the sale/escrow transaction or not. Caltrans shall provide Purchaser access to the Property as necessary to comply with this provision; and

C. Each party shall bear their own legal, tax and professional fees and costs.

**3.05 Prorations.** All real property taxes, special taxes, assessments, bonds, and all other similar charges imposed or levied upon the Property by any governmental agency or special district, organization or body and any other obligations related to the Property shall be prorated at close as of the Closing Date. With respect to any prorations based upon an estimation, if and when the tax, assessment or other charge related thereto is segregated by the appropriate agency or other persons, within fifteen (15) days thereof, the parties shall adjust said prorations, as necessary, based on such final segregation and pay any such adjustment to the appropriate party. The provisions of this Section 3.05 shall survive the close of escrow and the delivery and recordation of the Director's Deed and CC&Rs hereunder.

**3.06 Escrow Deposits.** On or before the Closing Date, the parties shall make the following deposits into Escrow:

A. **By Caltrans.** At least one (1) business day prior to such closing, Caltrans shall deposit the following documents with Escrow Holder:

(i) an original **Director's Deed** for the Property duly executed by Caltrans and properly acknowledged and otherwise in recordable form, to be recorded in the Official Records of Los Angeles County, California against the Property described therein at close;

(ii) a counterpart original of the **CC&Rs** for the Property duly executed by Caltrans, and the Monitoring Entity properly acknowledged and otherwise in recordable form to be recorded in the Official Records of Los Angeles County, California against the Property described therein at close immediately following the recordation of the Director's Deed for the Property and prior to any financing obtained by Purchaser and to any other encumbrances or agreements being recorded at close with respect to such Property;

(iii) such Non-Foreign Affidavits pursuant to Sections 1445 and/or 7701 of the Internal Revenue Code, as amended, and such California Form 590s pursuant to applicable sections of the California Revenue and Taxation Code, as necessary to comply with such laws and close escrow hereunder, each in form and content reasonably satisfactory to Purchaser and Caltrans;

(iv) such other agreements or documents reasonably necessary from Caltrans to close escrow as may be expressly provided for herein.

B. **By Purchaser.** At least one (1) business day prior to such closing, Purchaser shall deposit the following funds and documents with Escrow Holder:

(i) the **Cash Balance** as provided in Subsection 2.02(b) above;

(ii) a counterpart original of the **CC&Rs** for the Property executed by Purchaser, properly acknowledged and otherwise in recordable form to be recorded in the Official Records of Los Angeles County, California against the Property described therein at close immediately following the recordation of the Director's Deed for such Property and prior to any financing obtained by Purchaser and to any other encumbrances or agreements being recorded at close with respect to such Property;

(iii) all other sums due from Purchaser as provided herein, including without limitation Purchaser's share of closing costs under Section 3.04 above, in the form of wire transfer or other immediately available funds;

(iv) to the extent Purchaser is an entity, certified copies of Purchaser's organizational documents and/or other entity resolutions or other authorizing documents authorizing the execution and delivery of this Agreement and the other documents and agreements contemplated herein, the consummation of all transactions contemplated hereby, and authorizing those persons signing on behalf of Purchaser to bind Purchaser; and

(v) such other agreements, documents, or funds reasonably necessary from Purchaser to close escrow as provided for herein.

**3.07** **Cancelling Escrow.** Caltrans may unilaterally cancel escrow if Purchaser fails to comply with Section 3.06(b) and/or Purchaser defaults after opening escrow but before close of escrow and such failure to comply or default is not remedied or cured within three (3) business days of Caltrans providing notice to Purchaser of such failure or default.

**SECTION 4. AGREEMENTS**

**4.01** **California Transportation Commission Approval and Governing Body Approval.** Purchaser understands and agrees that Caltrans' obligation to sell and convey the Property to Purchaser hereunder is subject to Caltrans first obtaining the written approval of the California Transportation Commission (**"CTC"**) to this Agreement and the sale of the Property hereunder prior to the Closing Date (the **"CTC Approval"**). In the event the CTC fails to approve the sale, all monies deposited into escrow hereunder by Purchaser will be refunded without interest. Caltrans makes no representations, assurances, or warranties, express or implied, concerning the CTC's timely or ultimate approval of this sale.

If applicable, Caltrans understands and agrees that, despite any provision in this Agreement to the contrary, Purchaser's obligation to purchase and accept the Property from Caltrans hereunder is subject to Purchaser first obtaining the written approval of its governing body to this Agreement and the purchase of the Property hereunder prior to the Closing Date. In the event the governing body fails to approve the sale, all monies deposited into escrow hereunder by Purchaser shall be refunded without interest. Purchaser makes no representations, assurances, or warranties, express or implied, concerning the timely or ultimate approval of this sale by its governing body.

**4.02** **Leases.** [Deleted.]

**4.03** **Covenants, Conditions and Restrictions.**

'A. Purchaser acknowledges the purchase of the Property shall be subject to a declaration of covenants, conditions, and restrictions as required by Government Code section 54235 et seq. and the Regulations and agrees that Purchaser and its successors in interest shall be bound by the same. Therefore, prior to close, the parties hereto shall execute a Declaration of Covenants, Conditions and

Restrictions agreement in substantially the form of ***Exhibit "C"*** attached hereto (the **"CC&Rs"**) with respect to the Property, which shall, among other things impose certain ongoing restrictions on the use and occupancy of such Property, as well as imposing various limitations on the subsequent resale of such Property both as to whom it may be sold and the amount of equity or other compensation the Purchaser is entitled to retain upon such subsequent transfer. The CC&Rs shall be recorded immediately following the recordation of the Director's Deed for such Property and shall not be subordinated to any financing obtained by Purchaser with respect to such Property or any other agreements recorded against or otherwise first affecting the Property at close of escrow, except as authorized by the CC&Rs. After recordation, the original recorded CC&Rs for the Property shall be returned (mailed) by the Recorder's Office directly to Caltrans, who shall retain possession thereof. The CC&Rs shall constitute covenants and equitable servitudes that run with the land and shall bind Purchaser and all subsequent owners, lessees, occupants, lenders, encumbrancers, and others holding any interest in, lien on or claim to the Property. Purchaser agrees not to challenge or attempt to terminate, limit, or otherwise alter or amend the CC&Rs. The agreements of Purchaser under this Section 4.03 shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs hereunder.

B. **Historical Covenants**

☒ This Property is not subject to Historical Covenants.

☐ This Property is subject to Historical Covenants attached as Exhibit "__" to protect the historic value and characteristics of the Property. The Historical Covenants are in addition to the CC&Rs described in Section 4.03 A.

**4.04 Title.**

A. **Generally.** Purchaser understands and agrees that the right, title, and interest in the Property to be conveyed hereunder shall not exceed that currently vested in Caltrans (after taking into account any and all rights that may be reserved by Caltrans pursuant to the Director's Deed, the CC&Rs or any other agreement contained in or contemplated by this Agreement related to such Property), and that Caltrans will furnish no policy of title insurance with respect to the sale of the Property hereunder. If a policy of title insurance, endorsement or survey coverage is desired, Purchaser may obtain the same at Purchaser's sole expense, provided, however, in no event or circumstance shall obtaining any such title, endorsement or survey coverage) constitute any basis for extending the Closing Date contemplated hereunder. No later than ten business days prior to the expiration of the Inspection Period, Purchaser shall notify Caltrans in writing of its objection to any matter in the preliminary title report or on a survey. Caltrans shall have five business days to notify Purchaser of its election to cure the matter or not, and the absence of any notice shall be deemed an election not to cure the matter. Purchaser shall have the right to terminate this Agreement prior to the expiration of the Inspection Period if Caltrans does not agree to cure such matter, or if Caltrans agrees to but fails to cure the matter on or prior to Closing, then Purchaser shall have the right to terminate at such time. Upon any such termination, Escrow

Holder shall remit the deposit to Purchaser.

B. **Permitted Encumbrances.** At close of escrow hereunder the Property shall be conveyed to Purchaser by a Director's Deed in substantially the form of ***Exhibit "A"*** hereto (a **"Director's Deed"**), with title to the Property being subject to all of the following exceptions and matters (collectively, the **"Permitted Exceptions"**): (1) a lien to secure payment of real estate taxes, supplemental taxes, and special taxes, bonds and assessments; (2) any reservations or limitations contained in the Director's Deed or any prior deed(s) relating to the Property; (3) the CC&Rs; (4) all title exceptions and other matters shown in the preliminary report for such Property other than any items Caltrans has agreed to cure; (5) any and all other matters apparent from a physical inspection thereof and/or that might be revealed by a survey other than any items Caltrans has agreed to cure; and (6) all other matters created by or with the consent or knowledge of Purchaser, or otherwise disclosed or contemplated in this Agreement. Caltrans shall not have, and does not assume, any liability or obligation whatsoever for any encumbrances or other title matters affecting the Property, or the amendment, removal, or other disposition thereof, provided, however, Caltrans agrees not to encumber the Property or enter into any leases, licenses, and other occupancy agreements with respect to the Property ("Leases") during the Escrow Period without the consent of Purchaser.

**4.05 Operation during Escrow Period.** During the period commencing with the effectiveness of this Agreement until the close of escrow hereunder or termination of this Agreement, Caltrans will continue to operate the Property in substantially the same manner as operated as of the date of this Agreement and will not do, cause, or allow anything to be done with respect to the Property that would materially change, alter or modify the current operation of the Property as a vacant property without the prior written consent of Purchaser, which consent shall not be unreasonably withheld or delayed; provided, however, Caltrans shall not under any circumstances be responsible for or have any obligation or liability with respect to any such change, alteration or modification to the extent the same is caused by any tenant or occupant of a Property or any other person without Caltrans' consent or knowledge, or to the extent the same is otherwise beyond Caltrans' reasonable control. Additionally, notwithstanding the foregoing, Caltrans shall be entitled, at its election and without notice to or obtaining the consent of Purchaser, to take any and all actions and make any and all decisions with respect to the Property as Caltrans deems necessary or desirable, in its sole and absolute discretion, in addressing any emergency relating to the Property or the safety of any occupant thereof, making a Property compliant with applicable laws, and/or keeping and maintaining a Property in a safe and habitable condition.

**4.06 Purchaser's Agreements.** With respect to the period prior to the close of escrow Purchaser acknowledges and agrees as follows:

A. **No Changes.** Purchaser shall have no right to take any action with respect to the Property, including, without limitation changing, renewing or terminating any zoning designations, permits, approvals, certificates or other entitlements related thereto (or applying for any such new matters), giving any notices with respect to or otherwise amending or terminating any Leases related thereto, or making or

undertaking any repairs, alterations or additions to the Property and/or any improvements located thereon, in each case without the prior written consent of Caltrans, which may be conditioned or withheld in Caltrans' sole and absolute discretion.

B. **Restrictions.** Purchaser shall not use or take any actions, or permit or suffer its agents, employees, contractors or consultants (collectively, **"Agents"**) to use or take actions, with respect to the Property in a manner which would in any way: (i) interfere with any activities thereon, or the use or occupancy thereof; (ii) constitute a nuisance or result in waste; (iii) result in the cancellation of any insurance being maintained by or on behalf of Caltrans or any tenants, in the increase in the premiums for any such insurance or in the increase of any of Caltrans' other costs; or (iv) damage any improvements or personalty located thereon.

C. **Compliance with Laws Generally.** Purchaser and its Agents shall not enter any Property, nor shall they take any action with respect thereto (or permit or suffer anything to be done in, on or about the Property) which will in any manner violate any title conditions, maps, entitlements, permits, consents, agreements, Leases or any laws, ordinances, governmental rules or regulations now or hereafter in effect with respect thereto and/or the conduct of any activities thereon by Caltrans or any occupants.

D. **Liens.** Purchaser shall at all times keep the Property and Caltrans free from any liens and claims arising out of any and all actions taken, work and labor performed, materials or services furnished and/or damages or personal injuries caused by or on behalf of Purchaser in connection with any activity of Purchaser and/or its Agents with respect to the Property, whether occurring prior to or after the date hereof. Caltrans may require Purchaser to post, at Purchaser's sole cost and expense, a lien release bond or other undertaking, statutory or otherwise, in such amount as necessary to properly bond around any claim filed against Caltrans and/or the Property with respect to such activities (occurring prior to the close of escrow) of Purchaser or its Agents. The bonding obligations of Purchaser under this Subsection 4.06(d) shall be absolute and unconditional and shall survive the close of escrow and the delivery and recordation of the Director's Deed and CC&Rs hereunder and/or the expiration, revocation, or termination of this Agreement.

E. **Compliance with the Act & Regulations**. Purchaser shall at all times comply with the requirements of the Act and the Regulations.

## SECTION 5. CONDITIONS TO CLOSE

**5.01 Conditions to Purchaser's Obligation to Close.** The matters set forth in this Section 5.01 are conditions precedent to the close of escrow by Purchaser as contemplated in this Agreement, and the same may be declared satisfied or waived by Purchaser. In the event any such condition fails to be satisfied in accordance with the terms hereof through no fault of either party, Purchaser shall have the option of either: (i) waiving such condition and proceeding to close without adjustment of the Purchase Price or any of the other terms of this Agreement, or (ii) terminating this Agreement, in which case the

Deposit shall be refunded to Purchaser without interest, and neither party shall have any further rights, liabilities or obligations hereunder except paying their respective share of escrow costs incurred up to such date and observing those obligations expressly stated herein as surviving the termination of this Agreement.

A. **Title.** At closing, the Property shall be conveyed to the Purchaser pursuant to a Director's Deed subject to all the Permitted Exceptions applicable to such Property as contemplated by Section 4.04 hereof.
B. **CTC Approval and Governing Body Approval.** By the Closing Date, the CTC Approval shall and any governing body approval (if applicable) have been unconditionally obtained as contemplated by Section 4.01 hereof.
C. **Documents and Funds.** By the Closing Date, the escrow deposits referenced in Section 3.06(a) above shall have all been made by Caltrans, and the Escrow Holder shall be irrevocably committed to record the Director's Deed in the Official Records of Los Angeles County, California.
D. **Representations/Covenants.** At close: (i) all the representations of Caltrans contained in this Agreement shall be materially true and correct, and (ii) Caltrans shall have materially complied with its covenants contained in this Agreement.

**5.02 Conditions to Caltrans' Obligation to Close.** The matters set forth in this Section 5.02 are conditions precedent to the close of escrow by Caltrans as contemplated in this Agreement, and the same may be declared satisfied or waived by Caltrans. In the event any such condition fails to be satisfied in accordance with the terms hereof through no fault of either party, Caltrans shall have the option of either: (i) waiving such condition and proceeding to close without adjustment of the Purchase Price or any of the other terms of this Agreement, or (ii) terminating this Agreement, in which case the Deposit shall be refunded to Purchaser without interest, and neither party shall have any further rights, liabilities or obligations hereunder except paying their respective share of escrow costs incurred up to such date and observing those obligations expressly stated herein as surviving the termination of this Agreement.

A. **Balance of Purchase Price.** By the Closing Date, Purchaser shall have deposited the entire Cash Balance of the Purchase Price with Escrow Holder as provided in Section 2.02(b) hereof.
B. **CTC Approval.** By the Closing Date, the CTC Approval shall have been unconditionally obtained as contemplated by Section 4.01 hereof.
C. **Documents and Funds.** By the Closing Date, the escrow deposits referenced in Section 3.06(b) above shall have all been made by Purchaser and Escrow Holder shall be irrevocably committed to:
    (i) disburse the Cash Balance to Caltrans,
    (ii) record the Director's Deed, and CC&Rs immediately thereafter as contemplated herein, in the Official Records of Los Angeles County, California, and
    (iii) deliver to Caltrans a fully executed counterpart original any other appropriate documents as contemplated by Section 3.06(b).

D. **Representations/Covenants.** At close: (i) all the representations of Purchaser contained in this Agreement shall be materially true and correct, and (ii) Purchaser shall have materially complied with its covenants contained in this Agreement.

**SECTION 6. POSSESSION**

Possession of the Property shall be delivered to Purchaser on the Closing Date subject to the Permitted Exceptions applicable to the Property.

**SECTION 7. BROKERS**

**7.01 Caltrans.** Caltrans has retained **Veterans Realty Group** to act as a Consultant in connection with the sale of the Property hereunder, and any compensation due to **Veterans Realty Group** in connection with the transactions contemplated by this Agreement shall be paid by Caltrans.

**7.02 No Other Brokers.** Except for Caltrans' retention of **Veterans Realty Group** above, each party hereby represents and warrants to the other party that no broker, finder, real estate agent or other person has been retained by it or is entitled to any commission, finder's fee or other compensation resulting from any action on its part with respect to the sale of the Property to Purchaser. Purchaser and Caltrans each agree to indemnify, defend, and hold the other and the Property harmless from and against any real estate brokerage commissions or finder's fees, and all costs and expenses (including attorneys' fees and costs) of investigating and defending any such claims, payable or alleged to be payable to any other persons in connection with this Agreement which such indemnifying party may have engaged or is claimed or alleged to have engaged. This section does not prohibit Purchaser from obtaining a broker at his/her own expense. The representations, warranties, indemnification, and other obligations set forth in this Section 7.02 shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs and/or the expiration, revocation, or termination of this Agreement.

**SECTION 8. REPRESENTATIONS & WARRANTIES**

**8.01 By Caltrans.** Caltrans hereby makes the following representations and warranties to Purchaser:

A. Authority. Subject to obtaining the CTC Approval, Caltrans has all requisite power and authority to enter into, deliver and perform this Agreement and all the other agreements contemplated herein and to be executed in connection herewith, and the person(s) executing this Agreement and all other agreements contemplated herein on behalf of Caltrans have been properly authorized to sign on behalf of and bind Caltrans in connection with performing the transactions contemplated herein.

B. Binding. Subject to obtaining the CTC Approval, this Agreement and all documents to be executed by Caltrans as provided herein, as of the date of

execution shall, subject to the operation of any bankruptcy or similar laws, be the legal, valid and binding obligations of Caltrans.

C. Information. Except as otherwise set forth in this Agreement, Caltrans has no actual constructive knowledge of any information affecting the Property that had, has or would have a material effect on Purchaser's ability to use and operate the Property as contemplated by Purchaser. Caltrans has provided to Purchaser all material and factual information requested by the Purchaser and/or as required by law concerning the Property that is in Caltrans' possession, custody and control.

D. Compliance with the Act and Regulations: Caltrans conduct in this sales transaction has been in compliance with the Act and corresponding Regulations.

E. Claims. There is no claim, action, suit, arbitration, proceeding (including condemnation proceedings) or any investigation by or before any court or arbitration body, any governmental, administrative or regulatory authority, or any other body pending or, to Caltrans's knowledge, threatened with respect to the Property (collectively, "Allegations"). Caltrans is not aware of any basis or reason for any such Allegations. There is no order, judgment or decree of any court or arbitration body, any governmental, administrative or regulatory authority, or any other body, against Caltrans with respect to the Property or the sales transaction contemplated by this Agreement.

F. No Violation. Neither the execution and delivery of this Agreement, nor the performance by Caltrans of the sales transaction contemplated hereby, will contravene, conflict with, or result in a breach of any agreement, law, regulation, writ, injunction or decree of any court or governmental authority applicable to Caltrans or by which any of its properties is bound. Except for CTC Approval, Caltrans is not required to obtain any consent or authorization in order to complete the sales transaction contemplated by this Agreement.

G. Right to Purchase. Except pursuant to this Agreement, no third party has an option, right of first offer, right of first refusal, or other similar right to purchase the Property that currently remains in effect.

H. Environmental Matters. As requested by Purchaser and/or mandated by law, Caltrans has provided or made available for review copies of any material documents in its possession, custody and control of Caltrans regarding environmental condition of the Property ("Environmental Materials"). Except as set forth in the Environmental Materials, Caltrans is not aware of the existence of any Hazardous Substances (defined in Section 10 below) attributable to or affecting the Property. There have been no settlements reached by or with any third parties alleging the presence, disposal, release or threatened release of any Hazardous Substances from the use or operation of the Property.

I. Leases. The Property is not subject to any Leases, tenancy and/or similar agreements conferring any right, title or interest in the Property to a third party.

J. Contracts. Other than as disclosed in the title reports provided by the Title

Company and this Agreement, there are no agreements affecting the Property.

Each of the representations made by Caltrans in this Agreement shall be true and correct on the date hereof, and shall be deemed to be made again as of the close of escrow provided for herein, and shall then be true and correct in all material respects. Caltrans shall promptly provide written notice to Purchaser of any developments or information that would make the representations set forth above untrue. The representations and warranties set forth in this Section 8.01 shall expressly survive the close of escrow as described in Section 13.12 below.

**8.02 By Purchaser.** Purchaser and the specific parties signing this Agreement on behalf of Purchaser hereby makes the following representations and warranties to Caltrans:

A. Organization. Purchaser is a municipal corporation duly organized, validly existing and in good standing under the laws of the State of California which has the power and authority to enter into this Agreement and to consummate the transactions contemplated hereby.
B. Authority. Subject to obtaining governing body approval, Purchaser has all requisite power and authority to enter into, deliver, and perform this Agreement and all the other agreements contemplated herein and to be executed in connection herewith, and the person(s) executing this Agreement and the other agreements contemplated herein on behalf of Purchaser have been properly authorized to sign on behalf of and bind Purchaser in connection with performing the transactions contemplated herein.
C. Binding. This Agreement and all documents to be executed by Purchaser as contemplated hereunder shall, subject to the operation of any applicable bankruptcy or similar laws, be the legal, valid and binding obligations of Purchaser, and shall not materially violate any law, agreement, order or decree to which Purchaser is a party or is subject.
D. Litigation. There are no pending or threatened, suits or actions affecting Purchaser which would materially affect Purchaser's ability to enter into or perform its obligations under this Agreement or the documents executed in connection herewith.
E. Information / Compliance. All applications, information, financial statements, and other materials provided by Purchaser or its Agents to Caltrans pursuant to or in connection with the Act, the Regulations and or this Agreement are true, correct and not materially misleading; and Purchaser is in compliance with the Act and the Regulations as relates to the Property and the purchase thereof under this Agreement.
F. No Bankruptcy. Purchaser is not the subject of any pending or threatened bankruptcy proceedings, whether voluntary or involuntary.

Each of the representations and warranties made by Purchaser in this Agreement, or on any document or instrument delivered pursuant hereto shall be true and correct on the date hereof, and shall be deemed to be made again as of close of escrow provided for herein, and shall then be true and correct in all material respects. The representations

and warranties of Purchaser contained in this Section 8.02 shall survive the close of escrow and the delivery and recordation of the Director's Deed and CC&Rs.

**SECTION 9. "AS-IS", WAIVERS AND RELEASE**

Purchaser acknowledges and agrees that, except as set forth in this Agreement, neither Caltrans nor any of its respective employees, agents, managers, members, partners, officers, interest holders, attorneys, contractors or consultants, including without limitation the California Department of Housing and Community Development **("HCD")**, (Caltrans and such other persons being collectively, the **"Seller Parties"**) have made or are making, and specifically negate and disclaim making, any representations, warranties, guaranties, promises, covenants or assurances of any kind or character, whether express, implied, written, oral, past, present or future concerning or with respect to the Property, or the condition or status thereof, including without limitation, the suitability for any purpose or the profitability of owning and operating the Property; the value thereof; the existence or non-existence of any patent or latent defects affecting the same; the physical or environmental condition or status thereof (including without limitation the existence of any mold, lead paint, radon gas or other environmental health hazards); the rental or other income generated thereby; the expenses or costs associated therewith; the size and square footage of the parcel or the improvements located thereon, the age or condition of the such improvements, or the location of property lines or setbacks (or the location of the improvements with respect thereto); the zoning thereof; the condition of title thereto; the existence, necessity or satisfaction of any local, state or federal approvals, permits or certificates for the entitlement, ownership, operation, use or occupancy thereof as contemplated by Purchaser or any tenants, occupants or any future owners thereof; the feasibility of or cost associated with obtaining any such approvals; the compliance of the Property with any and all applicable local, state or federal laws, codes and ordinances; or any other matter.

Purchaser further acknowledges that Purchaser, with the help of its independent experts, contractors, consultants, professionals (including independent legal counsel and accountants), and advisors, prior to the Closing Date, will conduct its independent feasibility, investigation, and due diligence inquiry as described in Section 1.03 above with respect to the Property and will fully satisfy itself as to all matters relating thereto. Except for the representations and warranties of Caltrans set forth in this Agreement, Purchaser is relying solely and exclusively on such independent due diligence in executing this Agreement and purchasing the Property hereunder, and not on any representations, warranties, guaranties, promises, covenants or assurances of any kind or character by Caltrans or any other Seller Parties; and the Property is being purchased **"AS-IS" / "WHERE-IS"** at close in its present condition with all defects and faults, both patent and latent, whether known or unknown, presently existing or that may hereafter arise.

Effective on the Closing Date, Purchaser hereby fully and expressly releases Caltrans, HCD and all of the other Seller Parties and their respective agents, employees, attorneys, consultants, successors and assigns from any and all demands, claims, liabilities, amounts, actions, costs, judgments, expenses and damages (including, without limitation,

attorneys' fees, witness fees and court costs) related to or arising from the Property, or the condition or status of thereof or any other matter relating thereto, including without limitation the matters referenced in the first paragraph of this Section 9, (collectively, the "**Released Matters**"); and Purchaser hereby covenants not to sue, and hereby fully and expressly waives and relinquishes any and all rights and remedies Purchaser may have against, Caltrans, HCD and the other Seller Parties and their respective agents, employees, attorneys, consultants, successors and assigns, or any of them, at law, in equity or otherwise, related to or arising from the Released Matters. However, nothing contained herein shall release or be deemed to release Caltrans from claims arising from its fraud or a breach of any representation or warranty by Caltrans contained in this Agreement (the "Preserved Matters"). Preserved Matters shall not be considered Released Matters. Purchaser acknowledges and agrees that the release, waiver and discharge given by Purchaser hereunder to Caltrans, HCD and the other released parties extends to all Released Matters described above, whether known or unknown, foreseen or unforeseen, patent or latent, which Purchaser may now or hereafter have against Caltrans, HCD or such other persons; and in connection with such release, waiver and discharge, Purchaser hereby expressly waives the benefit of the provisions of California Civil Code Section 1542, which provides as follows:

> **"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."**

Purchaser has read this Section 9, has had the effect and content thereof explained to Purchaser by independent legal counsel, and fully understands and appreciates the same. Purchaser understands and acknowledges that, among other things, the consequence of this waiver of California Civil Code section 1542 is that even if Purchaser should eventually discover any claims or suffer any losses or damages arising from the Released Matters, Purchaser would not be able to make any claim against Caltrans, HCD or the other released persons with respect thereto. Purchaser acknowledges that these consequences apply even as to claims, losses or damages resulting from the Released Matters that may exist as of the date of this Agreement or in the future, but which Purchaser does not know exist, or does not anticipate, and which, if known or anticipated, would materially affect Purchaser's decision to execute this Agreement. The waivers, releases, covenants not to sue and discharges contained in this Section 9 are a material portion of the consideration to Caltrans in agreeing to enter into this Agreement and shall survive the close of escrow and the delivery and recordation of Director's Deed and the CC&Rs in perpetuity.

**SECTION 10. <u>INDEMNIFICATION</u>**

Following the closing of the transaction contemplated herein, except as provided below, Purchaser shall, at its sole cost and expense, indemnify, defend and hold Caltrans and its

officers, agents, employees, attorneys and consultants, including without limitation, HCD, and their respective successors and assigns (collectively, the **"Indemnified Parties"**), free and harmless from and against any and all liabilities, demands, claims and costs (including remediation, reimbursement or contribution costs or claims), damages, losses, and expenses (including and without limitation to attorneys' fees, legal expenses and court costs, and consultant's fees, and investigation and remediation costs) of whatever kind or nature incurred or suffered by, or threatened against, any Property or any Indemnified Party(ies) resulting from or arising out of or by reason of any matter pertaining to the condition or status of the Property, including without limitation, the existence of any Hazardous Substances or Hazardous Substance Conditions in, on, under or about the Property (collectively, "Claims"). Except as provided below, this indemnity is intended to address any and all liability for which Caltrans may now or at any time hereafter be partially or entirely responsible in connection with the contamination, environmental or physical condition or status of any Property, including the prior operation thereof, due to its mere ownership or operation of such Property. As used in this Agreement, the term **"Hazardous Substance"** shall mean any substance whose nature and/or quantity of existence, use, manufacture, disposal or effect, render it subject to federal, state, or local regulation, investigation, remediation or removal as potentially injurious to public health or welfare, including the Comprehensive Environmental Response Compensation and Liability Act or Resource Conservation and Recovery Act as now in effect; and the term **"Hazardous Substance Condition"** shall mean the existence in, on, under or about the Property of a hazardous substance that requires remediation, removal, mitigation and/or other action pursuant to applicable law. This indemnification shall in no event apply to (i) Claims to which Caltrans representations and warranties apply, (ii) any Claims involving Caltrans' willful misconduct, gross negligence or fraud, and (iii) any Claims relating to challenges to Caltrans' acquisition or disposition of the Property.

Purchaser's indemnification and defense of any matters contemplated in this Section 10 for or on behalf of the Property or any Indemnified Parties shall be made by counsel reasonably acceptable to the Indemnified Parties; shall commence immediately upon any such claim or matter being made, threatened, or asserted against Indemnified Parties or the Property without the necessity of the Indemnified Parties first contesting or defending the same, suffering or incurring any loss or adverse disposition, or otherwise taking or failing to take any other action; and shall apply to all such matters regardless of any action, failure or negligence of the Indemnified Parties, it being the express intent that the indemnification, defense and hold harmless obligations of this Section 10 apply to all matters referenced herein except to the extent caused by the gross negligence or willful misconduct of the Indemnified Parties. In the event Purchaser refuses to initiate or continue pursuing to completion any such defense or other obligations hereunder, Indemnitee shall be entitled to undertake, assume, and/or conclude the same, all at Purchaser's sole cost and expense, with counsel selected by Indemnitee. The obligations of Purchaser under this Section 10 shall be absolute and unconditional, and shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs.

**SECTION 11. CASUALTY/CONDEMNATION**

In the event any casualty or condemnation proceeding occurs or is commenced with respect to the Property after the effectiveness hereof but prior to the close of escrow, Caltrans shall notify Purchaser of the same in writing within ten (10) business days after Caltrans has knowledge of the same, and either of the following shall occur:

(A) If Purchaser does not elect to cancel within seven (7) business days after receipt of such notice by Purchaser, the parties shall continue to proceed under this Agreement and close without adjustment to the Purchase Price or any of the other provisions of this Agreement, in which event upon the close of escrow, Caltrans shall assign to Purchaser all of its interest in any such insurance or condemnation proceeds, compensation, award, or other payments or relief resulting from such casualty or condemnation proceedings; or

(B) If Purchaser elects to cancel, and Purchaser provides written notification to Caltrans of its election to terminate this Agreement within such 7-day period, then this Agreement shall terminate, the Deposit shall be returned to Purchaser without interest, and Caltrans shall retain all proceeds, compensation, awards, payments and other benefits or relief related to such casualty and condemnation with respect to the Property.

**SECTION 12. REMEDIES**

**12.01 Of Purchaser.** If the closing does not occur as a result of Caltrans' default under this Agreement, then, provided Purchaser is not in default hereunder, Purchaser may, at its election proceed with either of the following mutually exclusive alternatives as its sole and exclusive remedy:

A. Terminate the Agreement, whereupon: (1) the Deposit shall be returned to Purchaser without interest, (2) Purchaser may seek reimbursement from Caltrans of any and all hard third-party costs and expenses incurred by Purchaser in connection the investigation of the Property or the negotiation and execution of this Agreement, as evidenced by invoices delivered to Caltrans, up to the maximum aggregate amount of fifteen thousand Dollars ($15,000), and (3) neither party shall have any further obligation or liability to the other under this Agreement except for provisions of this Agreement which expressly state that they shall survive the termination of this Agreement; or

B. File in a court of competent jurisdiction an action for specific performance to cause Caltrans to convey the Property to Purchaser in accordance with the terms and conditions of this Agreement; but Purchaser shall not be entitled to recover any monetary damages (whether compensatory, consequential, exemplary, punitive or other) from Caltrans in connection with such default other than seeking its reasonable attorneys' fees in connection with such action.

**PURCHASER ACKNOWLEDGES AND AGREES THAT THE LIMITATIONS ON REMEDIES AGAINST CALTRANS SET FORTH IN THIS SECTION 12.01 ARE A MATERIAL INDUCEMENT FOR CALTRANS TO ENTER INTO THIS AGREEMENT, AND PURCHASER AGREES THAT SUCH LIMITATIONS ARE REASONABLE AND ENFORCEABLE IN ACCORDANCE WITH THEIR TERMS.**

**12.02 Of Caltrans. LIQUIDATED DAMAGES. PURCHASER AND CALTRANS AGREE THAT SHOULD PURCHASER FAIL TO COMPLETE THE PURCHASE OF THE PROPERTY AS HEREIN PROVIDED BY REASON OF DEFAULT OF PURCHASER, THE PARTIES HERETO, BY INITIALING THIS SECTION 12.02 IN THE SPACE PROVIDED BELOW, AGREE THAT IT WOULD BE IMPRACTICAL OR EXTREMELY DIFFICULT TO ASCERTAIN OR FIX ACTUAL DAMAGES TO CALTRANS AS A RESULT OF SUCH FAILURE OR DEFAULT BY PURCHASER, THAT UNDER THE CIRCUMSTANCES EXISTING AS OF THE DATE OF THIS AGREEMENT THE ENTIRE DEPOSIT PROVIDED FOR IN SECTION 2.02(A) ABOVE IS A REASONABLE ESTIMATE OF CALTRANS' DAMAGES, AND THAT AS CALTRANS' SOLE AND EXCLUSIVE REMEDIES ON ACCOUNT OF SUCH BREACH, CALTRANS SHALL BE ENTITLED TO: (1) RETAIN SAID DEPOSIT AS LIQUIDATED DAMAGES FOR SUCH BREACH BY PURCHASER AND (2) TERMINATE THIS AGREEMENT. THE PAYMENT OF SUCH AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO CALTRANS PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677.**

**THE PROVISIONS HEREOF RELATE ONLY TO CALTRANS' DAMAGES FOR PURCHASER'S DEFAULTS IN ITS AGREEMENT TO PURCHASE THE PROPERTY AS PROVIDED HEREIN. NOTHING CONTAINED HEREIN SHALL LIMIT OR PRECLUDE, OR BE DEEMED TO LIMIT OR PRECLUDE, THE EXERCISE OR ENFORCEMENT BY CALTRANS OF ANY RIGHTS WHICH EXPRESSLY SURVIVE THE TERMINATION OF THIS AGREEMENT.**

**Purchaser's Initials:** JH **Caltrans' Initials:** _____

**SECTION 13. MISCELLANEOUS**

**13.01 Headings.** This Agreement shall be construed as a whole, and the subject headings of the paragraphs and subparagraphs of this Agreement are included for convenience only and shall not affect the construction or interpretation of any of its provisions or define the provisions in the portions of this Agreement to which they pertain.

**13.02 Assignment.** Purchaser may not assign this Agreement, or any portion hereof or any of its rights or interests hereunder, without the express prior written consent of Caltrans, which consent may be conditioned or withheld in Caltrans' sole and absolute discretion, except as set forth herein. Purchaser may, without Caltrans' consent, but upon notice to Caltrans and Escrow Holder, assign any or all of its rights in, to or under this Agreement to an entity or instrumentality that is wholly controlled by Purchaser. No such assignment (regardless of whether consented to by Caltrans) shall relieve or release Purchaser from any of its obligations hereunder. As a condition to the effectiveness of

**PURCHASER ACKNOWLEDGES AND AGREES THAT THE LIMITATIONS ON REMEDIES AGAINST CALTRANS SET FORTH IN THIS SECTION 12.01 ARE A MATERIAL INDUCEMENT FOR CALTRANS TO ENTER INTO THIS AGREEMENT, AND PURCHASER AGREES THAT SUCH LIMITATIONS ARE REASONABLE AND ENFORCEABLE IN ACCORDANCE WITH THEIR TERMS.**

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**Purchaser's Initials:** _____ **Caltrans' Initials:** A.C

**SECTION 13. MISCELLANEOUS**

**13.01 Headings.** This Agreement shall be construed as a whole, and the subject headings of the paragraphs and subparagraphs of this Agreement are included for convenience only and shall not affect the construction or interpretation of any of its provisions or define the provisions in the portions of this Agreement to which they pertain.

**13.02 Assignment.** Purchaser may not assign this Agreement, or any portion hereof or any of its rights or interests hereunder, without the express prior written consent of Caltrans, which consent may be conditioned or withheld in Caltrans' sole and absolute discretion, except as set forth herein. Purchaser may, without Caltrans' consent, but upon notice to Caltrans and Escrow Holder, assign any or all of its rights in, to or under this Agreement to an entity or instrumentality that is wholly controlled by Purchaser. No such assignment (regardless of whether consented to by Caltrans) shall relieve or release Purchaser from any of its obligations hereunder. As a condition to the effectiveness of

such assignment, all assignees shall execute an assumption agreement reasonably acceptable to Caltrans under which the proposed assignee agrees to fully assume and be bound by all the terms of this Agreement to be observed or performed by Purchaser.

Caltrans shall be free to assign this Agreement, or any portion hereof or any of its rights or interests hereunder, without the consent or approval of Purchaser.

**13.03 Entire Agreement / Amendment.** This Agreement (including all exhibits and schedules hereto and other agreements referenced herein) constitute the entire agreement between the parties pertaining to the subject matter contained herein and supersede all prior written or oral agreements, representations and understandings of the parties relating to the subject matter herein. There are no representations, agreements, arrangements, or understandings, oral or written, relating to the subject matter which are not fully expressed herein. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by all the parties hereto.

This Agreement does not affect the enforceability of other written contracts related to the use and resale of the Property or to preserving the historic nature of the Property.

**13.04 Counterparts.** This Agreement may be executed simultaneously in one or more identical counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. This Agreement shall be fully effective and binding on all parties hereto, as if one or more copies thereof had been executed by all the parties hereto, when all the parties have executed identical counterparts hereof, even though no single counterpart has been executed by all the parties hereto.

**13.05 Binding / Successor & Assigns.** Except to the extent assignment hereof is prohibited, this Agreement shall be binding on, and shall inure to the benefit of, the parties hereto and their successors and assigns.

**13.06 Attorneys' Fees.** If any legal action, arbitration or other proceeding is brought by either party involving a dispute between the parties arising out of the interpretation or enforcement of any condition or provision hereof, or by reason of any breach arising hereunder or the sale of the Property, the prevailing party shall be entitled to recover its reasonable attorneys' fees, court costs and expert witness fees incurred in such action or proceeding in addition to any other relief to which such party may be entitled.

**13.07 Further Acts.** Each party agrees to perform any further acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions in this Agreement.

**13.08 Limited Third-Party Beneficiaries.** Subject to the remainder of this Section 13.08,

this Agreement is for the sole benefit of the parties hereto and there are no third-party beneficiaries, intended or otherwise. Notwithstanding the foregoing, HCD and the other Seller Parties (and other released persons) are intended third-party beneficiaries of Section 9 hereof, and HCD and the other Indemnified Parties are intended third party beneficiaries of Section 10 hereof.

**13.09 Notices.** All notices, requests, demands, and other communications required or desired under this Agreement shall be in writing and shall be given by any of the following methods: (i) personal service at the address set forth below, (ii) email transmission in the manner set forth below, or (iii) depositing such notice in the United States mail postage prepaid, addressed to the other as follows:

Caltrans
Division of Right of Way – SR-710, MS6
100 South Main Street
Los Angeles, CA 90012

City of South Pasadena
City Manager
1414 Mission Street
South Pasadena, CA 91030

Any notice given by personal service shall be deemed given when received, as verified by a written receipt or proof of service. Any notice given by email transmission shall be deemed given when transmitted, as evidenced by printed email; and any notice given by regular mail shall be deemed given on the fifth (5th) business day after its deposit in the United States mail postage prepaid.

Either party may change its address for purposes of this paragraph by giving the other party written notice of the new address to the other party at the address contained herein.

**13.10 Governing Law.** This Agreement has been prepared, negotiated, and entered into in the State of California and shall be governed by, construed and enforced in accordance with the internal laws of the State of California and according to its fair meaning, and not in favor of or against any party. Any action or proceeding relating or arising out of this Agreement shall be filed, if a State action, in the Superior Court of the State of California for the County of Los Angeles.

**13.11 Severability.** If any provision of this Agreement, or the application thereof to any person or circumstance, is held invalid or unenforceable by any court or arbitrator, it is the intent of the parties that all the other provisions of this Agreement, and the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall be construed to be fully valid, enforceable and binding on the parties to the fullest extent permitted by law.

**13.12 Survival / No Merger.** All covenants, representations, warranties, and other agreements under this Agreement which are expressly stated herein as surviving the close of escrow shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs in perpetuity, and shall not merge with or into the Director's Deed or the CC&Rs (or be terminated, limited or otherwise affected thereby).

**13.13 Time is of the Essence.** Time is of the essence of this Agreement in respect to all provisions of this Agreement that specify a time for performance, including the closing of escrow provided for herein, and failure to comply with this provision shall be a material breach of this Agreement.

**13.14 Days / Saturdays, Sundays, and Holidays.** Unless otherwise expressly stated, all time periods referred to herein shall be deemed to mean calendar days. If any date by which an election or a notice shall be given, or by which an action shall be taken, hereunder falls on a Saturday, Sunday, federal or state holiday, then the date by which such election or notice shall be given or such action shall be taken is extended to 5:00 p.m. on the next business day following such Saturday, Sunday, federal or state holiday.

**13.15 Waiver.** Waiver by one party of the performance of any covenant, condition or promise shall not invalidate this Agreement, nor shall it be a waiver by such party of such covenant, condition or promise in the future or of any other covenant, condition, or promise hereunder. Any waiver, to be effective, shall be express, in writing and signed by the waiving party, and shall be delivered to the other party. The exercise by a party of any remedy provided in this Agreement or at law shall not prevent the exercise by that party of any other remedy provided in this Agreement or at law.

**13.16 Construction.** As used in this Agreement, the masculine, feminine, or neuter gender and the singular or plural numbers shall each be deemed to include the other whenever the context so indicates. Each party hereto acknowledges and agrees that each has had independent counsel review and participated in the negotiation and drafting of this Agreement, and each hereby fully waives the application of any law, statute or rule of construction or interpretation, including without limitation California Civil Code Section 1654, to the effect that any ambiguities are to be construed against the drafting party.

**13.17 Exhibits.** All exhibits and schedules attached to this Agreement are hereby incorporated by reference herein and specifically made a part of this Agreement.

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

CALTRANS:

Recommended for Approval by:

STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION

By: _____ Date: _____
Angus Chan
Senior Right of Way Agent

By: _____ Date: _____
Heriberto Salazar
Office Chief, 710 Sales

Approved:

By: _____ Date: _____
Dan Murdoch
Deputy District Director, Right of Way

PURCHASER: CITY OF SOUTH PASADENA

By: _____ Date: 11/12/2025
Todd Hileman, City Manager
City of South Pasadena

Attest:

By: _____ Date: 11/12/2025
Deputy City Clerk

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

CALTRANS:

Recommended for Approval by:

STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION

By: _____ Date: Nov 17, 2025
Angus Chan
Senior Right of Way Agent

By: _____ Date: 11-20-25
Heriberto Salazar
Office Chief, 710 Sales

Approved:

By: _____ Date: 11/20/25
Dan Murdoch
Deputy District Director, Right of Way

PURCHASER: CITY OF SOUTH PASADENA

By: _____ Date: _____
Todd Hileman, City Manager
City of South Pasadena

Attest:

By: _____ Date: _____
Deputy City Clerk

## Attached Exhibits

| | |
|---|---|
| ***Exhibits "A"*** | *Director's Deed/Legal Description of Property* |
| ***Exhibit "B"*** | *Deleted* |
| ***Exhibit "C"*** | *Declaration of Covenants, Conditions & Restrictions* |
| ***Exhibit "D"*** | Historical Covenants (only included if applicable) |

# STATE ROUTE 710 SALES PROGRAM
# PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("**Agreement**") is entered into as of June 4, 2025, by and between the State of California, Department of Transportation ("**Caltrans**") and the City of South Pasadena, a Municipal Corporation.

**Recitals**

A. Caltrans owns the real property located in Los Angeles County, California commonly known as: **1037, 1039 Grevelia St., South Pasadena, CA 91030** and more particularly described as set forth in ***Exhibit "A"***, respectively, attached hereto ("**Property**").

B. The parties wish to provide terms and conditions for Purchaser's purchase of the Property from Caltrans. The State Route 710 Sales Program described in Government Code section 54235 et seq. (the "**Act**") and Title 21 Public Works Division 2 Department of Transportation, Chapter 9.5 (the "**Regulations**") provide for the offering of State-owned, surplus residential properties to the City of South Pasadena at the Minimum Sales Price pursuant to 21 CCR § 1483(a)(1), for the purpose of providing affordable housing to low- and moderate-income households. Purchaser and Caltrans acknowledge the Property is subject to the terms of this Agreement, the aforementioned law and regulations, and the Declaration of Covenants, Conditions, and Restrictions (**CC&Rs**), as defined below, to be recorded against the Property upon the close of escrow hereunder.

**NOW, THEREFORE,** in consideration of the foregoing premises, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

**SECTION 1. PURCHASE AND SALE**

**1.01 Purchase and Sale.** Caltrans shall sell the Property to Purchaser, and Purchaser shall purchase the Property from Caltrans pursuant to the terms, limitations and conditions stated in this Agreement in accordance with the Act, the Regulations and other applicable laws, rules, and regulations (collectively, "**Applicable Laws**").

**1.02 Conditions Precedent to Effectiveness.** This Agreement shall not become effective unless and until all the following conditions precedent are satisfied on or before the sixtieth (60) calendar day from the date Caltrans' sends this Agreement to Purchaser:

A. Purchaser shall have: (1) executed and returned two original executed counterparts of this Agreement via certified mail, return receipt requested, to Caltrans and sent a copy thereof to the Escrow Holder, and (2) deposited with Escrow Holder the entire Down Payment contemplated by Section 2.02(A) below;

B. Caltrans thereafter executes this Agreement and delivers a fully executed copy hereof to Escrow Holder; and

A failure of any such conditions to timely occur shall, without further notice or action, result in the full and immediate termination of any offer, obligation, liability or agreement of Caltrans to or with Purchaser or any other person with respect to the Property, whether hereunder or otherwise, immediately upon the expiration of such 60-day period, and Caltrans shall thereafter be free to offer, market and sell the Property to other persons, or otherwise dispose of the same, as Caltrans may, in its sole and absolute discretion determine.

**1.03 Information/Prior Due Diligence.** Purchaser hereby expressly acknowledges and agrees:

A. that it is a sophisticated real estate purchaser and/or investor;
B. that it is fully familiar with and understands the Applicable Laws and the CC&Rs, and the risks and obligations associated therewith and imposed on Purchaser and on the Property thereby, including the purchase thereof under this Agreement, and has had the same explained to it by its independent legal counsel and other advisors;
C. that during the Inspection Period permitted under this Agreement: (A) Purchaser will have full access to the Property and all documents, data, reports and information related thereto requested by Purchaser, and will have the opportunity to undertake and perform any and all additional due diligence, investigation, surveys, reports and studies, with respect thereto, including without limitation the current and past physical and environmental condition of the Property, the condition of title thereto, the compliance thereof with any applicable building codes, permits, approvals, agreements or encumbrances affecting the same (including Applicable Laws), the value thereof, the use, operation, management or occupancy thereof and/or the suitability for Purchaser's intended use thereof, and all other matters referenced in Section 9 below, and (B) Purchaser has obtained any and all financing commitments necessary or desirable to purchase, repair and/or rehabilitate the Property; and
D. that with the aid of such independent experts, contractors, consultants, advisors and professionals (including independent legal counsel and accountants) that it deems necessary, appropriate or desirable, Purchaser will, prior to the Closing Date hereof, evaluate and assess the Property and conduct such independent inquiry, feasibility investigation, inspections and due diligence with respect thereto as Purchaser and/or its advisors deem necessary, advisable or desirable, and will fully and unconditionally approve of and satisfy itself as to the same. As a result, there shall be no further access to the Property except as set forth in this Agreement and no further feasibility, inspection or similar rights or contingencies with respect to the purchase of the Property.
E. Notwithstanding anything herein to the contrary, until the date that is sixty (60)

days after the execution of this Agreement by both parties (Inspection Period), upon reasonable notice but without any contingencies hereunder, Purchaser may access the Property and conduct non-invasive inspection, investigations, tests, observations, inquiries and studies as Purchaser deems appropriate. Purchaser shall promptly pay all expenses arising out of such inspections and other work on or about the Property prior to the Closing Date and shall not allow any mechanic's or materialmen's liens to be recorded on the Property (or promptly cause to be removed or bonded over any such liens if recorded on the Property). Purchaser shall promptly repair any damage to the Property caused by Purchaser's investigations. Purchaser shall coordinate with Caltrans any entry on the Property, execute a waiver and indemnity in the form customarily required by Caltrans prior to entry on Caltrans' property and follow applicable health and safety protocols as reasonably required by Caltrans. Following such period, upon Caltrans' reasonable consent and conditions, Purchaser may obtain access to the Property for a limited number of entries.

F. Purchaser shall promptly notify Caltrans during the Inspection Period of any matters discovered in its review of the Property that would cause Purchaser to terminate this Agreement. If within ten days of such notice, Caltrans notifies Purchaser in writing that it will cure such matters, then Caltrans shall have the opportunity to cure such matters fourteen (14) days prior to the Closing Date. Purchaser has the right to terminate if Caltrans does not agree to cure or if the cure is not completed fourteen (14) (days) prior to the Closing Date. Purchaser has a right to inspect the Property to determine that the discoveries have been cured to its satisfaction. Upon any such termination, Escrow Holder shall remit the deposit to Purchaser.

**SECTION 2. PURCHASE PRICE**

**2.01** **Purchase Price.** The purchase price for the Property shall be **Twenty-Eight Thousand Dollars and zero cents ($28,000.00)** (the **"Purchase Price"**).

**2.02** **Payment.** The Purchase Price shall be paid by Purchaser in cash, lawful money of the United States as set forth below, time being of the essence thereof:

A. **Deposit.** Immediately upon the execution of this Agreement, Purchaser shall deposit with Escrow Holder the sum of **One Thousand Dollars ($1,000.00)** (the **"Deposit"**) in the form of a cashier's check, wire transfer or other immediately available funds. The entire Deposit shall be applicable to the Purchase Price, without interest, shall be non-refundable except as may be expressly set forth in this Agreement, and shall constitute liquidated damages to Caltrans in the event of Purchaser's default in acquiring the Property. Time is of the essence in making the Deposit into escrow, and as provided above is a condition precedent to the effectiveness of this Agreement.

B. **Cash at Close.** One (1) day prior to the close of Escrow (or by 1:00 p.m. of the

close of escrow for funds delivered by wire transfer) the Purchaser shall deposit the balance of the Purchase Price in the amount of **Twenty-Seven Thousand Dollars and zero cents ($27,000.00)** (the **"Cash Balance"**) with Escrow Holder in the form of a cashier's check, wire transfer or other immediately available funds for delivery to Caltrans upon close of escrow hereunder.

**2.03 Acknowledgement.** [Deleted.]

**2.04 No Seller Financing.** Purchaser acknowledges this Agreement is not a financing agreement and neither Caltrans nor any other governmental agency or department has at any time made any representations, warranties, promises or undertakings, express or implied, to provide any financing or other assistance with respect to all or any portion of the Purchase Price or any other obligations of Purchaser hereunder or with respect to the Property, or with respect to any repair, rehabilitation, updating or other activity contemplated by Purchaser with respect thereto. Purchaser has performed all due diligence regarding obtaining funding and/or financing with respect to the Property, including the purchase thereof hereunder, as provided in Section 1.03 above, and has satisfied itself as to the same.

**2.05 Change in Financial Condition.** If either: (i) Purchaser ultimately fails to secure funds for the Purchase Price in the timeframe specified herein, or (ii) the financial condition of the Purchaser changes prior to Close of Escrow so that it is unable to purchase the Property, then in either such event Purchaser shall be in default under this Agreement and Caltrans shall be entitled to exercise its rights and remedies pursuant to Section 12.02 below.

**2.06 Bonds, Taxes and Assessments.** Subject to the specific proration provisions set forth in Section 3.05 below, all real property taxes, supplemental taxes, special taxes, bonds and/ or assessments which are liens on or levied with respect to the Property shall be assumed by Purchaser at close of escrow without reduction of or adjustment to the Purchase Price.

## SECTION 3. ESCROW

**3.01 Opening.** The purchase and sale of the Property shall be consummated by means of Escrow No. OC2509880-TL (a single escrow) which has opened with Fidelity National Title Company, 4400 MacArthur Blvd., Suite 500, Newport Beach, CA, 92660, Attn: Trinh Le, Escrow Officer, email: tlee@fnf.com, Phone (949) 788-2836 (**"Title Company"** or **"Escrow Holder").**

**3.02 Closing.** The closing shall occur upon the recording of the Director's Deed for the Property, and shall occur when the conditions set forth in Article 5 below have all been satisfied or waived, but in no event later than **5:00 pm**_____, 2025 [the one hundred twentieth (120th) calendar day after the full execution of this Agreement]; provided, however, Caltrans shall, upon receipt of written request prior to such date, grant a one-time thirty (30) calendar day extension to close escrow, (such date, as may

be extended, being the **"Closing Date"**).

If at any time prior to the Closing Date, the Property becomes occupied, whether legally or illegally, Caltrans shall notify the Purchaser and Purchaser shall have 30 days to decide whether to proceed with the purchase of the Property. If the 30 days falls outside the Closing Date, the Closing Date shall be extended 10 days past the 30-day expiration. If Purchaser declines to proceed with the purchase of the Property due to the legal or illegal occupation of the Property, this Agreement shall terminate pursuant to the terms hereof. Upon any such termination, Escrow Holder shall remit the deposit to Purchaser.

**3.03 Instructions.** This Agreement shall to the extent applicable, also act as escrow instructions. The parties agree to execute any additional escrow instructions required by the Escrow Holder provided the same shall be consistent with the terms of this Agreement and shall provide that as between the parties, in the event there are any inconsistencies between such supplemental instructions and this Agreement, the terms of this Agreement shall prevail. Escrow Holder is hereby designated the "real estate reporting person" for purposes of Section 6045 of the Internal Revenue Code of 1986, as amended, and Treasury Reg. 1.6045-4, and any instructions or settlement statements prepared by Escrow Holder shall so provide. Escrow Holder shall be responsible for filing any Form 1099-S with the Internal Revenue Service.

**3.04 Costs.** Charges and expenses incurred in connection with the closing hereunder shall be borne by the parties as follows:

A. Purchaser shall pay all: (A) escrow fees, (B) recording fees, (C) transfer taxes, (D) title insurance premiums and fees (whether for ALTA or CLTA coverage), endorsement coverage and survey costs, and (E) any other real estate transaction fees involved in this transaction;

B. If applicable, Purchaser shall pay for and obtain any city/county required inspections and/or occupancy permits, whether required for closing the sale/escrow transaction or not. Caltrans shall provide Purchaser access to the Property as necessary to comply with this provision; and

C. Each party shall bear their own legal, tax and professional fees and costs.

**3.05 Prorations.** All real property taxes, special taxes, assessments, bonds, and all other similar charges imposed or levied upon the Property by any governmental agency or special district, organization or body and any other obligations related to the Property shall be prorated at close as of the Closing Date. With respect to any prorations based upon an estimation, if and when the tax, assessment or other charge related thereto is segregated by the appropriate agency or other persons, within fifteen (15) days thereof, the parties shall adjust said prorations, as necessary, based on such final segregation and pay any such adjustment to the appropriate party. The provisions of this Section 3.05 shall survive the close of escrow and the delivery and recordation of the Director's Deed and CC&Rs hereunder.

**3.06 Escrow Deposits.** On or before the Closing Date, the parties shall make the following deposits into Escrow:

A. **By Caltrans.** At least one (1) business day prior to such closing, Caltrans shall deposit the following documents with Escrow Holder:

(i) an original **Director's Deed** for the Property duly executed by Caltrans and properly acknowledged and otherwise in recordable form, to be recorded in the Official Records of Los Angeles County, California against the Property described therein at close;

(ii) a counterpart original of the **CC&Rs** for the Property duly executed by Caltrans, and the Monitoring Entity properly acknowledged and otherwise in recordable form to be recorded in the Official Records of Los Angeles County, California against the Property described therein at close immediately following the recordation of the Director's Deed for the Property and prior to any financing obtained by Purchaser and to any other encumbrances or agreements being recorded at close with respect to such Property;

(iii) such Non-Foreign Affidavits pursuant to Sections 1445 and/or 7701 of the Internal Revenue Code, as amended, and such California Form 590s pursuant to applicable sections of the California Revenue and Taxation Code, as necessary to comply with such laws and close escrow hereunder, each in form and content reasonably satisfactory to Purchaser and Caltrans;

(iv) such other agreements or documents reasonably necessary from Caltrans to close escrow as may be expressly provided for herein.

B. **By Purchaser.** At least one (1) business day prior to such closing, Purchaser shall deposit the following funds and documents with Escrow Holder:

(i) the **Cash Balance** as provided in Subsection 2.02(b) above;

(ii) a counterpart original of the **CC&Rs** for the Property executed by Purchaser, properly acknowledged and otherwise in recordable form to be recorded in the Official Records of Los Angeles County, California against the Property described therein at close immediately following the recordation of the Director's Deed for such Property and prior to any financing obtained by Purchaser and to any other encumbrances or agreements being recorded at close with respect to such Property;

(iii) all other sums due from Purchaser as provided herein, including without limitation Purchaser's share of closing costs under Section 3.04 above, in the form of wire transfer or other immediately available funds;

(iv) to the extent Purchaser is an entity, certified copies of Purchaser's organizational documents and/or other entity resolutions or other authorizing documents authorizing the execution and delivery of this Agreement and the other documents and agreements contemplated herein, the consummation of all transactions contemplated hereby, and authorizing those persons signing on behalf of Purchaser to bind Purchaser; and

(v) such other agreements, documents, or funds reasonably necessary from Purchaser to close escrow as provided for herein.

**3.07** **Cancelling Escrow.** Caltrans may unilaterally cancel escrow if Purchaser fails to comply with Section 3.06(b) and/or Purchaser defaults after opening escrow but before close of escrow and such failure to comply or default is not remedied or cured within three (3) business days of Caltrans providing notice to Purchaser of such failure or default.

**SECTION 4. AGREEMENTS**

**4.01** **California Transportation Commission Approval and Governing Body Approval.** Purchaser understands and agrees that Caltrans' obligation to sell and convey the Property to Purchaser hereunder is subject to Caltrans first obtaining the written approval of the California Transportation Commission (**"CTC"**) to this Agreement and the sale of the Property hereunder prior to the Closing Date (the **"CTC Approval"**). In the event the CTC fails to approve the sale, all monies deposited into escrow hereunder by Purchaser will be refunded without interest. Caltrans makes no representations, assurances, or warranties, express or implied, concerning the CTC's timely or ultimate approval of this sale.

If applicable, Caltrans understands and agrees that, despite any provision in this Agreement to the contrary, Purchaser's obligation to purchase and accept the Property from Caltrans hereunder is subject to Purchaser first obtaining the written approval of its governing body to this Agreement and the purchase of the Property hereunder prior to the Closing Date. In the event the governing body fails to approve the sale, all monies deposited into escrow hereunder by Purchaser shall be refunded without interest. Purchaser makes no representations, assurances, or warranties, express or implied, concerning the timely or ultimate approval of this sale by its governing body.

**4.02** **Leases.** [Deleted.]

**4.03** **Covenants, Conditions and Restrictions.**

A. Purchaser acknowledges the purchase of the Property shall be subject to a declaration of covenants, conditions, and restrictions as required by Government Code section 54235 et seq. and the Regulations and agrees that Purchaser and its successors in interest shall be bound by the same. Therefore, prior to close, the parties hereto shall execute a Declaration of Covenants, Conditions and

Restrictions agreement in substantially the form of ***Exhibit "C"*** attached hereto (the **"CC&Rs"**) with respect to the Property, which shall, among other things impose certain ongoing restrictions on the use and occupancy of such Property, as well as imposing various limitations on the subsequent resale of such Property both as to whom it may be sold and the amount of equity or other compensation the Purchaser is entitled to retain upon such subsequent transfer. The CC&Rs shall be recorded immediately following the recordation of the Director's Deed for such Property and shall not be subordinated to any financing obtained by Purchaser with respect to such Property or any other agreements recorded against or otherwise first affecting the Property at close of escrow, except as authorized by the CC&Rs. After recordation, the original recorded CC&Rs for the Property shall be returned (mailed) by the Recorder's Office directly to Caltrans, who shall retain possession thereof. The CC&Rs shall constitute covenants and equitable servitudes that run with the land and shall bind Purchaser and all subsequent owners, lessees, occupants, lenders, encumbrancers, and others holding any interest in, lien on or claim to the Property. Purchaser agrees not to challenge or attempt to terminate, limit, or otherwise alter or amend the CC&Rs. The agreements of Purchaser under this Section 4.03 shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs hereunder.

B. **Historical Covenants**

☒ This Property is not subject to Historical Covenants.

☐ This Property is subject to Historical Covenants attached as Exhibit "__" to protect the historic value and characteristics of the Property. The Historical Covenants are in addition to the CC&Rs described in Section 4.03 A.

**4.04 Title.**

A. **Generally.** Purchaser understands and agrees that the right, title, and interest in the Property to be conveyed hereunder shall not exceed that currently vested in Caltrans (after taking into account any and all rights that may be reserved by Caltrans pursuant to the Director's Deed, the CC&Rs or any other agreement contained in or contemplated by this Agreement related to such Property), and that Caltrans will furnish no policy of title insurance with respect to the sale of the Property hereunder. If a policy of title insurance, endorsement or survey coverage is desired, Purchaser may obtain the same at Purchaser's sole expense, provided, however, in no event or circumstance shall obtaining any such title, endorsement or survey coverage) constitute any basis for extending the Closing Date contemplated hereunder. No later than ten business days prior to the expiration of the Inspection Period, Purchaser shall notify Caltrans in writing of its objection to any matter in the preliminary title report or on a survey. Caltrans shall have five business days to notify Purchaser of its election to cure the matter or not, and the absence of any notice shall be deemed an election not to cure the matter. Purchaser shall have the right to terminate this Agreement prior to the expiration of the Inspection Period if Caltrans does not agree to cure such matter, or if Caltrans agrees to but fails to cure the matter on or prior to Closing, then Purchaser shall have the right to terminate at such time. Upon any such termination, Escrow

Holder shall remit the deposit to Purchaser.

B. **Permitted Encumbrances.** At close of escrow hereunder the Property shall be conveyed to Purchaser by a Director's Deed in substantially the form of ***Exhibit "A"*** hereto (a **"Director's Deed"**), with title to the Property being subject to all of the following exceptions and matters (collectively, the **"Permitted Exceptions"**): (1) a lien to secure payment of real estate taxes, supplemental taxes, and special taxes, bonds and assessments; (2) any reservations or limitations contained in the Director's Deed or any prior deed(s) relating to the Property; (3) the CC&Rs; (4) all title exceptions and other matters shown in the preliminary report for such Property other than any items Caltrans has agreed to cure; (5) any and all other matters apparent from a physical inspection thereof and/or that might be revealed by a survey other than any items Caltrans has agreed to cure; and (6) all other matters created by or with the consent or knowledge of Purchaser, or otherwise disclosed or contemplated in this Agreement. Caltrans shall not have, and does not assume, any liability or obligation whatsoever for any encumbrances or other title matters affecting the Property, or the amendment, removal, or other disposition thereof, provided, however, Caltrans agrees not to encumber the Property or enter into any leases, licenses, and other occupancy agreements with respect to the Property ("Leases") during the Escrow Period without the consent of Purchaser.

**4.05 Operation during Escrow Period.** During the period commencing with the effectiveness of this Agreement until the close of escrow hereunder or termination of this Agreement, Caltrans will continue to operate the Property in substantially the same manner as operated as of the date of this Agreement and will not do, cause, or allow anything to be done with respect to the Property that would materially change, alter or modify the current operation of the Property as a vacant property without the prior written consent of Purchaser, which consent shall not be unreasonably withheld or delayed; provided, however, Caltrans shall not under any circumstances be responsible for or have any obligation or liability with respect to any such change, alteration or modification to the extent the same is caused by any tenant or occupant of a Property or any other person without Caltrans' consent or knowledge, or to the extent the same is otherwise beyond Caltrans' reasonable control. Additionally, notwithstanding the foregoing, Caltrans shall be entitled, at its election and without notice to or obtaining the consent of Purchaser, to take any and all actions and make any and all decisions with respect to the Property as Caltrans deems necessary or desirable, in its sole and absolute discretion, in addressing any emergency relating to the Property or the safety of any occupant thereof, making a Property compliant with applicable laws, and/or keeping and maintaining a Property in a safe and habitable condition.

**4.06 Purchaser's Agreements.** With respect to the period prior to the close of escrow Purchaser acknowledges and agrees as follows:

A. **No Changes.** Purchaser shall have no right to take any action with respect to the Property, including, without limitation changing, renewing or terminating any zoning designations, permits, approvals, certificates or other entitlements related thereto (or applying for any such new matters), giving any notices with respect to or otherwise amending or terminating any Leases related thereto, or making or

undertaking any repairs, alterations or additions to the Property and/or any improvements located thereon, in each case without the prior written consent of Caltrans, which may be conditioned or withheld in Caltrans' sole and absolute discretion.

B. **Restrictions.** Purchaser shall not use or take any actions, or permit or suffer its agents, employees, contractors or consultants (collectively, **"Agents"**) to use or take actions, with respect to the Property in a manner which would in any way: (i) interfere with any activities thereon, or the use or occupancy thereof; (ii) constitute a nuisance or result in waste; (iii) result in the cancellation of any insurance being maintained by or on behalf of Caltrans or any tenants, in the increase in the premiums for any such insurance or in the increase of any of Caltrans' other costs; or (iv) damage any improvements or personalty located thereon.

C. **Compliance with Laws Generally.** Purchaser and its Agents shall not enter any Property, nor shall they take any action with respect thereto (or permit or suffer anything to be done in, on or about the Property) which will in any manner violate any title conditions, maps, entitlements, permits, consents, agreements, Leases or any laws, ordinances, governmental rules or regulations now or hereafter in effect with respect thereto and/or the conduct of any activities thereon by Caltrans or any occupants.

D. **Liens.** Purchaser shall at all times keep the Property and Caltrans free from any liens and claims arising out of any and all actions taken, work and labor performed, materials or services furnished and/or damages or personal injuries caused by or on behalf of Purchaser in connection with any activity of Purchaser and/or its Agents with respect to the Property, whether occurring prior to or after the date hereof. Caltrans may require Purchaser to post, at Purchaser's sole cost and expense, a lien release bond or other undertaking, statutory or otherwise, in such amount as necessary to properly bond around any claim filed against Caltrans and/or the Property with respect to such activities (occurring prior to the close of escrow) of Purchaser or its Agents. The bonding obligations of Purchaser under this Subsection 4.06(d) shall be absolute and unconditional and shall survive the close of escrow and the delivery and recordation of the Director's Deed and CC&Rs hereunder and/or the expiration, revocation, or termination of this Agreement.

E. **Compliance with the Act & Regulations**. Purchaser shall at all times comply with the requirements of the Act and the Regulations.

## SECTION 5. CONDITIONS TO CLOSE

**5.01 Conditions to Purchaser's Obligation to Close.** The matters set forth in this Section 5.01 are conditions precedent to the close of escrow by Purchaser as contemplated in this Agreement, and the same may be declared satisfied or waived by Purchaser. In the event any such condition fails to be satisfied in accordance with the terms hereof through no fault of either party, Purchaser shall have the option of either: (i) waiving such condition and proceeding to close without adjustment of the Purchase Price or any of the other terms of this Agreement, or (ii) terminating this Agreement, in which case the

Deposit shall be refunded to Purchaser without interest, and neither party shall have any further rights, liabilities or obligations hereunder except paying their respective share of escrow costs incurred up to such date and observing those obligations expressly stated herein as surviving the termination of this Agreement.

A. **Title.** At closing, the Property shall be conveyed to the Purchaser pursuant to a Director's Deed subject to all the Permitted Exceptions applicable to such Property as contemplated by Section 4.04 hereof.
B. **CTC Approval and Governing Body Approval.** By the Closing Date, the CTC Approval shall and any governing body approval (if applicable) have been unconditionally obtained as contemplated by Section 4.01 hereof.
C. **Documents and Funds.** By the Closing Date, the escrow deposits referenced in Section 3.06(a) above shall have all been made by Caltrans, and the Escrow Holder shall be irrevocably committed to record the Director's Deed in the Official Records of Los Angeles County, California.
D. **Representations/Covenants.** At close: (i) all the representations of Caltrans contained in this Agreement shall be materially true and correct, and (ii) Caltrans shall have materially complied with its covenants contained in this Agreement.

**5.02 Conditions to Caltrans' Obligation to Close.** The matters set forth in this Section 5.02 are conditions precedent to the close of escrow by Caltrans as contemplated in this Agreement, and the same may be declared satisfied or waived by Caltrans. In the event any such condition fails to be satisfied in accordance with the terms hereof through no fault of either party, Caltrans shall have the option of either: (i) waiving such condition and proceeding to close without adjustment of the Purchase Price or any of the other terms of this Agreement, or (ii) terminating this Agreement, in which case the Deposit shall be refunded to Purchaser without interest, and neither party shall have any further rights, liabilities or obligations hereunder except paying their respective share of escrow costs incurred up to such date and observing those obligations expressly stated herein as surviving the termination of this Agreement.

A. **Balance of Purchase Price.** By the Closing Date, Purchaser shall have deposited the entire Cash Balance of the Purchase Price with Escrow Holder as provided in Section 2.02(b) hereof.
B. **CTC Approval.** By the Closing Date, the CTC Approval shall have been unconditionally obtained as contemplated by Section 4.01 hereof.
C. **Documents and Funds.** By the Closing Date, the escrow deposits referenced in Section 3.06(b) above shall have all been made by Purchaser and Escrow Holder shall be irrevocably committed to:
    (i) disburse the Cash Balance to Caltrans,
    (ii) record the Director's Deed, and CC&Rs immediately thereafter as contemplated herein, in the Official Records of Los Angeles County, California, and
    (iii) deliver to Caltrans a fully executed counterpart original any other appropriate documents as contemplated by Section 3.06(b).

D. **Representations/Covenants.** At close: (i) all the representations of Purchaser contained in this Agreement shall be materially true and correct, and (ii) Purchaser shall have materially complied with its covenants contained in this Agreement.

**SECTION 6. POSSESSION**

Possession of the Property shall be delivered to Purchaser on the Closing Date subject to the Permitted Exceptions applicable to the Property.

**SECTION 7. BROKERS**

**7.01 Caltrans.** Caltrans has retained **Veterans Realty Group** to act as a Consultant in connection with the sale of the Property hereunder, and any compensation due to **Veterans Realty Group** in connection with the transactions contemplated by this Agreement shall be paid by Caltrans.

**7.02 No Other Brokers.** Except for Caltrans' retention of **Veterans Realty Group** above, each party hereby represents and warrants to the other party that no broker, finder, real estate agent or other person has been retained by it or is entitled to any commission, finder's fee or other compensation resulting from any action on its part with respect to the sale of the Property to Purchaser. Purchaser and Caltrans each agree to indemnify, defend, and hold the other and the Property harmless from and against any real estate brokerage commissions or finder's fees, and all costs and expenses (including attorneys' fees and costs) of investigating and defending any such claims, payable or alleged to be payable to any other persons in connection with this Agreement which such indemnifying party may have engaged or is claimed or alleged to have engaged. This section does not prohibit Purchaser from obtaining a broker at his/her own expense. The representations, warranties, indemnification, and other obligations set forth in this Section 7.02 shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs and/or the expiration, revocation, or termination of this Agreement.

**SECTION 8. REPRESENTATIONS & WARRANTIES**

**8.01 By Caltrans.** Caltrans hereby makes the following representations and warranties to Purchaser:

A. Authority. Subject to obtaining the CTC Approval, Caltrans has all requisite power and authority to enter into, deliver and perform this Agreement and all the other agreements contemplated herein and to be executed in connection herewith, and the person(s) executing this Agreement and all other agreements contemplated herein on behalf of Caltrans have been properly authorized to sign on behalf of and bind Caltrans in connection with performing the transactions contemplated herein.

B. Binding. Subject to obtaining the CTC Approval, this Agreement and all documents to be executed by Caltrans as provided herein, as of the date of

execution shall, subject to the operation of any bankruptcy or similar laws, be the legal, valid and binding obligations of Caltrans.

C. Information. Except as otherwise set forth in this Agreement, Caltrans has no actual constructive knowledge of any information affecting the Property that had, has or would have a material effect on Purchaser's ability to use and operate the Property as contemplated by Purchaser. Caltrans has provided to Purchaser all material and factual information requested by the Purchaser and/or as required by law concerning the Property that is in Caltrans' possession, custody and control.

D. Compliance with the Act and Regulations: Caltrans conduct in this sales transaction has been in compliance with the Act and corresponding Regulations.

E. Claims. There is no claim, action, suit, arbitration, proceeding (including condemnation proceedings) or any investigation by or before any court or arbitration body, any governmental, administrative or regulatory authority, or any other body pending or, to Caltrans's knowledge, threatened with respect to the Property (collectively, "Allegations"). Caltrans is not aware of any basis or reason for any such Allegations. There is no order, judgment or decree of any court or arbitration body, any governmental, administrative or regulatory authority, or any other body, against Caltrans with respect to the Property or the sales transaction contemplated by this Agreement.

F. No Violation. Neither the execution and delivery of this Agreement, nor the performance by Caltrans of the sales transaction contemplated hereby, will contravene, conflict with, or result in a breach of any agreement, law, regulation, writ, injunction or decree of any court or governmental authority applicable to Caltrans or by which any of its properties is bound. Except for CTC Approval, Caltrans is not required to obtain any consent or authorization in order to complete the sales transaction contemplated by this Agreement.

G. Right to Purchase. Except pursuant to this Agreement, no third party has an option, right of first offer, right of first refusal, or other similar right to purchase the Property that currently remains in effect.

H. Environmental Matters. As requested by Purchaser and/or mandated by law, Caltrans has provided or made available for review copies of any material documents in its possession, custody and control of Caltrans regarding environmental condition of the Property ("Environmental Materials"). Except as set forth in the Environmental Materials, Caltrans is not aware of the existence of any Hazardous Substances (defined in Section 10 below) attributable to or affecting the Property. There have been no settlements reached by or with any third parties alleging the presence, disposal, release or threatened release of any Hazardous Substances from the use or operation of the Property.

I. Leases. The Property is not subject to any Leases, tenancy and/or similar agreements conferring any right, title or interest in the Property to a third party.

J. Contracts. Other than as disclosed in the title reports provided by the Title

Company and this Agreement, there are no agreements affecting the Property.

Each of the representations made by Caltrans in this Agreement shall be true and correct on the date hereof, and shall be deemed to be made again as of the close of escrow provided for herein, and shall then be true and correct in all material respects. Caltrans shall promptly provide written notice to Purchaser of any developments or information that would make the representations set forth above untrue. The representations and warranties set forth in this Section 8.01 shall expressly survive the close of escrow as described in Section 13.12 below.

**8.02 By Purchaser.** Purchaser and the specific parties signing this Agreement on behalf of Purchaser hereby makes the following representations and warranties to Caltrans:

A. Organization. Purchaser is a (Insert either: (1) non-profit corporation or (2) public body, corporate and politic) duly organized, validly existing and in good standing under the laws of the State of California which has the power and authority to enter into this Agreement and to consummate the transactions contemplated hereby.
B. Authority. Subject to obtaining governing body approval, Purchaser has all requisite power and authority to enter into, deliver, and perform this Agreement and all the other agreements contemplated herein and to be executed in connection herewith, and the person(s) executing this Agreement and the other agreements contemplated herein on behalf of Purchaser have been properly authorized to sign on behalf of and bind Purchaser in connection with performing the transactions contemplated herein.
C. Binding. This Agreement and all documents to be executed by Purchaser as contemplated hereunder shall, subject to the operation of any applicable bankruptcy or similar laws, be the legal, valid and binding obligations of Purchaser, and shall not materially violate any law, agreement, order or decree to which Purchaser is a party or is subject.
D. Litigation. There are no pending or threatened, suits or actions affecting Purchaser which would materially affect Purchaser's ability to enter into or perform its obligations under this Agreement or the documents executed in connection herewith.
E. Information / Compliance. All applications, information, financial statements, and other materials provided by Purchaser or its Agents to Caltrans pursuant to or in connection with the Act, the Regulations and or this Agreement are true, correct and not materially misleading; and Purchaser is in compliance with the Act and the Regulations as relates to the Property and the purchase thereof under this Agreement.
F. No Bankruptcy. Purchaser is not the subject of any pending or threatened bankruptcy proceedings, whether voluntary or involuntary.

Each of the representations and warranties made by Purchaser in this Agreement, or on any document or instrument delivered pursuant hereto shall be true and correct on the date hereof, and shall be deemed to be made again as of close of escrow provided for

herein, and shall then be true and correct in all material respects. The representations and warranties of Purchaser contained in this Section 8.02 shall survive the close of escrow and the delivery and recordation of the Director's Deed and CC&Rs.

**SECTION 9. "AS-IS", WAIVERS AND RELEASE**

Purchaser acknowledges and agrees that, except as set forth in this Agreement, neither Caltrans nor any of its respective employees, agents, managers, members, partners, officers, interest holders, attorneys, contractors or consultants, including without limitation the California Department of Housing and Community Development **("HCD")**, (Caltrans and such other persons being collectively, the **"Seller Parties"**) have made or are making, and specifically negate and disclaim making, any representations, warranties, guaranties, promises, covenants or assurances of any kind or character, whether express, implied, written, oral, past, present or future concerning or with respect to the Property, or the condition or status thereof, including without limitation, the suitability for any purpose or the profitability of owning and operating the Property; the value thereof; the existence or non-existence of any patent or latent defects affecting the same; the physical or environmental condition or status thereof (including without limitation the existence of any mold, lead paint, radon gas or other environmental health hazards); the rental or other income generated thereby; the expenses or costs associated therewith; the size and square footage of the parcel or the improvements located thereon, the age or condition of the such improvements, or the location of property lines or setbacks (or the location of the improvements with respect thereto); the zoning thereof; the condition of title thereto; the existence, necessity or satisfaction of any local, state or federal approvals, permits or certificates for the entitlement, ownership, operation, use or occupancy thereof as contemplated by Purchaser or any tenants, occupants or any future owners thereof; the feasibility of or cost associated with obtaining any such approvals; the compliance of the Property with any and all applicable local, state or federal laws, codes and ordinances; or any other matter.

Purchaser further acknowledges that Purchaser, with the help of its independent experts, contractors, consultants, professionals (including independent legal counsel and accountants), and advisors, prior to the Closing Date, will conduct its independent feasibility, investigation, and due diligence inquiry as described in Section 1.03 above with respect to the Property and will fully satisfy itself as to all matters relating thereto. Except for the representations and warranties of Caltrans set forth in this Agreement, Purchaser is relying solely and exclusively on such independent due diligence in executing this Agreement and purchasing the Property hereunder, and not on any representations, warranties, guaranties, promises, covenants or assurances of any kind or character by Caltrans or any other Seller Parties; and the Property is being purchased **"AS-IS" / "WHERE-IS"** at close in its present condition with all defects and faults, both patent and latent, whether known or unknown, presently existing or that may hereafter arise.

Effective on the Closing Date, Purchaser hereby fully and expressly releases Caltrans, HCD and all of the other Seller Parties and their respective agents, employees, attorneys, consultants, successors and assigns from any and all demands, claims, liabilities, amounts,

actions, costs, judgments, expenses and damages (including, without limitation, attorneys' fees, witness fees and court costs) related to or arising from the Property, or the condition or status of thereof or any other matter relating thereto, including without limitation the matters referenced in the first paragraph of this Section 9, (collectively, the "**Released Matters**"); and Purchaser hereby covenants not to sue, and hereby fully and expressly waives and relinquishes any and all rights and remedies Purchaser may have against, Caltrans, HCD and the other Seller Parties and their respective agents, employees, attorneys, consultants, successors and assigns, or any of them, at law, in equity or otherwise, related to or arising from the Released Matters. However, nothing contained herein shall release or be deemed to release Caltrans from claims arising from its fraud or a breach of any representation or warranty by Caltrans contained in this Agreement (the "Preserved Matters"). Preserved Matters shall not be considered Released Matters. Purchaser acknowledges and agrees that the release, waiver and discharge given by Purchaser hereunder to Caltrans, HCD and the other released parties extends to all Released Matters described above, whether known or unknown, foreseen or unforeseen, patent or latent, which Purchaser may now or hereafter have against Caltrans, HCD or such other persons; and in connection with such release, waiver and discharge, Purchaser hereby expressly waives the benefit of the provisions of California Civil Code Section 1542, which provides as follows:

> **"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."**

Purchaser has read this Section 9, has had the effect and content thereof explained to Purchaser by independent legal counsel, and fully understands and appreciates the same. Purchaser understands and acknowledges that, among other things, the consequence of this waiver of California Civil Code section 1542 is that even if Purchaser should eventually discover any claims or suffer any losses or damages arising from the Released Matters, Purchaser would not be able to make any claim against Caltrans, HCD or the other released persons with respect thereto. Purchaser acknowledges that these consequences apply even as to claims, losses or damages resulting from the Released Matters that may exist as of the date of this Agreement or in the future, but which Purchaser does not know exist, or does not anticipate, and which, if known or anticipated, would materially affect Purchaser's decision to execute this Agreement. The waivers, releases, covenants not to sue and discharges contained in this Section 9 are a material portion of the consideration to Caltrans in agreeing to enter into this Agreement and shall survive the close of escrow and the delivery and recordation of Director's Deed and the CC&Rs in perpetuity.

**SECTION 10. <u>INDEMNIFICATION</u>**

Following the closing of the transaction contemplated herein, except as provided below,

Purchaser shall, at its sole cost and expense, indemnify, defend and hold Caltrans and its officers, agents, employees, attorneys and consultants, including without limitation, HCD, and their respective successors and assigns (collectively, the **"Indemnified Parties"**), free and harmless from and against any and all liabilities, demands, claims and costs (including remediation, reimbursement or contribution costs or claims), damages, losses, and expenses (including and without limitation to attorneys' fees, legal expenses and court costs, and consultant's fees, and investigation and remediation costs) of whatever kind or nature incurred or suffered by, or threatened against, any Property or any Indemnified Party(ies) resulting from or arising out of or by reason of any matter pertaining to the condition or status of the Property, including without limitation, the existence of any Hazardous Substances or Hazardous Substance Conditions in, on, under or about the Property (collectively, "Claims"). Except as provided below, this indemnity is intended to address any and all liability for which Caltrans may now or at any time hereafter be partially or entirely responsible in connection with the contamination, environmental or physical condition or status of any Property, including the prior operation thereof, due to its mere ownership or operation of such Property. As used in this Agreement, the term **"Hazardous Substance"** shall mean any substance whose nature and/or quantity of existence, use, manufacture, disposal or effect, render it subject to federal, state, or local regulation, investigation, remediation or removal as potentially injurious to public health or welfare, including the Comprehensive Environmental Response Compensation and Liability Act or Resource Conservation and Recovery Act as now in effect; and the term **"Hazardous Substance Condition"** shall mean the existence in, on, under or about the Property of a hazardous substance that requires remediation, removal, mitigation and/or other action pursuant to applicable law. This indemnification shall in no event apply to (i) Claims to which Caltrans representations and warranties apply, (ii) any Claims involving Caltrans' willful misconduct, gross negligence or fraud, and (iii) any Claims relating to challenges to Caltrans' acquisition or disposition of the Property.

Purchaser's indemnification and defense of any matters contemplated in this Section 10 for or on behalf of the Property or any Indemnified Parties shall be made by counsel reasonably acceptable to the Indemnified Parties; shall commence immediately upon any such claim or matter being made, threatened, or asserted against Indemnified Parties or the Property without the necessity of the Indemnified Parties first contesting or defending the same, suffering or incurring any loss or adverse disposition, or otherwise taking or failing to take any other action; and shall apply to all such matters regardless of any action, failure or negligence of the Indemnified Parties, it being the express intent that the indemnification, defense and hold harmless obligations of this Section 10 apply to all matters referenced herein except to the extent caused by the gross negligence or willful misconduct of the Indemnified Parties. In the event Purchaser refuses to initiate or continue pursuing to completion any such defense or other obligations hereunder, Indemnitee shall be entitled to undertake, assume, and/or conclude the same, all at Purchaser's sole cost and expense, with counsel selected by Indemnitee. The obligations of Purchaser under this Section 10 shall be absolute and unconditional, and shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs.

**SECTION 11. CASUALTY/CONDEMNATION**

In the event any casualty or condemnation proceeding occurs or is commenced with respect to the Property after the effectiveness hereof but prior to the close of escrow, Caltrans shall notify Purchaser of the same in writing within ten (10) business days after Caltrans has knowledge of the same, and either of the following shall occur:

(A) If Purchaser does not elect to cancel within seven (7) business days after receipt of such notice by Purchaser, the parties shall continue to proceed under this Agreement and close without adjustment to the Purchase Price or any of the other provisions of this Agreement, in which event upon the close of escrow, Caltrans shall assign to Purchaser all of its interest in any such insurance or condemnation proceeds, compensation, award, or other payments or relief resulting from such casualty or condemnation proceedings; or

(B) If Purchaser elects to cancel, and Purchaser provides written notification to Caltrans of its election to terminate this Agreement within such 7-day period, then this Agreement shall terminate, the Deposit shall be returned to Purchaser without interest, and Caltrans shall retain all proceeds, compensation, awards, payments and other benefits or relief related to such casualty and condemnation with respect to the Property.

**SECTION 12. REMEDIES**

**12.01 Of Purchaser.** If the closing does not occur as a result of Caltrans' default under this Agreement, then, provided Purchaser is not in default hereunder, Purchaser may, at its election proceed with either of the following mutually exclusive alternatives as its sole and exclusive remedy:

A. Terminate the Agreement, whereupon: (1) the Deposit shall be returned to Purchaser without interest, (2) Purchaser may seek reimbursement from Caltrans of any and all hard third-party costs and expenses incurred by Purchaser in connection the investigation of the Property or the negotiation and execution of this Agreement, as evidenced by invoices delivered to Caltrans, up to the maximum aggregate amount of fifteen thousand Dollars ($15,000), and (3) neither party shall have any further obligation or liability to the other under this Agreement except for provisions of this Agreement which expressly state that they shall survive the termination of this Agreement; or

B. File in a court of competent jurisdiction an action for specific performance to cause Caltrans to convey the Property to Purchaser in accordance with the terms and conditions of this Agreement; but Purchaser shall not be entitled to recover any monetary damages (whether compensatory, consequential, exemplary, punitive or other) from Caltrans in connection with such default other than seeking

its reasonable attorneys' fees in connection with such action.

**PURCHASER ACKNOWLEDGES AND AGREES THAT THE LIMITATIONS ON REMEDIES AGAINST CALTRANS SET FORTH IN THIS SECTION 12.01 ARE A MATERIAL INDUCEMENT FOR CALTRANS TO ENTER INTO THIS AGREEMENT, AND PURCHASER AGREES THAT SUCH LIMITATIONS ARE REASONABLE AND ENFORCEABLE IN ACCORDANCE WITH THEIR TERMS.**

**12.02 Of Caltrans. LIQUIDATED DAMAGES. PURCHASER AND CALTRANS AGREE THAT SHOULD PURCHASER FAIL TO COMPLETE THE PURCHASE OF THE PROPERTY AS HEREIN PROVIDED BY REASON OF DEFAULT OF PURCHASER, THE PARTIES HERETO, BY INITIALING THIS SECTION 12.02 IN THE SPACE PROVIDED BELOW, AGREE THAT IT WOULD BE IMPRACTICAL OR EXTREMELY DIFFICULT TO ASCERTAIN OR FIX ACTUAL DAMAGES TO CALTRANS AS A RESULT OF SUCH FAILURE OR DEFAULT BY PURCHASER, THAT UNDER THE CIRCUMSTANCES EXISTING AS OF THE DATE OF THIS AGREEMENT THE ENTIRE DEPOSIT PROVIDED FOR IN SECTION 2.02(A) ABOVE IS A REASONABLE ESTIMATE OF CALTRANS' DAMAGES, AND THAT AS CALTRANS' SOLE AND EXCLUSIVE REMEDIES ON ACCOUNT OF SUCH BREACH, CALTRANS SHALL BE ENTITLED TO: (1) RETAIN SAID DEPOSIT AS LIQUIDATED DAMAGES FOR SUCH BREACH BY PURCHASER AND (2) TERMINATE THIS AGREEMENT. THE PAYMENT OF SUCH AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO CALTRANS PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677.**

**THE PROVISIONS HEREOF RELATE ONLY TO CALTRANS' DAMAGES FOR PURCHASER'S DEFAULTS IN ITS AGREEMENT TO PURCHASE THE PROPERTY AS PROVIDED HEREIN. NOTHING CONTAINED HEREIN SHALL LIMIT OR PRECLUDE, OR BE DEEMED TO LIMIT OR PRECLUDE, THE EXERCISE OR ENFORCEMENT BY CALTRANS OF ANY RIGHTS WHICH EXPRESSLY SURVIVE THE TERMINATION OF THIS AGREEMENT.**

**Purchaser's Initials:** _____ **Caltrans' Initials:** _____

**SECTION 13. MISCELLANEOUS**

**13.01 Headings.** This Agreement shall be construed as a whole, and the subject headings of the paragraphs and subparagraphs of this Agreement are included for convenience only and shall not affect the construction or interpretation of any of its provisions or define the provisions in the portions of this Agreement to which they pertain.

**13.02 Assignment.** Purchaser may not assign this Agreement, or any portion hereof or any of its rights or interests hereunder, without the express prior written consent of Caltrans, which consent may be conditioned or withheld in Caltrans' sole and absolute discretion, except as set forth herein. Purchaser may, without Caltrans' consent, but upon notice to Caltrans and Escrow Holder, assign any or all of its rights in, to or under this Agreement to an entity or instrumentality that is wholly controlled by Purchaser. No such assignment (regardless of whether consented to by Caltrans) shall relieve or release

its reasonable attorneys' fees in connection with such action.

**PURCHASER ACKNOWLEDGES AND AGREES THAT THE LIMITATIONS ON REMEDIES AGAINST CALTRANS SET FORTH IN THIS SECTION 12.01 ARE A MATERIAL INDUCEMENT FOR CALTRANS TO ENTER INTO THIS AGREEMENT, AND PURCHASER AGREES THAT SUCH LIMITATIONS ARE REASONABLE AND ENFORCEABLE IN ACCORDANCE WITH THEIR TERMS.**

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**Purchaser's Initials:** _____ **Caltrans' Initials:** A.C

**SECTION 13. MISCELLANEOUS**

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**13.02 Assignment.** Purchaser may not assign this Agreement, or any portion hereof or any of its rights or interests hereunder, without the express prior written consent of Caltrans, which consent may be conditioned or withheld in Caltrans' sole and absolute discretion, except as set forth herein. Purchaser may, without Caltrans' consent, but upon notice to Caltrans and Escrow Holder, assign any or all of its rights in, to or under this Agreement to an entity or instrumentality that is wholly controlled by Purchaser. No such assignment (regardless of whether consented to by Caltrans) shall relieve or release

Purchaser from any of its obligations hereunder. As a condition to the effectiveness of such assignment, all assignees shall execute an assumption agreement reasonably acceptable to Caltrans under which the proposed assignee agrees to fully assume and be bound by all the terms of this Agreement to be observed or performed by Purchaser.

Caltrans shall be free to assign this Agreement, or any portion hereof or any of its rights or interests hereunder, without the consent or approval of Purchaser.

**13.03 Entire Agreement / Amendment.** This Agreement (including all exhibits and schedules hereto and other agreements referenced herein) constitute the entire agreement between the parties pertaining to the subject matter contained herein and supersede all prior written or oral agreements, representations and understandings of the parties relating to the subject matter herein. There are no representations, agreements, arrangements, or understandings, oral or written, relating to the subject matter which are not fully expressed herein. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by all the parties hereto.

This Agreement does not affect the enforceability of other written contracts related to the use and resale of the Property or to preserving the historic nature of the Property.

**13.04 Counterparts.** This Agreement may be executed simultaneously in one or more identical counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. This Agreement shall be fully effective and binding on all parties hereto, as if one or more copies thereof had been executed by all the parties hereto, when all the parties have executed identical counterparts hereof, even though no single counterpart has been executed by all the parties hereto.

**13.05 Binding / Successor & Assigns.** Except to the extent assignment hereof is prohibited, this Agreement shall be binding on, and shall inure to the benefit of, the parties hereto and their successors and assigns.

**13.06 Attorneys' Fees.** If any legal action, arbitration or other proceeding is brought by either party involving a dispute between the parties arising out of the interpretation or enforcement of any condition or provision hereof, or by reason of any breach arising hereunder or the sale of the Property, the prevailing party shall be entitled to recover its reasonable attorneys' fees, court costs and expert witness fees incurred in such action or proceeding in addition to any other relief to which such party may be entitled.

**13.07 Further Acts.** Each party agrees to perform any further acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions in this Agreement.

**13.08 Limited Third-Party Beneficiaries.** Subject to the remainder of this Section 13.08,

this Agreement is for the sole benefit of the parties hereto and there are no third-party beneficiaries, intended or otherwise. Notwithstanding the foregoing, HCD and the other Seller Parties (and other released persons) are intended third-party beneficiaries of Section 9 hereof, and HCD and the other Indemnified Parties are intended third party beneficiaries of Section 10 hereof.

**13.09 Notices.** All notices, requests, demands, and other communications required or desired under this Agreement shall be in writing and shall be given by any of the following methods: (i) personal service at the address set forth below, (ii) email transmission in the manner set forth below, or (iii) depositing such notice in the United States mail postage prepaid, addressed to the other as follows:

Caltrans
Division of Right of Way – SR-710, MS6
100 South Main Street
Los Angeles, CA 90012

City of South Pasadena
City Manager
1414 Mission Street
South Pasadena, CA 91030

Any notice given by personal service shall be deemed given when received, as verified by a written receipt or proof of service. Any notice given by email transmission shall be deemed given when transmitted, as evidenced by printed email; and any notice given by regular mail shall be deemed given on the fifth (5th) business day after its deposit in the United States mail postage prepaid.

Either party may change its address for purposes of this paragraph by giving the other party written notice of the new address to the other party at the address contained herein.

**13.10 Governing Law.** This Agreement has been prepared, negotiated, and entered into in the State of California and shall be governed by, construed and enforced in accordance with the internal laws of the State of California and according to its fair meaning, and not in favor of or against any party. Any action or proceeding relating or arising out of this Agreement shall be filed, if a State action, in the Superior Court of the State of California for the County of Los Angeles.

**13.11 Severability.** If any provision of this Agreement, or the application thereof to any person or circumstance, is held invalid or unenforceable by any court or arbitrator, it is the intent of the parties that all the other provisions of this Agreement, and the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall be construed to be fully valid, enforceable and binding on the parties to the fullest extent permitted by law.

**13.12 Survival / No Merger.** All covenants, representations, warranties, and other agreements under this Agreement which are expressly stated herein as surviving the close of escrow shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs in perpetuity, and shall not merge with or into the Director's Deed or the CC&Rs (or be terminated, limited or otherwise affected thereby).

**13.13 Time is of the Essence.** Time is of the essence of this Agreement in respect to all provisions of this Agreement that specify a time for performance, including the closing of escrow provided for herein, and failure to comply with this provision shall be a material breach of this Agreement.

**13.14 Days / Saturdays, Sundays, and Holidays.** Unless otherwise expressly stated, all time periods referred to herein shall be deemed to mean calendar days. If any date by which an election or a notice shall be given, or by which an action shall be taken, hereunder falls on a Saturday, Sunday, federal or state holiday, then the date by which such election or notice shall be given or such action shall be taken is extended to 5:00 p.m. on the next business day following such Saturday, Sunday, federal or state holiday.

**13.15 Waiver.** Waiver by one party of the performance of any covenant, condition or promise shall not invalidate this Agreement, nor shall it be a waiver by such party of such covenant, condition or promise in the future or of any other covenant, condition, or promise hereunder. Any waiver, to be effective, shall be express, in writing and signed by the waiving party, and shall be delivered to the other party. The exercise by a party of any remedy provided in this Agreement or at law shall not prevent the exercise by that party of any other remedy provided in this Agreement or at law.

**13.16 Construction.** As used in this Agreement, the masculine, feminine, or neuter gender and the singular or plural numbers shall each be deemed to include the other whenever the context so indicates. Each party hereto acknowledges and agrees that each has had independent counsel review and participated in the negotiation and drafting of this Agreement, and each hereby fully waives the application of any law, statute or rule of construction or interpretation, including without limitation California Civil Code Section 1654, to the effect that any ambiguities are to be construed against the drafting party.

**13.17 Exhibits.** All exhibits and schedules attached to this Agreement are hereby incorporated by reference herein and specifically made a part of this Agreement.

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

CALTRANS:

Recommended for Approval by:

STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION

By: _____ Date: _____
Angus Chan
Senior Right of Way Agent

By: _____ Date: _____
Heriberto Salazar
Office Chief, 710 Sales

Approved:

By: _____ Date: _____
Dan Murdoch
Deputy District Director, Right of Way

PURCHASER: CITY OF SOUTH PASADENA

By: Todd Hileman Date: 11/12/2025
Todd Hileman, City Manager
City of South Pasadena

Attest:

By: _____ Date: 11/12/2025
Deputy City Clerk

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

CALTRANS:

Recommended for Approval by:

STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION

By: _____ Date: Nov 17, 2025
Angus Chan
Senior Right of Way Agent

By: _____ Date: 11-20-25
Heriberto Salazar
Office Chief, 710 Sales

Approved:

By: _____ Date: 11/20/25
Dan Murdoch
Deputy District Director, Right of Way

PURCHASER: CITY OF SOUTH PASADENA

By: _____ Date: _____
Todd Hileman, City Manager
City of South Pasadena

Attest:

By: _____ Date: _____
Deputy City Clerk

## Attached Exhibits

| | |
|---|---|
| ***Exhibits "A"*** | *Director's Deed/Legal Description of Property* |
| ***Exhibit "B"*** | *Deleted* |
| ***Exhibit "C"*** | *Declaration of Covenants, Conditions & Restrictions* |
| ***Exhibit "D"*** | Historical Covenants (only included if applicable) |

# STATE ROUTE 710 SALES PROGRAM
# PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("**Agreement**") is entered into as of June 4, 2025, by and between the State of California, Department of Transportation ("**Caltrans**") and the City of South Pasadena, a Municipal Corporation.

**Recitals**

A. Caltrans owns the real property located in Los Angeles County, California commonly known as: **808 Valley View Rd., South Pasadena, CA 91030** and more particularly described as set forth in ***Exhibit "A"***, respectively, attached hereto ("**Property**").

B. The parties wish to provide terms and conditions for Purchaser's purchase of the Property from Caltrans. The State Route 710 Sales Program described in Government Code section 54235 et seq. (the "**Act**") and Title 21 Public Works Division 2 Department of Transportation, Chapter 9.5 (the "**Regulations**") provide for the offering of State-owned, surplus residential properties to the City of South Pasadena at the Minimum Sales Price pursuant to 21 CCR § 1483(a)(1), for the purpose of providing affordable housing to low- and moderate-income households. Purchaser and Caltrans acknowledge the Property is subject to the terms of this Agreement, the aforementioned law and regulations, and the Declaration of Covenants, Conditions, and Restrictions (**CC&Rs**), as defined below, to be recorded against the Property upon the close of escrow hereunder.

**NOW, THEREFORE,** in consideration of the foregoing premises, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

## SECTION 1. PURCHASE AND SALE

**1.01 Purchase and Sale.** Caltrans shall sell the Property to Purchaser, and Purchaser shall purchase the Property from Caltrans pursuant to the terms, limitations and conditions stated in this Agreement in accordance with the Act, the Regulations and other applicable laws, rules, and regulations (collectively, "**Applicable Laws**").

**1.02 Conditions Precedent to Effectiveness.** This Agreement shall not become effective unless and until all the following conditions precedent are satisfied on or before the sixtieth (60) calendar day from the date Caltrans' sends this Agreement to Purchaser:

A. Purchaser shall have: (1) executed and returned two original executed counterparts of this Agreement via certified mail, return receipt requested, to Caltrans and sent a copy thereof to the Escrow Holder, and (2) deposited with Escrow Holder the entire Down Payment contemplated by Section 2.02(A) below;

B. Caltrans thereafter executes this Agreement and delivers a fully executed copy hereof to Escrow Holder; and

A failure of any such conditions to timely occur shall, without further notice or action, result in the full and immediate termination of any offer, obligation, liability or agreement of Caltrans to or with Purchaser or any other person with respect to the Property, whether hereunder or otherwise, immediately upon the expiration of such 60-day period, and Caltrans shall thereafter be free to offer, market and sell the Property to other persons, or otherwise dispose of the same, as Caltrans may, in its sole and absolute discretion determine.

**1.03 Information/Prior Due Diligence.** Purchaser hereby expressly acknowledges and agrees:

A. that it is a sophisticated real estate purchaser and/or investor;
B. that it is fully familiar with and understands the Applicable Laws and the CC&Rs, and the risks and obligations associated therewith and imposed on Purchaser and on the Property thereby, including the purchase thereof under this Agreement, and has had the same explained to it by its independent legal counsel and other advisors;
C. that during the Inspection Period permitted under this Agreement: (A) Purchaser will have full access to the Property and all documents, data, reports and information related thereto requested by Purchaser, and will have the opportunity to undertake and perform any and all additional due diligence, investigation, surveys, reports and studies, with respect thereto, including without limitation the current and past physical and environmental condition of the Property, the condition of title thereto, the compliance thereof with any applicable building codes, permits, approvals, agreements or encumbrances affecting the same (including Applicable Laws), the value thereof, the use, operation, management or occupancy thereof and/or the suitability for Purchaser's intended use thereof, and all other matters referenced in Section 9 below, and (B) Purchaser has obtained any and all financing commitments necessary or desirable to purchase, repair and/or rehabilitate the Property; and
D. that with the aid of such independent experts, contractors, consultants, advisors and professionals (including independent legal counsel and accountants) that it deems necessary, appropriate or desirable, Purchaser will, prior to the Closing Date hereof, evaluate and assess the Property and conduct such independent inquiry, feasibility investigation, inspections and due diligence with respect thereto as Purchaser and/or its advisors deem necessary, advisable or desirable, and will fully and unconditionally approve of and satisfy itself as to the same. As a result, there shall be no further access to the Property except as set forth in this Agreement and no further feasibility, inspection or similar rights or contingencies with respect to the purchase of the Property.
E. Notwithstanding anything herein to the contrary, until the date that is sixty (60)

days after the execution of this Agreement by both parties (Inspection Period), upon reasonable notice but without any contingencies hereunder, Purchaser may access the Property and conduct non-invasive inspection, investigations, tests, observations, inquiries and studies as Purchaser deems appropriate. Purchaser shall promptly pay all expenses arising out of such inspections and other work on or about the Property prior to the Closing Date and shall not allow any mechanic's or materialmen's liens to be recorded on the Property (or promptly cause to be removed or bonded over any such liens if recorded on the Property). Purchaser shall promptly repair any damage to the Property caused by Purchaser's investigations. Purchaser shall coordinate with Caltrans any entry on the Property, execute a waiver and indemnity in the form customarily required by Caltrans prior to entry on Caltrans' property and follow applicable health and safety protocols as reasonably required by Caltrans. Following such period, upon Caltrans' reasonable consent and conditions, Purchaser may obtain access to the Property for a limited number of entries.

F. Purchaser shall promptly notify Caltrans during the Inspection Period of any matters discovered in its review of the Property that would cause Purchaser to terminate this Agreement. If within ten days of such notice, Caltrans notifies Purchaser in writing that it will cure such matters, then Caltrans shall have the opportunity to cure such matters fourteen (14) days prior to the Closing Date. Purchaser has the right to terminate if Caltrans does not agree to cure or if the cure is not completed fourteen (14) (days) prior to the Closing Date. Purchaser has a right to inspect the Property to determine that the discoveries have been cured to its satisfaction. Upon any such termination, Escrow Holder shall remit the deposit to Purchaser.

**SECTION 2. PURCHASE PRICE**

**2.01 Purchase Price.** The purchase price for the Property shall be **Thirty-Four Thousand Dollars and zero cents ($34,000.00)** (the **"Purchase Price"**).

**2.02 Payment.** The Purchase Price shall be paid by Purchaser in cash, lawful money of the United States as set forth below, time being of the essence thereof:

A. **Deposit.** Immediately upon the execution of this Agreement, Purchaser shall deposit with Escrow Holder the sum of **One Thousand Dollars ($1,000.00)** (the **"Deposit"**) in the form of a cashier's check, wire transfer or other immediately available funds. The entire Deposit shall be applicable to the Purchase Price, without interest, shall be non-refundable except as may be expressly set forth in this Agreement, and shall constitute liquidated damages to Caltrans in the event of Purchaser's default in acquiring the Property. Time is of the essence in making the Deposit into escrow, and as provided above is a condition precedent to the effectiveness of this Agreement.

B. **Cash at Close.** One (1) day prior to the close of Escrow (or by 1:00 p.m. of the

close of escrow for funds delivered by wire transfer) the Purchaser shall deposit the balance of the Purchase Price in the amount of **Thirty-Three Thousand Dollars and zero cents ($33,000.00)** (the **"Cash Balance"**) with Escrow Holder in the form of a cashier's check, wire transfer or other immediately available funds for delivery to Caltrans upon close of escrow hereunder.

**2.03 Acknowledgement.** [Deleted.]

**2.04 No Seller Financing.** Purchaser acknowledges this Agreement is not a financing agreement and neither Caltrans nor any other governmental agency or department has at any time made any representations, warranties, promises or undertakings, express or implied, to provide any financing or other assistance with respect to all or any portion of the Purchase Price or any other obligations of Purchaser hereunder or with respect to the Property, or with respect to any repair, rehabilitation, updating or other activity contemplated by Purchaser with respect thereto. Purchaser has performed all due diligence regarding obtaining funding and/or financing with respect to the Property, including the purchase thereof hereunder, as provided in Section 1.03 above, and has satisfied itself as to the same.

**2.05 Change in Financial Condition.** If either: (i) Purchaser ultimately fails to secure funds for the Purchase Price in the timeframe specified herein, or (ii) the financial condition of the Purchaser changes prior to Close of Escrow so that it is unable to purchase the Property, then in either such event Purchaser shall be in default under this Agreement and Caltrans shall be entitled to exercise its rights and remedies pursuant to Section 12.02 below.

**2.06 Bonds, Taxes and Assessments.** Subject to the specific proration provisions set forth in Section 3.05 below, all real property taxes, supplemental taxes, special taxes, bonds and/ or assessments which are liens on or levied with respect to the Property shall be assumed by Purchaser at close of escrow without reduction of or adjustment to the Purchase Price.

## SECTION 3. ESCROW

**3.01 Opening.** The purchase and sale of the Property shall be consummated by means of Escrow No. OC2509881-TL (a single escrow) which has opened with Fidelity National Title Company, 4400 MacArthur Blvd., Suite 500, Newport Beach, CA, 92660, Attn: Trinh Le, Escrow Officer, email: tlee@fnf.com, Phone (949) 788-2836 (**"Title Company"** or **"Escrow Holder").**

**3.02 Closing.** The closing shall occur upon the recording of the Director's Deed for the Property, and shall occur when the conditions set forth in Article 5 below have all been satisfied or waived, but in no event later than **5:00 pm**_____, 2025 [the one hundred twentieth (120th) calendar day after the full execution of this Agreement]; provided, however, Caltrans shall, upon receipt of written request prior to such date, grant a one-time thirty (30) calendar day extension to close escrow, (such date, as may

be extended, being the **"Closing Date"**).

If at any time prior to the Closing Date, the Property becomes occupied, whether legally or illegally, Caltrans shall notify the Purchaser and Purchaser shall have 30 days to decide whether to proceed with the purchase of the Property. If the 30 days falls outside the Closing Date, the Closing Date shall be extended 10 days past the 30-day expiration. If Purchaser declines to proceed with the purchase of the Property due to the legal or illegal occupation of the Property, this Agreement shall terminate pursuant to the terms hereof. Upon any such termination, Escrow Holder shall remit the deposit to Purchaser.

**3.03 Instructions.** This Agreement shall to the extent applicable, also act as escrow instructions. The parties agree to execute any additional escrow instructions required by the Escrow Holder provided the same shall be consistent with the terms of this Agreement and shall provide that as between the parties, in the event there are any inconsistencies between such supplemental instructions and this Agreement, the terms of this Agreement shall prevail. Escrow Holder is hereby designated the "real estate reporting person" for purposes of Section 6045 of the Internal Revenue Code of 1986, as amended, and Treasury Reg. 1.6045-4, and any instructions or settlement statements prepared by Escrow Holder shall so provide. Escrow Holder shall be responsible for filing any Form 1099-S with the Internal Revenue Service.

**3.04 Costs.** Charges and expenses incurred in connection with the closing hereunder shall be borne by the parties as follows:

A. Purchaser shall pay all: (A) escrow fees, (B) recording fees, (C) transfer taxes, (D) title insurance premiums and fees (whether for ALTA or CLTA coverage), endorsement coverage and survey costs, and (E) any other real estate transaction fees involved in this transaction;

B. If applicable, Purchaser shall pay for and obtain any city/county required inspections and/or occupancy permits, whether required for closing the sale/escrow transaction or not. Caltrans shall provide Purchaser access to the Property as necessary to comply with this provision; and

C. Each party shall bear their own legal, tax and professional fees and costs.

**3.05 Prorations.** All real property taxes, special taxes, assessments, bonds, and all other similar charges imposed or levied upon the Property by any governmental agency or special district, organization or body and any other obligations related to the Property shall be prorated at close as of the Closing Date. With respect to any prorations based upon an estimation, if and when the tax, assessment or other charge related thereto is segregated by the appropriate agency or other persons, within fifteen (15) days thereof, the parties shall adjust said prorations, as necessary, based on such final segregation and pay any such adjustment to the appropriate party. The provisions of this Section 3.05 shall survive the close of escrow and the delivery and recordation of the Director's Deed and CC&Rs hereunder.

**3.06 Escrow Deposits.** On or before the Closing Date, the parties shall make the following deposits into Escrow:

A. **By Caltrans.** At least one (1) business day prior to such closing, Caltrans shall deposit the following documents with Escrow Holder:

(i) an original **Director's Deed** for the Property duly executed by Caltrans and properly acknowledged and otherwise in recordable form, to be recorded in the Official Records of Los Angeles County, California against the Property described therein at close;

(ii) a counterpart original of the **CC&Rs** for the Property duly executed by Caltrans, and the Monitoring Entity properly acknowledged and otherwise in recordable form to be recorded in the Official Records of Los Angeles County, California against the Property described therein at close immediately following the recordation of the Director's Deed for the Property and prior to any financing obtained by Purchaser and to any other encumbrances or agreements being recorded at close with respect to such Property;

(iii) such Non-Foreign Affidavits pursuant to Sections 1445 and/or 7701 of the Internal Revenue Code, as amended, and such California Form 590s pursuant to applicable sections of the California Revenue and Taxation Code, as necessary to comply with such laws and close escrow hereunder, each in form and content reasonably satisfactory to Purchaser and Caltrans;

(iv) such other agreements or documents reasonably necessary from Caltrans to close escrow as may be expressly provided for herein.

B. **By Purchaser.** At least one (1) business day prior to such closing, Purchaser shall deposit the following funds and documents with Escrow Holder:

(i) the **Cash Balance** as provided in Subsection 2.02(b) above;

(ii) a counterpart original of the **CC&Rs** for the Property executed by Purchaser, properly acknowledged and otherwise in recordable form to be recorded in the Official Records of Los Angeles County, California against the Property described therein at close immediately following the recordation of the Director's Deed for such Property and prior to any financing obtained by Purchaser and to any other encumbrances or agreements being recorded at close with respect to such Property;

(iii) all other sums due from Purchaser as provided herein, including without limitation Purchaser's share of closing costs under Section 3.04 above, in the form of wire transfer or other immediately available funds;

(iv) to the extent Purchaser is an entity, certified copies of Purchaser's organizational documents and/or other entity resolutions or other authorizing documents authorizing the execution and delivery of this Agreement and the other documents and agreements contemplated herein, the consummation of all transactions contemplated hereby, and authorizing those persons signing on behalf of Purchaser to bind Purchaser; and

(v) such other agreements, documents, or funds reasonably necessary from Purchaser to close escrow as provided for herein.

**3.07** **Cancelling Escrow.** Caltrans may unilaterally cancel escrow if Purchaser fails to comply with Section 3.06(b) and/or Purchaser defaults after opening escrow but before close of escrow and such failure to comply or default is not remedied or cured within three (3) business days of Caltrans providing notice to Purchaser of such failure or default.

**SECTION 4. AGREEMENTS**

**4.01** **California Transportation Commission Approval and Governing Body Approval.** Purchaser understands and agrees that Caltrans' obligation to sell and convey the Property to Purchaser hereunder is subject to Caltrans first obtaining the written approval of the California Transportation Commission (**"CTC"**) to this Agreement and the sale of the Property hereunder prior to the Closing Date (the **"CTC Approval"**). In the event the CTC fails to approve the sale, all monies deposited into escrow hereunder by Purchaser will be refunded without interest. Caltrans makes no representations, assurances, or warranties, express or implied, concerning the CTC's timely or ultimate approval of this sale.

If applicable, Caltrans understands and agrees that, despite any provision in this Agreement to the contrary, Purchaser's obligation to purchase and accept the Property from Caltrans hereunder is subject to Purchaser first obtaining the written approval of its governing body to this Agreement and the purchase of the Property hereunder prior to the Closing Date. In the event the governing body fails to approve the sale, all monies deposited into escrow hereunder by Purchaser shall be refunded without interest. Purchaser makes no representations, assurances, or warranties, express or implied, concerning the timely or ultimate approval of this sale by its governing body.

**4.02** **Leases.** [Deleted.]

**4.03** **Covenants, Conditions and Restrictions.**

A. Purchaser acknowledges the purchase of the Property shall be subject to a declaration of covenants, conditions, and restrictions as required by Government Code section 54235 et seq. and the Regulations and agrees that Purchaser and its successors in interest shall be bound by the same. Therefore, prior to close, the parties hereto shall execute a Declaration of Covenants, Conditions and

Restrictions agreement in substantially the form of ***Exhibit "C"*** attached hereto (the **"CC&Rs"**) with respect to the Property, which shall, among other things impose certain ongoing restrictions on the use and occupancy of such Property, as well as imposing various limitations on the subsequent resale of such Property both as to whom it may be sold and the amount of equity or other compensation the Purchaser is entitled to retain upon such subsequent transfer. The CC&Rs shall be recorded immediately following the recordation of the Director's Deed for such Property and shall not be subordinated to any financing obtained by Purchaser with respect to such Property or any other agreements recorded against or otherwise first affecting the Property at close of escrow, except as authorized by the CC&Rs. After recordation, the original recorded CC&Rs for the Property shall be returned (mailed) by the Recorder's Office directly to Caltrans, who shall retain possession thereof. The CC&Rs shall constitute covenants and equitable servitudes that run with the land and shall bind Purchaser and all subsequent owners, lessees, occupants, lenders, encumbrancers, and others holding any interest in, lien on or claim to the Property. Purchaser agrees not to challenge or attempt to terminate, limit, or otherwise alter or amend the CC&Rs. The agreements of Purchaser under this Section 4.03 shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs hereunder.

B. **Historical Covenants**

☒ This Property is not subject to Historical Covenants.

☐ This Property is subject to Historical Covenants attached as Exhibit "__" to protect the historic value and characteristics of the Property. The Historical Covenants are in addition to the CC&Rs described in Section 4.03 A.

**4.04 Title.**

A. **Generally.** Purchaser understands and agrees that the right, title, and interest in the Property to be conveyed hereunder shall not exceed that currently vested in Caltrans (after taking into account any and all rights that may be reserved by Caltrans pursuant to the Director's Deed, the CC&Rs or any other agreement contained in or contemplated by this Agreement related to such Property), and that Caltrans will furnish no policy of title insurance with respect to the sale of the Property hereunder. If a policy of title insurance, endorsement or survey coverage is desired, Purchaser may obtain the same at Purchaser's sole expense, provided, however, in no event or circumstance shall obtaining any such title, endorsement or survey coverage) constitute any basis for extending the Closing Date contemplated hereunder. No later than ten business days prior to the expiration of the Inspection Period, Purchaser shall notify Caltrans in writing of its objection to any matter in the preliminary title report or on a survey. Caltrans shall have five business days to notify Purchaser of its election to cure the matter or not, and the absence of any notice shall be deemed an election not to cure the matter. Purchaser shall have the right to terminate this Agreement prior to the expiration of the Inspection Period if Caltrans does not agree to cure such matter, or if Caltrans agrees to but fails to cure the matter on or prior to Closing, then Purchaser shall have the right to terminate at such time. Upon any such termination, Escrow

Holder shall remit the deposit to Purchaser.

B. **Permitted Encumbrances.** At close of escrow hereunder the Property shall be conveyed to Purchaser by a Director's Deed in substantially the form of ***Exhibit "A"*** hereto (a **"Director's Deed"**), with title to the Property being subject to all of the following exceptions and matters (collectively, the **"Permitted Exceptions"**): (1) a lien to secure payment of real estate taxes, supplemental taxes, and special taxes, bonds and assessments; (2) any reservations or limitations contained in the Director's Deed or any prior deed(s) relating to the Property; (3) the CC&Rs; (4) all title exceptions and other matters shown in the preliminary report for such Property other than any items Caltrans has agreed to cure; (5) any and all other matters apparent from a physical inspection thereof and/or that might be revealed by a survey other than any items Caltrans has agreed to cure; and (6) all other matters created by or with the consent or knowledge of Purchaser, or otherwise disclosed or contemplated in this Agreement. Caltrans shall not have, and does not assume, any liability or obligation whatsoever for any encumbrances or other title matters affecting the Property, or the amendment, removal, or other disposition thereof, provided, however, Caltrans agrees not to encumber the Property or enter into any leases, licenses, and other occupancy agreements with respect to the Property ("Leases") during the Escrow Period without the consent of Purchaser.

**4.05 Operation during Escrow Period.** During the period commencing with the effectiveness of this Agreement until the close of escrow hereunder or termination of this Agreement, Caltrans will continue to operate the Property in substantially the same manner as operated as of the date of this Agreement and will not do, cause, or allow anything to be done with respect to the Property that would materially change, alter or modify the current operation of the Property as a vacant property without the prior written consent of Purchaser, which consent shall not be unreasonably withheld or delayed; provided, however, Caltrans shall not under any circumstances be responsible for or have any obligation or liability with respect to any such change, alteration or modification to the extent the same is caused by any tenant or occupant of a Property or any other person without Caltrans' consent or knowledge, or to the extent the same is otherwise beyond Caltrans' reasonable control. Additionally, notwithstanding the foregoing, Caltrans shall be entitled, at its election and without notice to or obtaining the consent of Purchaser, to take any and all actions and make any and all decisions with respect to the Property as Caltrans deems necessary or desirable, in its sole and absolute discretion, in addressing any emergency relating to the Property or the safety of any occupant thereof, making a Property compliant with applicable laws, and/or keeping and maintaining a Property in a safe and habitable condition.

**4.06 Purchaser's Agreements.** With respect to the period prior to the close of escrow Purchaser acknowledges and agrees as follows:

A. **No Changes.** Purchaser shall have no right to take any action with respect to the Property, including, without limitation changing, renewing or terminating any zoning designations, permits, approvals, certificates or other entitlements related thereto (or applying for any such new matters), giving any notices with respect to or otherwise amending or terminating any Leases related thereto, or making or

undertaking any repairs, alterations or additions to the Property and/or any improvements located thereon, in each case without the prior written consent of Caltrans, which may be conditioned or withheld in Caltrans' sole and absolute discretion.

B. **Restrictions.** Purchaser shall not use or take any actions, or permit or suffer its agents, employees, contractors or consultants (collectively, **"Agents"**) to use or take actions, with respect to the Property in a manner which would in any way: (i) interfere with any activities thereon, or the use or occupancy thereof; (ii) constitute a nuisance or result in waste; (iii) result in the cancellation of any insurance being maintained by or on behalf of Caltrans or any tenants, in the increase in the premiums for any such insurance or in the increase of any of Caltrans' other costs; or (iv) damage any improvements or personalty located thereon.

C. **Compliance with Laws Generally.** Purchaser and its Agents shall not enter any Property, nor shall they take any action with respect thereto (or permit or suffer anything to be done in, on or about the Property) which will in any manner violate any title conditions, maps, entitlements, permits, consents, agreements, Leases or any laws, ordinances, governmental rules or regulations now or hereafter in effect with respect thereto and/or the conduct of any activities thereon by Caltrans or any occupants.

D. **Liens.** Purchaser shall at all times keep the Property and Caltrans free from any liens and claims arising out of any and all actions taken, work and labor performed, materials or services furnished and/or damages or personal injuries caused by or on behalf of Purchaser in connection with any activity of Purchaser and/or its Agents with respect to the Property, whether occurring prior to or after the date hereof. Caltrans may require Purchaser to post, at Purchaser's sole cost and expense, a lien release bond or other undertaking, statutory or otherwise, in such amount as necessary to properly bond around any claim filed against Caltrans and/or the Property with respect to such activities (occurring prior to the close of escrow) of Purchaser or its Agents. The bonding obligations of Purchaser under this Subsection 4.06(d) shall be absolute and unconditional and shall survive the close of escrow and the delivery and recordation of the Director's Deed and CC&Rs hereunder and/or the expiration, revocation, or termination of this Agreement.

E. **Compliance with the Act & Regulations**. Purchaser shall at all times comply with the requirements of the Act and the Regulations.

## SECTION 5. CONDITIONS TO CLOSE

**5.01 Conditions to Purchaser's Obligation to Close.** The matters set forth in this Section 5.01 are conditions precedent to the close of escrow by Purchaser as contemplated in this Agreement, and the same may be declared satisfied or waived by Purchaser. In the event any such condition fails to be satisfied in accordance with the terms hereof through no fault of either party, Purchaser shall have the option of either: (i) waiving such condition and proceeding to close without adjustment of the Purchase Price or any of the other terms of this Agreement, or (ii) terminating this Agreement, in which case the

Deposit shall be refunded to Purchaser without interest, and neither party shall have any further rights, liabilities or obligations hereunder except paying their respective share of escrow costs incurred up to such date and observing those obligations expressly stated herein as surviving the termination of this Agreement.

A. **Title.** At closing, the Property shall be conveyed to the Purchaser pursuant to a Director's Deed subject to all the Permitted Exceptions applicable to such Property as contemplated by Section 4.04 hereof.
B. **CTC Approval and Governing Body Approval.** By the Closing Date, the CTC Approval shall and any governing body approval (if applicable) have been unconditionally obtained as contemplated by Section 4.01 hereof.
C. **Documents and Funds.** By the Closing Date, the escrow deposits referenced in Section 3.06(a) above shall have all been made by Caltrans, and the Escrow Holder shall be irrevocably committed to record the Director's Deed in the Official Records of Los Angeles County, California.
D. **Representations/Covenants.** At close: (i) all the representations of Caltrans contained in this Agreement shall be materially true and correct, and (ii) Caltrans shall have materially complied with its covenants contained in this Agreement.

**5.02 Conditions to Caltrans' Obligation to Close.** The matters set forth in this Section 5.02 are conditions precedent to the close of escrow by Caltrans as contemplated in this Agreement, and the same may be declared satisfied or waived by Caltrans. In the event any such condition fails to be satisfied in accordance with the terms hereof through no fault of either party, Caltrans shall have the option of either: (i) waiving such condition and proceeding to close without adjustment of the Purchase Price or any of the other terms of this Agreement, or (ii) terminating this Agreement, in which case the Deposit shall be refunded to Purchaser without interest, and neither party shall have any further rights, liabilities or obligations hereunder except paying their respective share of escrow costs incurred up to such date and observing those obligations expressly stated herein as surviving the termination of this Agreement.

A. **Balance of Purchase Price.** By the Closing Date, Purchaser shall have deposited the entire Cash Balance of the Purchase Price with Escrow Holder as provided in Section 2.02(b) hereof.
B. **CTC Approval.** By the Closing Date, the CTC Approval shall have been unconditionally obtained as contemplated by Section 4.01 hereof.
C. **Documents and Funds.** By the Closing Date, the escrow deposits referenced in Section 3.06(b) above shall have all been made by Purchaser and Escrow Holder shall be irrevocably committed to:
    (i) disburse the Cash Balance to Caltrans,
    (ii) record the Director's Deed, and CC&Rs immediately thereafter as contemplated herein, in the Official Records of Los Angeles County, California, and
    (iii) deliver to Caltrans a fully executed counterpart original any other appropriate documents as contemplated by Section 3.06(b).

D. **Representations/Covenants.** At close: (i) all the representations of Purchaser contained in this Agreement shall be materially true and correct, and (ii) Purchaser shall have materially complied with its covenants contained in this Agreement.

**SECTION 6. POSSESSION**

Possession of the Property shall be delivered to Purchaser on the Closing Date subject to the Permitted Exceptions applicable to the Property.

**SECTION 7. BROKERS**

**7.01 Caltrans.** Caltrans has retained **Veterans Realty Group** to act as a Consultant in connection with the sale of the Property hereunder, and any compensation due to **Veterans Realty Group** in connection with the transactions contemplated by this Agreement shall be paid by Caltrans.

**7.02 No Other Brokers.** Except for Caltrans' retention of **Veterans Realty Group** above, each party hereby represents and warrants to the other party that no broker, finder, real estate agent or other person has been retained by it or is entitled to any commission, finder's fee or other compensation resulting from any action on its part with respect to the sale of the Property to Purchaser. Purchaser and Caltrans each agree to indemnify, defend, and hold the other and the Property harmless from and against any real estate brokerage commissions or finder's fees, and all costs and expenses (including attorneys' fees and costs) of investigating and defending any such claims, payable or alleged to be payable to any other persons in connection with this Agreement which such indemnifying party may have engaged or is claimed or alleged to have engaged. This section does not prohibit Purchaser from obtaining a broker at his/her own expense. The representations, warranties, indemnification, and other obligations set forth in this Section 7.02 shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs and/or the expiration, revocation, or termination of this Agreement.

**SECTION 8. REPRESENTATIONS & WARRANTIES**

**8.01 By Caltrans.** Caltrans hereby makes the following representations and warranties to Purchaser:

A. Authority. Subject to obtaining the CTC Approval, Caltrans has all requisite power and authority to enter into, deliver and perform this Agreement and all the other agreements contemplated herein and to be executed in connection herewith, and the person(s) executing this Agreement and all other agreements contemplated herein on behalf of Caltrans have been properly authorized to sign on behalf of and bind Caltrans in connection with performing the transactions contemplated herein.

B. Binding. Subject to obtaining the CTC Approval, this Agreement and all documents to be executed by Caltrans as provided herein, as of the date of

execution shall, subject to the operation of any bankruptcy or similar laws, be the legal, valid and binding obligations of Caltrans.

C. Information. Except as otherwise set forth in this Agreement, Caltrans has no actual constructive knowledge of any information affecting the Property that had, has or would have a material effect on Purchaser's ability to use and operate the Property as contemplated by Purchaser. Caltrans has provided to Purchaser all material and factual information requested by the Purchaser and/or as required by law concerning the Property that is in Caltrans' possession, custody and control.

D. Compliance with the Act and Regulations: Caltrans conduct in this sales transaction has been in compliance with the Act and corresponding Regulations.

E. Claims. There is no claim, action, suit, arbitration, proceeding (including condemnation proceedings) or any investigation by or before any court or arbitration body, any governmental, administrative or regulatory authority, or any other body pending or, to Caltrans's knowledge, threatened with respect to the Property (collectively, "Allegations"). Caltrans is not aware of any basis or reason for any such Allegations. There is no order, judgment or decree of any court or arbitration body, any governmental, administrative or regulatory authority, or any other body, against Caltrans with respect to the Property or the sales transaction contemplated by this Agreement.

F. No Violation. Neither the execution and delivery of this Agreement, nor the performance by Caltrans of the sales transaction contemplated hereby, will contravene, conflict with, or result in a breach of any agreement, law, regulation, writ, injunction or decree of any court or governmental authority applicable to Caltrans or by which any of its properties is bound. Except for CTC Approval, Caltrans is not required to obtain any consent or authorization in order to complete the sales transaction contemplated by this Agreement.

G. Right to Purchase. Except pursuant to this Agreement, no third party has an option, right of first offer, right of first refusal, or other similar right to purchase the Property that currently remains in effect.

H. Environmental Matters. As requested by Purchaser and/or mandated by law, Caltrans has provided or made available for review copies of any material documents in its possession, custody and control of Caltrans regarding environmental condition of the Property ("Environmental Materials"). Except as set forth in the Environmental Materials, Caltrans is not aware of the existence of any Hazardous Substances (defined in Section 10 below) attributable to or affecting the Property. There have been no settlements reached by or with any third parties alleging the presence, disposal, release or threatened release of any Hazardous Substances from the use or operation of the Property.

I. Leases. The Property is not subject to any Leases, tenancy and/or similar agreements conferring any right, title or interest in the Property to a third party.

J. Contracts. Other than as disclosed in the title reports provided by the Title

Company and this Agreement, there are no agreements affecting the Property.

Each of the representations made by Caltrans in this Agreement shall be true and correct on the date hereof, and shall be deemed to be made again as of the close of escrow provided for herein, and shall then be true and correct in all material respects. Caltrans shall promptly provide written notice to Purchaser of any developments or information that would make the representations set forth above untrue. The representations and warranties set forth in this Section 8.01 shall expressly survive the close of escrow as described in Section 13.12 below.

**8.02 By Purchaser.** Purchaser and the specific parties signing this Agreement on behalf of Purchaser hereby makes the following representations and warranties to Caltrans:

A. Organization. Purchaser is a municipal corporation duly organized, validly existing and in good standing under the laws of the State of California which has the power and authority to enter into this Agreement and to consummate the transactions contemplated hereby.
B. Authority. Subject to obtaining governing body approval, Purchaser has all requisite power and authority to enter into, deliver, and perform this Agreement and all the other agreements contemplated herein and to be executed in connection herewith, and the person(s) executing this Agreement and the other agreements contemplated herein on behalf of Purchaser have been properly authorized to sign on behalf of and bind Purchaser in connection with performing the transactions contemplated herein.
C. Binding. This Agreement and all documents to be executed by Purchaser as contemplated hereunder shall, subject to the operation of any applicable bankruptcy or similar laws, be the legal, valid and binding obligations of Purchaser, and shall not materially violate any law, agreement, order or decree to which Purchaser is a party or is subject.
D. Litigation. There are no pending or threatened, suits or actions affecting Purchaser which would materially affect Purchaser's ability to enter into or perform its obligations under this Agreement or the documents executed in connection herewith.
E. Information / Compliance. All applications, information, financial statements, and other materials provided by Purchaser or its Agents to Caltrans pursuant to or in connection with the Act, the Regulations and or this Agreement are true, correct and not materially misleading; and Purchaser is in compliance with the Act and the Regulations as relates to the Property and the purchase thereof under this Agreement.
F. No Bankruptcy. Purchaser is not the subject of any pending or threatened bankruptcy proceedings, whether voluntary or involuntary.

Each of the representations and warranties made by Purchaser in this Agreement, or on any document or instrument delivered pursuant hereto shall be true and correct on the date hereof, and shall be deemed to be made again as of close of escrow provided for herein, and shall then be true and correct in all material respects. The representations

and warranties of Purchaser contained in this Section 8.02 shall survive the close of escrow and the delivery and recordation of the Director's Deed and CC&Rs.

**SECTION 9. "AS-IS", WAIVERS AND RELEASE**

Purchaser acknowledges and agrees that, except as set forth in this Agreement, neither Caltrans nor any of its respective employees, agents, managers, members, partners, officers, interest holders, attorneys, contractors or consultants, including without limitation the California Department of Housing and Community Development **("HCD")**, (Caltrans and such other persons being collectively, the **"Seller Parties"**) have made or are making, and specifically negate and disclaim making, any representations, warranties, guaranties, promises, covenants or assurances of any kind or character, whether express, implied, written, oral, past, present or future concerning or with respect to the Property, or the condition or status thereof, including without limitation, the suitability for any purpose or the profitability of owning and operating the Property; the value thereof; the existence or non-existence of any patent or latent defects affecting the same; the physical or environmental condition or status thereof (including without limitation the existence of any mold, lead paint, radon gas or other environmental health hazards); the rental or other income generated thereby; the expenses or costs associated therewith; the size and square footage of the parcel or the improvements located thereon, the age or condition of the such improvements, or the location of property lines or setbacks (or the location of the improvements with respect thereto); the zoning thereof; the condition of title thereto; the existence, necessity or satisfaction of any local, state or federal approvals, permits or certificates for the entitlement, ownership, operation, use or occupancy thereof as contemplated by Purchaser or any tenants, occupants or any future owners thereof; the feasibility of or cost associated with obtaining any such approvals; the compliance of the Property with any and all applicable local, state or federal laws, codes and ordinances; or any other matter.

Purchaser further acknowledges that Purchaser, with the help of its independent experts, contractors, consultants, professionals (including independent legal counsel and accountants), and advisors, prior to the Closing Date, will conduct its independent feasibility, investigation, and due diligence inquiry as described in Section 1.03 above with respect to the Property and will fully satisfy itself as to all matters relating thereto. Except for the representations and warranties of Caltrans set forth in this Agreement, Purchaser is relying solely and exclusively on such independent due diligence in executing this Agreement and purchasing the Property hereunder, and not on any representations, warranties, guaranties, promises, covenants or assurances of any kind or character by Caltrans or any other Seller Parties; and the Property is being purchased **"AS-IS" / "WHERE-IS"** at close in its present condition with all defects and faults, both patent and latent, whether known or unknown, presently existing or that may hereafter arise.

Effective on the Closing Date, Purchaser hereby fully and expressly releases Caltrans, HCD and all of the other Seller Parties and their respective agents, employees, attorneys, consultants, successors and assigns from any and all demands, claims, liabilities, amounts, actions, costs, judgments, expenses and damages (including, without limitation,

attorneys' fees, witness fees and court costs) related to or arising from the Property, or the condition or status of thereof or any other matter relating thereto, including without limitation the matters referenced in the first paragraph of this Section 9, (collectively, the "**Released Matters**"); and Purchaser hereby covenants not to sue, and hereby fully and expressly waives and relinquishes any and all rights and remedies Purchaser may have against, Caltrans, HCD and the other Seller Parties and their respective agents, employees, attorneys, consultants, successors and assigns, or any of them, at law, in equity or otherwise, related to or arising from the Released Matters. However, nothing contained herein shall release or be deemed to release Caltrans from claims arising from its fraud or a breach of any representation or warranty by Caltrans contained in this Agreement (the "Preserved Matters"). Preserved Matters shall not be considered Released Matters. Purchaser acknowledges and agrees that the release, waiver and discharge given by Purchaser hereunder to Caltrans, HCD and the other released parties extends to all Released Matters described above, whether known or unknown, foreseen or unforeseen, patent or latent, which Purchaser may now or hereafter have against Caltrans, HCD or such other persons; and in connection with such release, waiver and discharge, Purchaser hereby expressly waives the benefit of the provisions of California Civil Code Section 1542, which provides as follows:

> **"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."**

Purchaser has read this Section 9, has had the effect and content thereof explained to Purchaser by independent legal counsel, and fully understands and appreciates the same. Purchaser understands and acknowledges that, among other things, the consequence of this waiver of California Civil Code section 1542 is that even if Purchaser should eventually discover any claims or suffer any losses or damages arising from the Released Matters, Purchaser would not be able to make any claim against Caltrans, HCD or the other released persons with respect thereto. Purchaser acknowledges that these consequences apply even as to claims, losses or damages resulting from the Released Matters that may exist as of the date of this Agreement or in the future, but which Purchaser does not know exist, or does not anticipate, and which, if known or anticipated, would materially affect Purchaser's decision to execute this Agreement. The waivers, releases, covenants not to sue and discharges contained in this Section 9 are a material portion of the consideration to Caltrans in agreeing to enter into this Agreement and shall survive the close of escrow and the delivery and recordation of Director's Deed and the CC&Rs in perpetuity.

**SECTION 10. INDEMNIFICATION**

Following the closing of the transaction contemplated herein, except as provided below,

Purchaser shall, at its sole cost and expense, indemnify, defend and hold Caltrans and its officers, agents, employees, attorneys and consultants, including without limitation, HCD, and their respective successors and assigns (collectively, the **"Indemnified Parties"**), free and harmless from and against any and all liabilities, demands, claims and costs (including remediation, reimbursement or contribution costs or claims), damages, losses, and expenses (including and without limitation to attorneys' fees, legal expenses and court costs, and consultant's fees, and investigation and remediation costs) of whatever kind or nature incurred or suffered by, or threatened against, any Property or any Indemnified Party(ies) resulting from or arising out of or by reason of any matter pertaining to the condition or status of the Property, including without limitation, the existence of any Hazardous Substances or Hazardous Substance Conditions in, on, under or about the Property (collectively, "Claims"). Except as provided below, this indemnity is intended to address any and all liability for which Caltrans may now or at any time hereafter be partially or entirely responsible in connection with the contamination, environmental or physical condition or status of any Property, including the prior operation thereof, due to its mere ownership or operation of such Property. As used in this Agreement, the term **"Hazardous Substance"** shall mean any substance whose nature and/or quantity of existence, use, manufacture, disposal or effect, render it subject to federal, state, or local regulation, investigation, remediation or removal as potentially injurious to public health or welfare, including the Comprehensive Environmental Response Compensation and Liability Act or Resource Conservation and Recovery Act as now in effect; and the term **"Hazardous Substance Condition"** shall mean the existence in, on, under or about the Property of a hazardous substance that requires remediation, removal, mitigation and/or other action pursuant to applicable law. This indemnification shall in no event apply to (i) Claims to which Caltrans representations and warranties apply, (ii) any Claims involving Caltrans' willful misconduct, gross negligence or fraud, and (iii) any Claims relating to challenges to Caltrans' acquisition or disposition of the Property.

Purchaser's indemnification and defense of any matters contemplated in this Section 10 for or on behalf of the Property or any Indemnified Parties shall be made by counsel reasonably acceptable to the Indemnified Parties; shall commence immediately upon any such claim or matter being made, threatened, or asserted against Indemnified Parties or the Property without the necessity of the Indemnified Parties first contesting or defending the same, suffering or incurring any loss or adverse disposition, or otherwise taking or failing to take any other action; and shall apply to all such matters regardless of any action, failure or negligence of the Indemnified Parties, it being the express intent that the indemnification, defense and hold harmless obligations of this Section 10 apply to all matters referenced herein except to the extent caused by the gross negligence or willful misconduct of the Indemnified Parties. In the event Purchaser refuses to initiate or continue pursuing to completion any such defense or other obligations hereunder, Indemnitee shall be entitled to undertake, assume, and/or conclude the same, all at Purchaser's sole cost and expense, with counsel selected by Indemnitee. The obligations of Purchaser under this Section 10 shall be absolute and unconditional, and shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs.

**SECTION 11. CASUALTY/CONDEMNATION**

In the event any casualty or condemnation proceeding occurs or is commenced with respect to the Property after the effectiveness hereof but prior to the close of escrow, Caltrans shall notify Purchaser of the same in writing within ten (10) business days after Caltrans has knowledge of the same, and either of the following shall occur:

(A) If Purchaser does not elect to cancel within seven (7) business days after receipt of such notice by Purchaser, the parties shall continue to proceed under this Agreement and close without adjustment to the Purchase Price or any of the other provisions of this Agreement, in which event upon the close of escrow, Caltrans shall assign to Purchaser all of its interest in any such insurance or condemnation proceeds, compensation, award, or other payments or relief resulting from such casualty or condemnation proceedings; or

(B) If Purchaser elects to cancel, and Purchaser provides written notification to Caltrans of its election to terminate this Agreement within such 7-day period, then this Agreement shall terminate, the Deposit shall be returned to Purchaser without interest, and Caltrans shall retain all proceeds, compensation, awards, payments and other benefits or relief related to such casualty and condemnation with respect to the Property.

**SECTION 12. REMEDIES**

**12.01 Of Purchaser.** If the closing does not occur as a result of Caltrans' default under this Agreement, then, provided Purchaser is not in default hereunder, Purchaser may, at its election proceed with either of the following mutually exclusive alternatives as its sole and exclusive remedy:

A. Terminate the Agreement, whereupon: (1) the Deposit shall be returned to Purchaser without interest, (2) Purchaser may seek reimbursement from Caltrans of any and all hard third-party costs and expenses incurred by Purchaser in connection the investigation of the Property or the negotiation and execution of this Agreement, as evidenced by invoices delivered to Caltrans, up to the maximum aggregate amount of fifteen thousand Dollars ($15,000), and (3) neither party shall have any further obligation or liability to the other under this Agreement except for provisions of this Agreement which expressly state that they shall survive the termination of this Agreement; or

B. File in a court of competent jurisdiction an action for specific performance to cause Caltrans to convey the Property to Purchaser in accordance with the terms and conditions of this Agreement; but Purchaser shall not be entitled to recover any monetary damages (whether compensatory, consequential, exemplary, punitive or other) from Caltrans in connection with such default other than seeking

its reasonable attorneys' fees in connection with such action.

**PURCHASER ACKNOWLEDGES AND AGREES THAT THE LIMITATIONS ON REMEDIES AGAINST CALTRANS SET FORTH IN THIS SECTION 12.01 ARE A MATERIAL INDUCEMENT FOR CALTRANS TO ENTER INTO THIS AGREEMENT, AND PURCHASER AGREES THAT SUCH LIMITATIONS ARE REASONABLE AND ENFORCEABLE IN ACCORDANCE WITH THEIR TERMS.**

**12.02 Of Caltrans. LIQUIDATED DAMAGES. PURCHASER AND CALTRANS AGREE THAT SHOULD PURCHASER FAIL TO COMPLETE THE PURCHASE OF THE PROPERTY AS HEREIN PROVIDED BY REASON OF DEFAULT OF PURCHASER, THE PARTIES HERETO, BY INITIALING THIS SECTION 12.02 IN THE SPACE PROVIDED BELOW, AGREE THAT IT WOULD BE IMPRACTICAL OR EXTREMELY DIFFICULT TO ASCERTAIN OR FIX ACTUAL DAMAGES TO CALTRANS AS A RESULT OF SUCH FAILURE OR DEFAULT BY PURCHASER, THAT UNDER THE CIRCUMSTANCES EXISTING AS OF THE DATE OF THIS AGREEMENT THE ENTIRE DEPOSIT PROVIDED FOR IN SECTION 2.02(A) ABOVE IS A REASONABLE ESTIMATE OF CALTRANS' DAMAGES, AND THAT AS CALTRANS' SOLE AND EXCLUSIVE REMEDIES ON ACCOUNT OF SUCH BREACH, CALTRANS SHALL BE ENTITLED TO: (1) RETAIN SAID DEPOSIT AS LIQUIDATED DAMAGES FOR SUCH BREACH BY PURCHASER AND (2) TERMINATE THIS AGREEMENT. THE PAYMENT OF SUCH AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO CALTRANS PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677.**

**THE PROVISIONS HEREOF RELATE ONLY TO CALTRANS' DAMAGES FOR PURCHASER'S DEFAULTS IN ITS AGREEMENT TO PURCHASE THE PROPERTY AS PROVIDED HEREIN. NOTHING CONTAINED HEREIN SHALL LIMIT OR PRECLUDE, OR BE DEEMED TO LIMIT OR PRECLUDE, THE EXERCISE OR ENFORCEMENT BY CALTRANS OF ANY RIGHTS WHICH EXPRESSLY SURVIVE THE TERMINATION OF THIS AGREEMENT.**

**Purchaser's Initials:** _____ **Caltrans' Initials:** _____

**SECTION 13. MISCELLANEOUS**

**13.01 Headings.** This Agreement shall be construed as a whole, and the subject headings of the paragraphs and subparagraphs of this Agreement are included for convenience only and shall not affect the construction or interpretation of any of its provisions or define the provisions in the portions of this Agreement to which they pertain.

**13.02 Assignment.** Purchaser may not assign this Agreement, or any portion hereof or any of its rights or interests hereunder, without the express prior written consent of Caltrans, which consent may be conditioned or withheld in Caltrans' sole and absolute discretion, except as set forth herein. Purchaser may, without Caltrans' consent, but upon notice to Caltrans and Escrow Holder, assign any or all of its rights in, to or under this Agreement to an entity or instrumentality that is wholly controlled by Purchaser. No such assignment (regardless of whether consented to by Caltrans) shall relieve or release

its reasonable attorneys' fees in connection with such action.

**PURCHASER ACKNOWLEDGES AND AGREES THAT THE LIMITATIONS ON REMEDIES AGAINST CALTRANS SET FORTH IN THIS SECTION 12.01 ARE A MATERIAL INDUCEMENT FOR CALTRANS TO ENTER INTO THIS AGREEMENT, AND PURCHASER AGREES THAT SUCH LIMITATIONS ARE REASONABLE AND ENFORCEABLE IN ACCORDANCE WITH THEIR TERMS.**

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**Purchaser's Initials:** _____ **Caltrans' Initials:** AC

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Purchaser from any of its obligations hereunder. As a condition to the effectiveness of such assignment, all assignees shall execute an assumption agreement reasonably acceptable to Caltrans under which the proposed assignee agrees to fully assume and be bound by all the terms of this Agreement to be observed or performed by Purchaser.

Caltrans shall be free to assign this Agreement, or any portion hereof or any of its rights or interests hereunder, without the consent or approval of Purchaser.

**13.03 Entire Agreement / Amendment.** This Agreement (including all exhibits and schedules hereto and other agreements referenced herein) constitute the entire agreement between the parties pertaining to the subject matter contained herein and supersede all prior written or oral agreements, representations and understandings of the parties relating to the subject matter herein. There are no representations, agreements, arrangements, or understandings, oral or written, relating to the subject matter which are not fully expressed herein. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by all the parties hereto.

This Agreement does not affect the enforceability of other written contracts related to the use and resale of the Property or to preserving the historic nature of the Property.

**13.04 Counterparts.** This Agreement may be executed simultaneously in one or more identical counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. This Agreement shall be fully effective and binding on all parties hereto, as if one or more copies thereof had been executed by all the parties hereto, when all the parties have executed identical counterparts hereof, even though no single counterpart has been executed by all the parties hereto.

**13.05 Binding / Successor & Assigns.** Except to the extent assignment hereof is prohibited, this Agreement shall be binding on, and shall inure to the benefit of, the parties hereto and their successors and assigns.

**13.06 Attorneys' Fees.** If any legal action, arbitration or other proceeding is brought by either party involving a dispute between the parties arising out of the interpretation or enforcement of any condition or provision hereof, or by reason of any breach arising hereunder or the sale of the Property, the prevailing party shall be entitled to recover its reasonable attorneys' fees, court costs and expert witness fees incurred in such action or proceeding in addition to any other relief to which such party may be entitled.

**13.07 Further Acts.** Each party agrees to perform any further acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions in this Agreement.

**13.08 Limited Third-Party Beneficiaries.** Subject to the remainder of this Section 13.08,

this Agreement is for the sole benefit of the parties hereto and there are no third-party beneficiaries, intended or otherwise. Notwithstanding the foregoing, HCD and the other Seller Parties (and other released persons) are intended third-party beneficiaries of Section 9 hereof, and HCD and the other Indemnified Parties are intended third party beneficiaries of Section 10 hereof.

**13.09 Notices.** All notices, requests, demands, and other communications required or desired under this Agreement shall be in writing and shall be given by any of the following methods: (i) personal service at the address set forth below, (ii) email transmission in the manner set forth below, or (iii) depositing such notice in the United States mail postage prepaid, addressed to the other as follows:

Caltrans
Division of Right of Way – SR-710, MS6
100 South Main Street
Los Angeles, CA 90012

City of South Pasadena
City Manager
1414 Mission Street
South Pasadena, CA 91030

Any notice given by personal service shall be deemed given when received, as verified by a written receipt or proof of service. Any notice given by email transmission shall be deemed given when transmitted, as evidenced by printed email; and any notice given by regular mail shall be deemed given on the fifth (5th) business day after its deposit in the United States mail postage prepaid.

Either party may change its address for purposes of this paragraph by giving the other party written notice of the new address to the other party at the address contained herein.

**13.10 Governing Law.** This Agreement has been prepared, negotiated, and entered into in the State of California and shall be governed by, construed and enforced in accordance with the internal laws of the State of California and according to its fair meaning, and not in favor of or against any party. Any action or proceeding relating or arising out of this Agreement shall be filed, if a State action, in the Superior Court of the State of California for the County of Los Angeles.

**13.11 Severability.** If any provision of this Agreement, or the application thereof to any person or circumstance, is held invalid or unenforceable by any court or arbitrator, it is the intent of the parties that all the other provisions of this Agreement, and the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall be construed to be fully valid, enforceable and binding on the parties to the fullest extent permitted by law.

**13.12 Survival / No Merger.** All covenants, representations, warranties, and other agreements under this Agreement which are expressly stated herein as surviving the close of escrow shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs in perpetuity, and shall not merge with or into the Director's Deed or the CC&Rs (or be terminated, limited or otherwise affected thereby).

**13.13 Time is of the Essence.** Time is of the essence of this Agreement in respect to all provisions of this Agreement that specify a time for performance, including the closing of escrow provided for herein, and failure to comply with this provision shall be a material breach of this Agreement.

**13.14 Days / Saturdays, Sundays, and Holidays.** Unless otherwise expressly stated, all time periods referred to herein shall be deemed to mean calendar days. If any date by which an election or a notice shall be given, or by which an action shall be taken, hereunder falls on a Saturday, Sunday, federal or state holiday, then the date by which such election or notice shall be given or such action shall be taken is extended to 5:00 p.m. on the next business day following such Saturday, Sunday, federal or state holiday.

**13.15 Waiver.** Waiver by one party of the performance of any covenant, condition or promise shall not invalidate this Agreement, nor shall it be a waiver by such party of such covenant, condition or promise in the future or of any other covenant, condition, or promise hereunder. Any waiver, to be effective, shall be express, in writing and signed by the waiving party, and shall be delivered to the other party. The exercise by a party of any remedy provided in this Agreement or at law shall not prevent the exercise by that party of any other remedy provided in this Agreement or at law.

**13.16 Construction.** As used in this Agreement, the masculine, feminine, or neuter gender and the singular or plural numbers shall each be deemed to include the other whenever the context so indicates. Each party hereto acknowledges and agrees that each has had independent counsel review and participated in the negotiation and drafting of this Agreement, and each hereby fully waives the application of any law, statute or rule of construction or interpretation, including without limitation California Civil Code Section 1654, to the effect that any ambiguities are to be construed against the drafting party.

**13.17 Exhibits.** All exhibits and schedules attached to this Agreement are hereby incorporated by reference herein and specifically made a part of this Agreement.

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

CALTRANS:

Recommended for Approval by:

STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION

By: _____ Date: _____
Angus Chan
Senior Right of Way Agent

By: _____ Date: _____
Heriberto Salazar
Office Chief, 710 Sales

Approved:

By: _____ Date: _____
Dan Murdoch
Deputy District Director, Right of Way

PURCHASER: CITY OF SOUTH PASADENA

By: _____ Date: 11-19-2025
Todd Hileman, City Manager
City of South Pasadena

Attest:

By: _____ Date: 11-19-2025
Deputy City Clerk

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

CALTRANS:

Recommended for Approval by:

STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION

By: _____ Date: Nov 20 / 2025
Angus Chan
Senior Right of Way Agent

By: _____ Date: 11-20-25
Heriberto Salazar
Office Chief, 710 Sales

Approved:

By: _____ Date: 11/20/25
Dan Murdoch
Deputy District Director, Right of Way

PURCHASER: CITY OF SOUTH PASADENA

By: _____ Date: _____
Todd Hileman, City Manager
City of South Pasadena

Attest:

By: _____ Date: _____
Deputy City Clerk

## Attached Exhibits

| | |
|---|---|
| ***Exhibits "A"*** | *Director's Deed/Legal Description of Property* |
| ***Exhibit "B"*** | *Deleted* |
| ***Exhibit "C"*** | *Declaration of Covenants, Conditions & Restrictions* |
| ***Exhibit "D"*** | Historical Covenants (only included if applicable) |

# STATE ROUTE 710 SALES PROGRAM
# PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("**Agreement**") is entered into as of June 4, 2025, by and between the State of California, Department of Transportation ("**Caltrans**") and the City of South Pasadena, a Municipal Corporation.

**Recitals**

A. Caltrans owns the real property located in Los Angeles County, California commonly known as: **822 Valley View Rd., South Pasadena, CA 91030** and more particularly described as set forth in ***Exhibit "A"***, respectively, attached hereto ("**Property**").

B. The parties wish to provide terms and conditions for Purchaser's purchase of the Property from Caltrans. The State Route 710 Sales Program described in Government Code section 54235 et seq. (the "**Act**") and Title 21 Public Works Division 2 Department of Transportation, Chapter 9.5 (the "**Regulations**") provide for the offering of State-owned, surplus residential properties to the City of South Pasadena at the Minimum Sales Price pursuant to 21 CCR § 1483(a)(1), for the purpose of providing affordable housing to low- and moderate-income households. Purchaser and Caltrans acknowledge the Property is subject to the terms of this Agreement, the aforementioned law and regulations, and the Declaration of Covenants, Conditions, and Restrictions (**CC&Rs**), as defined below, to be recorded against the Property upon the close of escrow hereunder.

**NOW, THEREFORE,** in consideration of the foregoing premises, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

## SECTION 1. PURCHASE AND SALE

**1.01 Purchase and Sale.** Caltrans shall sell the Property to Purchaser, and Purchaser shall purchase the Property from Caltrans pursuant to the terms, limitations and conditions stated in this Agreement in accordance with the Act, the Regulations and other applicable laws, rules, and regulations (collectively, "**Applicable Laws**").

**1.02 Conditions Precedent to Effectiveness.** This Agreement shall not become effective unless and until all the following conditions precedent are satisfied on or before the sixtieth (60) calendar day from the date Caltrans' sends this Agreement to Purchaser:

A. Purchaser shall have: (1) executed and returned two original executed counterparts of this Agreement via certified mail, return receipt requested, to Caltrans and sent a copy thereof to the Escrow Holder, and (2) deposited with Escrow Holder the entire Down Payment contemplated by Section 2.02(A) below;

B. Caltrans thereafter executes this Agreement and delivers a fully executed copy hereof to Escrow Holder; and

A failure of any such conditions to timely occur shall, without further notice or action, result in the full and immediate termination of any offer, obligation, liability or agreement of Caltrans to or with Purchaser or any other person with respect to the Property, whether hereunder or otherwise, immediately upon the expiration of such 60-day period, and Caltrans shall thereafter be free to offer, market and sell the Property to other persons, or otherwise dispose of the same, as Caltrans may, in its sole and absolute discretion determine.

**1.03 Information/Prior Due Diligence.** Purchaser hereby expressly acknowledges and agrees:

A. that it is a sophisticated real estate purchaser and/or investor;
B. that it is fully familiar with and understands the Applicable Laws and the CC&Rs, and the risks and obligations associated therewith and imposed on Purchaser and on the Property thereby, including the purchase thereof under this Agreement, and has had the same explained to it by its independent legal counsel and other advisors;
C. that during the Inspection Period permitted under this Agreement: (A) Purchaser will have full access to the Property and all documents, data, reports and information related thereto requested by Purchaser, and will have the opportunity to undertake and perform any and all additional due diligence, investigation, surveys, reports and studies, with respect thereto, including without limitation the current and past physical and environmental condition of the Property, the condition of title thereto, the compliance thereof with any applicable building codes, permits, approvals, agreements or encumbrances affecting the same (including Applicable Laws), the value thereof, the use, operation, management or occupancy thereof and/or the suitability for Purchaser's intended use thereof, and all other matters referenced in Section 9 below, and (B) Purchaser has obtained any and all financing commitments necessary or desirable to purchase, repair and/or rehabilitate the Property; and
D. that with the aid of such independent experts, contractors, consultants, advisors and professionals (including independent legal counsel and accountants) that it deems necessary, appropriate or desirable, Purchaser will, prior to the Closing Date hereof, evaluate and assess the Property and conduct such independent inquiry, feasibility investigation, inspections and due diligence with respect thereto as Purchaser and/or its advisors deem necessary, advisable or desirable, and will fully and unconditionally approve of and satisfy itself as to the same. As a result, there shall be no further access to the Property except as set forth in this Agreement and no further feasibility, inspection or similar rights or contingencies with respect to the purchase of the Property.
E. Notwithstanding anything herein to the contrary, until the date that is sixty (60)

days after the execution of this Agreement by both parties (Inspection Period), upon reasonable notice but without any contingencies hereunder, Purchaser may access the Property and conduct non-invasive inspection, investigations, tests, observations, inquiries and studies as Purchaser deems appropriate. Purchaser shall promptly pay all expenses arising out of such inspections and other work on or about the Property prior to the Closing Date and shall not allow any mechanic's or materialmen's liens to be recorded on the Property (or promptly cause to be removed or bonded over any such liens if recorded on the Property). Purchaser shall promptly repair any damage to the Property caused by Purchaser's investigations. Purchaser shall coordinate with Caltrans any entry on the Property, execute a waiver and indemnity in the form customarily required by Caltrans prior to entry on Caltrans' property and follow applicable health and safety protocols as reasonably required by Caltrans. Following such period, upon Caltrans' reasonable consent and conditions, Purchaser may obtain access to the Property for a limited number of entries.

F. Purchaser shall promptly notify Caltrans during the Inspection Period of any matters discovered in its review of the Property that would cause Purchaser to terminate this Agreement. If within ten days of such notice, Caltrans notifies Purchaser in writing that it will cure such matters, then Caltrans shall have the opportunity to cure such matters fourteen (14) days prior to the Closing Date. Purchaser has the right to terminate if Caltrans does not agree to cure or if the cure is not completed fourteen (14) (days) prior to the Closing Date. Purchaser has a right to inspect the Property to determine that the discoveries have been cured to its satisfaction. Upon any such termination, Escrow Holder shall remit the deposit to Purchaser.

## SECTION 2. PURCHASE PRICE

**2.01 Purchase Price.** The purchase price for the Property shall be **Thirty-Four Thousand Three Hundred Dollars and zero cents ($34,300.00)** (the **"Purchase Price"**).

**2.02 Payment.** The Purchase Price shall be paid by Purchaser in cash, lawful money of the United States as set forth below, time being of the essence thereof:

A. **Deposit.** Immediately upon the execution of this Agreement, Purchaser shall deposit with Escrow Holder the sum of **One Thousand Dollars ($1,000.00)** (the **"Deposit"**) in the form of a cashier's check, wire transfer or other immediately available funds. The entire Deposit shall be applicable to the Purchase Price, without interest, shall be non-refundable except as may be expressly set forth in this Agreement, and shall constitute liquidated damages to Caltrans in the event of Purchaser's default in acquiring the Property. Time is of the essence in making the Deposit into escrow, and as provided above is a condition precedent to the effectiveness of this Agreement.

B. **Cash at Close.** One (1) day prior to the close of Escrow (or by 1:00 p.m. of the

close of escrow for funds delivered by wire transfer) the Purchaser shall deposit the balance of the Purchase Price in the amount of **Thirty-Three Thousand Three Hundred Dollars and zero cents ($33,300.00)** (the **"Cash Balance"**) with Escrow Holder in the form of a cashier's check, wire transfer or other immediately available funds for delivery to Caltrans upon close of escrow hereunder.

**2.03 Acknowledgement.** [Deleted.]

**2.04 No Seller Financing.** Purchaser acknowledges this Agreement is not a financing agreement and neither Caltrans nor any other governmental agency or department has at any time made any representations, warranties, promises or undertakings, express or implied, to provide any financing or other assistance with respect to all or any portion of the Purchase Price or any other obligations of Purchaser hereunder or with respect to the Property, or with respect to any repair, rehabilitation, updating or other activity contemplated by Purchaser with respect thereto. Purchaser has performed all due diligence regarding obtaining funding and/or financing with respect to the Property, including the purchase thereof hereunder, as provided in Section 1.03 above, and has satisfied itself as to the same.

**2.05 Change in Financial Condition.** If either: (i) Purchaser ultimately fails to secure funds for the Purchase Price in the timeframe specified herein, or (ii) the financial condition of the Purchaser changes prior to Close of Escrow so that it is unable to purchase the Property, then in either such event Purchaser shall be in default under this Agreement and Caltrans shall be entitled to exercise its rights and remedies pursuant to Section 12.02 below.

**2.06 Bonds, Taxes and Assessments.** Subject to the specific proration provisions set forth in Section 3.05 below, all real property taxes, supplemental taxes, special taxes, bonds and/ or assessments which are liens on or levied with respect to the Property shall be assumed by Purchaser at close of escrow without reduction of or adjustment to the Purchase Price.

## SECTION 3. ESCROW

**3.01 Opening.** The purchase and sale of the Property shall be consummated by means of Escrow No. OC2509882-TL (a single escrow) which has opened with Fidelity National Title Company, 4400 MacArthur Blvd., Suite 500, Newport Beach, CA, 92660, Attn: Trinh Le, Escrow Officer, email: tlee@fnf.com, Phone (949) 788-2836 (**"Title Company"** or **"Escrow Holder").**

**3.02 Closing.** The closing shall occur upon the recording of the Director's Deed for the Property, and shall occur when the conditions set forth in Article 5 below have all been satisfied or waived, but in no event later than **5:00 pm**_____, 2025 [the one hundred twentieth (120th) calendar day after the full execution of this Agreement]; provided, however, Caltrans shall, upon receipt of written request prior to such date, grant a one-time thirty (30) calendar day extension to close escrow, (such date, as may

be extended, being the **"Closing Date"**).

If at any time prior to the Closing Date, the Property becomes occupied, whether legally or illegally, Caltrans shall notify the Purchaser and Purchaser shall have 30 days to decide whether to proceed with the purchase of the Property. If the 30 days falls outside the Closing Date, the Closing Date shall be extended 10 days past the 30-day expiration. If Purchaser declines to proceed with the purchase of the Property due to the legal or illegal occupation of the Property, this Agreement shall terminate pursuant to the terms hereof. Upon any such termination, Escrow Holder shall remit the deposit to Purchaser.

**3.03 Instructions.** This Agreement shall to the extent applicable, also act as escrow instructions. The parties agree to execute any additional escrow instructions required by the Escrow Holder provided the same shall be consistent with the terms of this Agreement and shall provide that as between the parties, in the event there are any inconsistencies between such supplemental instructions and this Agreement, the terms of this Agreement shall prevail. Escrow Holder is hereby designated the "real estate reporting person" for purposes of Section 6045 of the Internal Revenue Code of 1986, as amended, and Treasury Reg. 1.6045-4, and any instructions or settlement statements prepared by Escrow Holder shall so provide. Escrow Holder shall be responsible for filing any Form 1099-S with the Internal Revenue Service.

**3.04 Costs.** Charges and expenses incurred in connection with the closing hereunder shall be borne by the parties as follows:

A. Purchaser shall pay all: (A) escrow fees, (B) recording fees, (C) transfer taxes, (D) title insurance premiums and fees (whether for ALTA or CLTA coverage), endorsement coverage and survey costs, and (E) any other real estate transaction fees involved in this transaction;

B. If applicable, Purchaser shall pay for and obtain any city/county required inspections and/or occupancy permits, whether required for closing the sale/escrow transaction or not. Caltrans shall provide Purchaser access to the Property as necessary to comply with this provision; and

C. Each party shall bear their own legal, tax and professional fees and costs.

**3.05 Prorations.** All real property taxes, special taxes, assessments, bonds, and all other similar charges imposed or levied upon the Property by any governmental agency or special district, organization or body and any other obligations related to the Property shall be prorated at close as of the Closing Date. With respect to any prorations based upon an estimation, if and when the tax, assessment or other charge related thereto is segregated by the appropriate agency or other persons, within fifteen (15) days thereof, the parties shall adjust said prorations, as necessary, based on such final segregation and pay any such adjustment to the appropriate party. The provisions of this Section 3.05 shall survive the close of escrow and the delivery and recordation of the Director's Deed and CC&Rs hereunder.

**3.06 Escrow Deposits.** On or before the Closing Date, the parties shall make the following deposits into Escrow:

A. **By Caltrans.** At least one (1) business day prior to such closing, Caltrans shall deposit the following documents with Escrow Holder:

(i) an original **Director's Deed** for the Property duly executed by Caltrans and properly acknowledged and otherwise in recordable form, to be recorded in the Official Records of Los Angeles County, California against the Property described therein at close;

(ii) a counterpart original of the **CC&Rs** for the Property duly executed by Caltrans, and the Monitoring Entity properly acknowledged and otherwise in recordable form to be recorded in the Official Records of Los Angeles County, California against the Property described therein at close immediately following the recordation of the Director's Deed for the Property and prior to any financing obtained by Purchaser and to any other encumbrances or agreements being recorded at close with respect to such Property;

(iii) such Non-Foreign Affidavits pursuant to Sections 1445 and/or 7701 of the Internal Revenue Code, as amended, and such California Form 590s pursuant to applicable sections of the California Revenue and Taxation Code, as necessary to comply with such laws and close escrow hereunder, each in form and content reasonably satisfactory to Purchaser and Caltrans;

(iv) such other agreements or documents reasonably necessary from Caltrans to close escrow as may be expressly provided for herein.

B. **By Purchaser.** At least one (1) business day prior to such closing, Purchaser shall deposit the following funds and documents with Escrow Holder:

(i) the **Cash Balance** as provided in Subsection 2.02(b) above;

(ii) a counterpart original of the **CC&Rs** for the Property executed by Purchaser, properly acknowledged and otherwise in recordable form to be recorded in the Official Records of Los Angeles County, California against the Property described therein at close immediately following the recordation of the Director's Deed for such Property and prior to any financing obtained by Purchaser and to any other encumbrances or agreements being recorded at close with respect to such Property;

(iii) all other sums due from Purchaser as provided herein, including without limitation Purchaser's share of closing costs under Section 3.04 above, in the form of wire transfer or other immediately available funds;

(iv) to the extent Purchaser is an entity, certified copies of Purchaser's organizational documents and/or other entity resolutions or other authorizing documents authorizing the execution and delivery of this Agreement and the other documents and agreements contemplated herein, the consummation of all transactions contemplated hereby, and authorizing those persons signing on behalf of Purchaser to bind Purchaser; and

(v) such other agreements, documents, or funds reasonably necessary from Purchaser to close escrow as provided for herein.

**3.07 Cancelling Escrow.** Caltrans may unilaterally cancel escrow if Purchaser fails to comply with Section 3.06(b) and/or Purchaser defaults after opening escrow but before close of escrow and such failure to comply or default is not remedied or cured within three (3) business days of Caltrans providing notice to Purchaser of such failure or default.

## SECTION 4. AGREEMENTS

**4.01 California Transportation Commission Approval and Governing Body Approval.** Purchaser understands and agrees that Caltrans' obligation to sell and convey the Property to Purchaser hereunder is subject to Caltrans first obtaining the written approval of the California Transportation Commission (**"CTC"**) to this Agreement and the sale of the Property hereunder prior to the Closing Date (the **"CTC Approval"**). In the event the CTC fails to approve the sale, all monies deposited into escrow hereunder by Purchaser will be refunded without interest. Caltrans makes no representations, assurances, or warranties, express or implied, concerning the CTC's timely or ultimate approval of this sale.

If applicable, Caltrans understands and agrees that, despite any provision in this Agreement to the contrary, Purchaser's obligation to purchase and accept the Property from Caltrans hereunder is subject to Purchaser first obtaining the written approval of its governing body to this Agreement and the purchase of the Property hereunder prior to the Closing Date. In the event the governing body fails to approve the sale, all monies deposited into escrow hereunder by Purchaser shall be refunded without interest. Purchaser makes no representations, assurances, or warranties, express or implied, concerning the timely or ultimate approval of this sale by its governing body.

**4.02 Leases.** [Deleted.]

**4.03 Covenants, Conditions and Restrictions.**

A. Purchaser acknowledges the purchase of the Property shall be subject to a declaration of covenants, conditions, and restrictions as required by Government Code section 54235 et seq. and the Regulations and agrees that Purchaser and its successors in interest shall be bound by the same. Therefore, prior to close, the parties hereto shall execute a Declaration of Covenants, Conditions and

Restrictions agreement in substantially the form of ***Exhibit "C"*** attached hereto (the **"CC&Rs"**) with respect to the Property, which shall, among other things impose certain ongoing restrictions on the use and occupancy of such Property, as well as imposing various limitations on the subsequent resale of such Property both as to whom it may be sold and the amount of equity or other compensation the Purchaser is entitled to retain upon such subsequent transfer. The CC&Rs shall be recorded immediately following the recordation of the Director's Deed for such Property and shall not be subordinated to any financing obtained by Purchaser with respect to such Property or any other agreements recorded against or otherwise first affecting the Property at close of escrow, except as authorized by the CC&Rs. After recordation, the original recorded CC&Rs for the Property shall be returned (mailed) by the Recorder's Office directly to Caltrans, who shall retain possession thereof. The CC&Rs shall constitute covenants and equitable servitudes that run with the land and shall bind Purchaser and all subsequent owners, lessees, occupants, lenders, encumbrancers, and others holding any interest in, lien on or claim to the Property. Purchaser agrees not to challenge or attempt to terminate, limit, or otherwise alter or amend the CC&Rs. The agreements of Purchaser under this Section 4.03 shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs hereunder.

B. **Historical Covenants**

☒ This Property is not subject to Historical Covenants.

☐ This Property is subject to Historical Covenants attached as Exhibit "__" to protect the historic value and characteristics of the Property. The Historical Covenants are in addition to the CC&Rs described in Section 4.03 A.

**4.04 Title.**

A. **Generally.** Purchaser understands and agrees that the right, title, and interest in the Property to be conveyed hereunder shall not exceed that currently vested in Caltrans (after taking into account any and all rights that may be reserved by Caltrans pursuant to the Director's Deed, the CC&Rs or any other agreement contained in or contemplated by this Agreement related to such Property), and that Caltrans will furnish no policy of title insurance with respect to the sale of the Property hereunder. If a policy of title insurance, endorsement or survey coverage is desired, Purchaser may obtain the same at Purchaser's sole expense, provided, however, in no event or circumstance shall obtaining any such title, endorsement or survey coverage) constitute any basis for extending the Closing Date contemplated hereunder. No later than ten business days prior to the expiration of the Inspection Period, Purchaser shall notify Caltrans in writing of its objection to any matter in the preliminary title report or on a survey. Caltrans shall have five business days to notify Purchaser of its election to cure the matter or not, and the absence of any notice shall be deemed an election not to cure the matter. Purchaser shall have the right to terminate this Agreement prior to the expiration of the Inspection Period if Caltrans does not agree to cure such matter, or if Caltrans agrees to but fails to cure the matter on or prior to Closing, then Purchaser shall have the right to terminate at such time. Upon any such termination, Escrow

Holder shall remit the deposit to Purchaser.

B. **Permitted Encumbrances.** At close of escrow hereunder the Property shall be conveyed to Purchaser by a Director's Deed in substantially the form of ***Exhibit "A"*** hereto (a **"Director's Deed"**), with title to the Property being subject to all of the following exceptions and matters (collectively, the **"Permitted Exceptions"**): (1) a lien to secure payment of real estate taxes, supplemental taxes, and special taxes, bonds and assessments; (2) any reservations or limitations contained in the Director's Deed or any prior deed(s) relating to the Property; (3) the CC&Rs; (4) all title exceptions and other matters shown in the preliminary report for such Property other than any items Caltrans has agreed to cure; (5) any and all other matters apparent from a physical inspection thereof and/or that might be revealed by a survey other than any items Caltrans has agreed to cure; and (6) all other matters created by or with the consent or knowledge of Purchaser, or otherwise disclosed or contemplated in this Agreement. Caltrans shall not have, and does not assume, any liability or obligation whatsoever for any encumbrances or other title matters affecting the Property, or the amendment, removal, or other disposition thereof, provided, however, Caltrans agrees not to encumber the Property or enter into any leases, licenses, and other occupancy agreements with respect to the Property ("Leases") during the Escrow Period without the consent of Purchaser.

**4.05 Operation during Escrow Period.** During the period commencing with the effectiveness of this Agreement until the close of escrow hereunder or termination of this Agreement, Caltrans will continue to operate the Property in substantially the same manner as operated as of the date of this Agreement and will not do, cause, or allow anything to be done with respect to the Property that would materially change, alter or modify the current operation of the Property as a vacant property without the prior written consent of Purchaser, which consent shall not be unreasonably withheld or delayed; provided, however, Caltrans shall not under any circumstances be responsible for or have any obligation or liability with respect to any such change, alteration or modification to the extent the same is caused by any tenant or occupant of a Property or any other person without Caltrans' consent or knowledge, or to the extent the same is otherwise beyond Caltrans' reasonable control. Additionally, notwithstanding the foregoing, Caltrans shall be entitled, at its election and without notice to or obtaining the consent of Purchaser, to take any and all actions and make any and all decisions with respect to the Property as Caltrans deems necessary or desirable, in its sole and absolute discretion, in addressing any emergency relating to the Property or the safety of any occupant thereof, making a Property compliant with applicable laws, and/or keeping and maintaining a Property in a safe and habitable condition.

**4.06 Purchaser's Agreements.** With respect to the period prior to the close of escrow Purchaser acknowledges and agrees as follows:

A. **No Changes.** Purchaser shall have no right to take any action with respect to the Property, including, without limitation changing, renewing or terminating any zoning designations, permits, approvals, certificates or other entitlements related thereto (or applying for any such new matters), giving any notices with respect to or otherwise amending or terminating any Leases related thereto, or making or

undertaking any repairs, alterations or additions to the Property and/or any improvements located thereon, in each case without the prior written consent of Caltrans, which may be conditioned or withheld in Caltrans' sole and absolute discretion.

B. **Restrictions.** Purchaser shall not use or take any actions, or permit or suffer its agents, employees, contractors or consultants (collectively, **"Agents"**) to use or take actions, with respect to the Property in a manner which would in any way: (i) interfere with any activities thereon, or the use or occupancy thereof; (ii) constitute a nuisance or result in waste; (iii) result in the cancellation of any insurance being maintained by or on behalf of Caltrans or any tenants, in the increase in the premiums for any such insurance or in the increase of any of Caltrans' other costs; or (iv) damage any improvements or personalty located thereon.

C. **Compliance with Laws Generally.** Purchaser and its Agents shall not enter any Property, nor shall they take any action with respect thereto (or permit or suffer anything to be done in, on or about the Property) which will in any manner violate any title conditions, maps, entitlements, permits, consents, agreements, Leases or any laws, ordinances, governmental rules or regulations now or hereafter in effect with respect thereto and/or the conduct of any activities thereon by Caltrans or any occupants.

D. **Liens.** Purchaser shall at all times keep the Property and Caltrans free from any liens and claims arising out of any and all actions taken, work and labor performed, materials or services furnished and/or damages or personal injuries caused by or on behalf of Purchaser in connection with any activity of Purchaser and/or its Agents with respect to the Property, whether occurring prior to or after the date hereof. Caltrans may require Purchaser to post, at Purchaser's sole cost and expense, a lien release bond or other undertaking, statutory or otherwise, in such amount as necessary to properly bond around any claim filed against Caltrans and/or the Property with respect to such activities (occurring prior to the close of escrow) of Purchaser or its Agents. The bonding obligations of Purchaser under this Subsection 4.06(d) shall be absolute and unconditional and shall survive the close of escrow and the delivery and recordation of the Director's Deed and CC&Rs hereunder and/or the expiration, revocation, or termination of this Agreement.

E. **Compliance with the Act & Regulations**. Purchaser shall at all times comply with the requirements of the Act and the Regulations.

## SECTION 5. CONDITIONS TO CLOSE

**5.01 Conditions to Purchaser's Obligation to Close.** The matters set forth in this Section 5.01 are conditions precedent to the close of escrow by Purchaser as contemplated in this Agreement, and the same may be declared satisfied or waived by Purchaser. In the event any such condition fails to be satisfied in accordance with the terms hereof through no fault of either party, Purchaser shall have the option of either: (i) waiving such condition and proceeding to close without adjustment of the Purchase Price or any of the other terms of this Agreement, or (ii) terminating this Agreement, in which case the

Deposit shall be refunded to Purchaser without interest, and neither party shall have any further rights, liabilities or obligations hereunder except paying their respective share of escrow costs incurred up to such date and observing those obligations expressly stated herein as surviving the termination of this Agreement.

A. **Title.** At closing, the Property shall be conveyed to the Purchaser pursuant to a Director's Deed subject to all the Permitted Exceptions applicable to such Property as contemplated by Section 4.04 hereof.
B. **CTC Approval and Governing Body Approval.** By the Closing Date, the CTC Approval shall and any governing body approval (if applicable) have been unconditionally obtained as contemplated by Section 4.01 hereof.
C. **Documents and Funds.** By the Closing Date, the escrow deposits referenced in Section 3.06(a) above shall have all been made by Caltrans, and the Escrow Holder shall be irrevocably committed to record the Director's Deed in the Official Records of Los Angeles County, California.
D. **Representations/Covenants.** At close: (i) all the representations of Caltrans contained in this Agreement shall be materially true and correct, and (ii) Caltrans shall have materially complied with its covenants contained in this Agreement.

**5.02 Conditions to Caltrans' Obligation to Close.** The matters set forth in this Section 5.02 are conditions precedent to the close of escrow by Caltrans as contemplated in this Agreement, and the same may be declared satisfied or waived by Caltrans. In the event any such condition fails to be satisfied in accordance with the terms hereof through no fault of either party, Caltrans shall have the option of either: (i) waiving such condition and proceeding to close without adjustment of the Purchase Price or any of the other terms of this Agreement, or (ii) terminating this Agreement, in which case the Deposit shall be refunded to Purchaser without interest, and neither party shall have any further rights, liabilities or obligations hereunder except paying their respective share of escrow costs incurred up to such date and observing those obligations expressly stated herein as surviving the termination of this Agreement.

A. **Balance of Purchase Price.** By the Closing Date, Purchaser shall have deposited the entire Cash Balance of the Purchase Price with Escrow Holder as provided in Section 2.02(b) hereof.
B. **CTC Approval.** By the Closing Date, the CTC Approval shall have been unconditionally obtained as contemplated by Section 4.01 hereof.
C. **Documents and Funds.** By the Closing Date, the escrow deposits referenced in Section 3.06(b) above shall have all been made by Purchaser and Escrow Holder shall be irrevocably committed to:
    (i) disburse the Cash Balance to Caltrans,
    (ii) record the Director's Deed, and CC&Rs immediately thereafter as contemplated herein, in the Official Records of Los Angeles County, California, and
    (iii) deliver to Caltrans a fully executed counterpart original any other appropriate documents as contemplated by Section 3.06(b).

D. **Representations/Covenants.** At close: (i) all the representations of Purchaser contained in this Agreement shall be materially true and correct, and (ii) Purchaser shall have materially complied with its covenants contained in this Agreement.

**SECTION 6. POSSESSION**

Possession of the Property shall be delivered to Purchaser on the Closing Date subject to the Permitted Exceptions applicable to the Property.

**SECTION 7. BROKERS**

**7.01 Caltrans.** Caltrans has retained **Veterans Realty Group** to act as a Consultant in connection with the sale of the Property hereunder, and any compensation due to **Veterans Realty Group** in connection with the transactions contemplated by this Agreement shall be paid by Caltrans.

**7.02 No Other Brokers.** Except for Caltrans' retention of **Veterans Realty Group** above, each party hereby represents and warrants to the other party that no broker, finder, real estate agent or other person has been retained by it or is entitled to any commission, finder's fee or other compensation resulting from any action on its part with respect to the sale of the Property to Purchaser. Purchaser and Caltrans each agree to indemnify, defend, and hold the other and the Property harmless from and against any real estate brokerage commissions or finder's fees, and all costs and expenses (including attorneys' fees and costs) of investigating and defending any such claims, payable or alleged to be payable to any other persons in connection with this Agreement which such indemnifying party may have engaged or is claimed or alleged to have engaged. This section does not prohibit Purchaser from obtaining a broker at his/her own expense. The representations, warranties, indemnification, and other obligations set forth in this Section 7.02 shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs and/or the expiration, revocation, or termination of this Agreement.

**SECTION 8. REPRESENTATIONS & WARRANTIES**

**8.01 By Caltrans.** Caltrans hereby makes the following representations and warranties to Purchaser:

A. Authority. Subject to obtaining the CTC Approval, Caltrans has all requisite power and authority to enter into, deliver and perform this Agreement and all the other agreements contemplated herein and to be executed in connection herewith, and the person(s) executing this Agreement and all other agreements contemplated herein on behalf of Caltrans have been properly authorized to sign on behalf of and bind Caltrans in connection with performing the transactions contemplated herein.

B. Binding. Subject to obtaining the CTC Approval, this Agreement and all documents to be executed by Caltrans as provided herein, as of the date of

execution shall, subject to the operation of any bankruptcy or similar laws, be the legal, valid and binding obligations of Caltrans.

C. Information. Except as otherwise set forth in this Agreement, Caltrans has no actual constructive knowledge of any information affecting the Property that had, has or would have a material effect on Purchaser's ability to use and operate the Property as contemplated by Purchaser. Caltrans has provided to Purchaser all material and factual information requested by the Purchaser and/or as required by law concerning the Property that is in Caltrans' possession, custody and control.

D. Compliance with the Act and Regulations: Caltrans conduct in this sales transaction has been in compliance with the Act and corresponding Regulations.

E. Claims. There is no claim, action, suit, arbitration, proceeding (including condemnation proceedings) or any investigation by or before any court or arbitration body, any governmental, administrative or regulatory authority, or any other body pending or, to Caltrans's knowledge, threatened with respect to the Property (collectively, "Allegations"). Caltrans is not aware of any basis or reason for any such Allegations. There is no order, judgment or decree of any court or arbitration body, any governmental, administrative or regulatory authority, or any other body, against Caltrans with respect to the Property or the sales transaction contemplated by this Agreement.

F. No Violation. Neither the execution and delivery of this Agreement, nor the performance by Caltrans of the sales transaction contemplated hereby, will contravene, conflict with, or result in a breach of any agreement, law, regulation, writ, injunction or decree of any court or governmental authority applicable to Caltrans or by which any of its properties is bound. Except for CTC Approval, Caltrans is not required to obtain any consent or authorization in order to complete the sales transaction contemplated by this Agreement.

G. Right to Purchase. Except pursuant to this Agreement, no third party has an option, right of first offer, right of first refusal, or other similar right to purchase the Property that currently remains in effect.

H. Environmental Matters. As requested by Purchaser and/or mandated by law, Caltrans has provided or made available for review copies of any material documents in its possession, custody and control of Caltrans regarding environmental condition of the Property ("Environmental Materials"). Except as set forth in the Environmental Materials, Caltrans is not aware of the existence of any Hazardous Substances (defined in Section 10 below) attributable to or affecting the Property. There have been no settlements reached by or with any third parties alleging the presence, disposal, release or threatened release of any Hazardous Substances from the use or operation of the Property.

I. Leases. The Property is not subject to any Leases, tenancy and/or similar agreements conferring any right, title or interest in the Property to a third party.

J. Contracts. Other than as disclosed in the title reports provided by the Title

Company and this Agreement, there are no agreements affecting the Property.

Each of the representations made by Caltrans in this Agreement shall be true and correct on the date hereof, and shall be deemed to be made again as of the close of escrow provided for herein, and shall then be true and correct in all material respects. Caltrans shall promptly provide written notice to Purchaser of any developments or information that would make the representations set forth above untrue. The representations and warranties set forth in this Section 8.01 shall expressly survive the close of escrow as described in Section 13.12 below.

**8.02 By Purchaser.** Purchaser and the specific parties signing this Agreement on behalf of Purchaser hereby makes the following representations and warranties to Caltrans:

A. Organization. Purchaser is a municipal corporation duly organized, validly existing and in good standing under the laws of the State of California which has the power and authority to enter into this Agreement and to consummate the transactions contemplated hereby.
B. Authority. Subject to obtaining governing body approval, Purchaser has all requisite power and authority to enter into, deliver, and perform this Agreement and all the other agreements contemplated herein and to be executed in connection herewith, and the person(s) executing this Agreement and the other agreements contemplated herein on behalf of Purchaser have been properly authorized to sign on behalf of and bind Purchaser in connection with performing the transactions contemplated herein.
C. Binding. This Agreement and all documents to be executed by Purchaser as contemplated hereunder shall, subject to the operation of any applicable bankruptcy or similar laws, be the legal, valid and binding obligations of Purchaser, and shall not materially violate any law, agreement, order or decree to which Purchaser is a party or is subject.
D. Litigation. There are no pending or threatened, suits or actions affecting Purchaser which would materially affect Purchaser's ability to enter into or perform its obligations under this Agreement or the documents executed in connection herewith.
E. Information / Compliance. All applications, information, financial statements, and other materials provided by Purchaser or its Agents to Caltrans pursuant to or in connection with the Act, the Regulations and or this Agreement are true, correct and not materially misleading; and Purchaser is in compliance with the Act and the Regulations as relates to the Property and the purchase thereof under this Agreement.
F. No Bankruptcy. Purchaser is not the subject of any pending or threatened bankruptcy proceedings, whether voluntary or involuntary.

Each of the representations and warranties made by Purchaser in this Agreement, or on any document or instrument delivered pursuant hereto shall be true and correct on the date hereof, and shall be deemed to be made again as of close of escrow provided for herein, and shall then be true and correct in all material respects. The representations

and warranties of Purchaser contained in this Section 8.02 shall survive the close of escrow and the delivery and recordation of the Director's Deed and CC&Rs.

**SECTION 9. "AS-IS", WAIVERS AND RELEASE**

Purchaser acknowledges and agrees that, except as set forth in this Agreement, neither Caltrans nor any of its respective employees, agents, managers, members, partners, officers, interest holders, attorneys, contractors or consultants, including without limitation the California Department of Housing and Community Development **("HCD")**, (Caltrans and such other persons being collectively, the **"Seller Parties"**) have made or are making, and specifically negate and disclaim making, any representations, warranties, guaranties, promises, covenants or assurances of any kind or character; whether express, implied, written, oral, past, present or future concerning or with respect to the Property, or the condition or status thereof, including without limitation, the suitability for any purpose or the profitability of owning and operating the Property; the value thereof; the existence or non-existence of any patent or latent defects affecting the same; the physical or environmental condition or status thereof (including without limitation the existence of any mold, lead paint, radon gas or other environmental health hazards); the rental or other income generated thereby; the expenses or costs associated therewith; the size and square footage of the parcel or the improvements located thereon, the age or condition of the such improvements, or the location of property lines or setbacks (or the location of the improvements with respect thereto); the zoning thereof; the condition of title thereto; the existence, necessity or satisfaction of any local, state or federal approvals, permits or certificates for the entitlement, ownership, operation, use or occupancy thereof as contemplated by Purchaser or any tenants, occupants or any future owners thereof; the feasibility of or cost associated with obtaining any such approvals; the compliance of the Property with any and all applicable local, state or federal laws, codes and ordinances; or any other matter.

Purchaser further acknowledges that Purchaser, with the help of its independent experts, contractors, consultants, professionals (including independent legal counsel and accountants), and advisors, prior to the Closing Date, will conduct its independent feasibility, investigation, and due diligence inquiry as described in Section 1.03 above with respect to the Property and will fully satisfy itself as to all matters relating thereto. Except for the representations and warranties of Caltrans set forth in this Agreement, Purchaser is relying solely and exclusively on such independent due diligence in executing this Agreement and purchasing the Property hereunder, and not on any representations, warranties, guaranties, promises, covenants or assurances of any kind or character by Caltrans or any other Seller Parties; and the Property is being purchased **"AS-IS" / "WHERE-IS"** at close in its present condition with all defects and faults, both patent and latent, whether known or unknown, presently existing or that may hereafter arise.

Effective on the Closing Date, Purchaser hereby fully and expressly releases Caltrans, HCD and all of the other Seller Parties and their respective agents, employees, attorneys, consultants, successors and assigns from any and all demands, claims, liabilities, amounts, actions, costs, judgments, expenses and damages (including, without limitation,

attorneys' fees, witness fees and court costs) related to or arising from the Property, or the condition or status of thereof or any other matter relating thereto, including without limitation the matters referenced in the first paragraph of this Section 9, (collectively, the **"Released Matters"**); and Purchaser hereby covenants not to sue, and hereby fully and expressly waives and relinquishes any and all rights and remedies Purchaser may have against, Caltrans, HCD and the other Seller Parties and their respective agents, employees, attorneys, consultants, successors and assigns, or any of them, at law, in equity or otherwise, related to or arising from the Released Matters. However, nothing contained herein shall release or be deemed to release Caltrans from claims arising from its fraud or a breach of any representation or warranty by Caltrans contained in this Agreement (the "Preserved Matters"). Preserved Matters shall not be considered Released Matters. Purchaser acknowledges and agrees that the release, waiver and discharge given by Purchaser hereunder to Caltrans, HCD and the other released parties extends to all Released Matters described above, whether known or unknown, foreseen or unforeseen, patent or latent, which Purchaser may now or hereafter have against Caltrans, HCD or such other persons; and in connection with such release, waiver and discharge, Purchaser hereby expressly waives the benefit of the provisions of California Civil Code Section 1542, which provides as follows:

> **"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."**

Purchaser has read this Section 9, has had the effect and content thereof explained to Purchaser by independent legal counsel, and fully understands and appreciates the same. Purchaser understands and acknowledges that, among other things, the consequence of this waiver of California Civil Code section 1542 is that even if Purchaser should eventually discover any claims or suffer any losses or damages arising from the Released Matters, Purchaser would not be able to make any claim against Caltrans, HCD or the other released persons with respect thereto. Purchaser acknowledges that these consequences apply even as to claims, losses or damages resulting from the Released Matters that may exist as of the date of this Agreement or in the future, but which Purchaser does not know exist, or does not anticipate, and which, if known or anticipated, would materially affect Purchaser's decision to execute this Agreement. The waivers, releases, covenants not to sue and discharges contained in this Section 9 are a material portion of the consideration to Caltrans in agreeing to enter into this Agreement and shall survive the close of escrow and the delivery and recordation of Director's Deed and the CC&Rs in perpetuity.

**SECTION 10. <u>INDEMNIFICATION</u>**

Following the closing of the transaction contemplated herein, except as provided below,

Purchaser shall, at its sole cost and expense, indemnify, defend and hold Caltrans and its officers, agents, employees, attorneys and consultants, including without limitation, HCD, and their respective successors and assigns (collectively, the **"Indemnified Parties"**), free and harmless from and against any and all liabilities, demands, claims and costs (including remediation, reimbursement or contribution costs or claims), damages, losses, and expenses (including and without limitation to attorneys' fees, legal expenses and court costs, and consultant's fees, and investigation and remediation costs) of whatever kind or nature incurred or suffered by, or threatened against, any Property or any Indemnified Party(ies) resulting from or arising out of or by reason of any matter pertaining to the condition or status of the Property, including without limitation, the existence of any Hazardous Substances or Hazardous Substance Conditions in, on, under or about the Property (collectively, "Claims"). Except as provided below, this indemnity is intended to address any and all liability for which Caltrans may now or at any time hereafter be partially or entirely responsible in connection with the contamination, environmental or physical condition or status of any Property, including the prior operation thereof, due to its mere ownership or operation of such Property. As used in this Agreement, the term **"Hazardous Substance"** shall mean any substance whose nature and/or quantity of existence, use, manufacture, disposal or effect, render it subject to federal, state, or local regulation, investigation, remediation or removal as potentially injurious to public health or welfare, including the Comprehensive Environmental Response Compensation and Liability Act or Resource Conservation and Recovery Act as now in effect; and the term **"Hazardous Substance Condition"** shall mean the existence in, on, under or about the Property of a hazardous substance that requires remediation, removal, mitigation and/or other action pursuant to applicable law. This indemnification shall in no event apply to (i) Claims to which Caltrans representations and warranties apply, (ii) any Claims involving Caltrans' willful misconduct, gross negligence or fraud, and (iii) any Claims relating to challenges to Caltrans' acquisition or disposition of the Property.

Purchaser's indemnification and defense of any matters contemplated in this Section 10 for or on behalf of the Property or any Indemnified Parties shall be made by counsel reasonably acceptable to the Indemnified Parties; shall commence immediately upon any such claim or matter being made, threatened, or asserted against Indemnified Parties or the Property without the necessity of the Indemnified Parties first contesting or defending the same, suffering or incurring any loss or adverse disposition, or otherwise taking or failing to take any other action; and shall apply to all such matters regardless of any action, failure or negligence of the Indemnified Parties, it being the express intent that the indemnification, defense and hold harmless obligations of this Section 10 apply to all matters referenced herein except to the extent caused by the gross negligence or willful misconduct of the Indemnified Parties. In the event Purchaser refuses to initiate or continue pursuing to completion any such defense or other obligations hereunder, Indemnitee shall be entitled to undertake, assume, and/or conclude the same, all at Purchaser's sole cost and expense, with counsel selected by Indemnitee. The obligations of Purchaser under this Section 10 shall be absolute and unconditional, and shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs.

**SECTION 11. CASUALTY/CONDEMNATION**

In the event any casualty or condemnation proceeding occurs or is commenced with respect to the Property after the effectiveness hereof but prior to the close of escrow, Caltrans shall notify Purchaser of the same in writing within ten (10) business days after Caltrans has knowledge of the same, and either of the following shall occur:

(A) If Purchaser does not elect to cancel within seven (7) business days after receipt of such notice by Purchaser, the parties shall continue to proceed under this Agreement and close without adjustment to the Purchase Price or any of the other provisions of this Agreement, in which event upon the close of escrow, Caltrans shall assign to Purchaser all of its interest in any such insurance or condemnation proceeds, compensation, award, or other payments or relief resulting from such casualty or condemnation proceedings; or

(B) If Purchaser elects to cancel, and Purchaser provides written notification to Caltrans of its election to terminate this Agreement within such 7-day period, then this Agreement shall terminate, the Deposit shall be returned to Purchaser without interest, and Caltrans shall retain all proceeds, compensation, awards, payments and other benefits or relief related to such casualty and condemnation with respect to the Property.

**SECTION 12. REMEDIES**

**12.01 Of Purchaser.** If the closing does not occur as a result of Caltrans' default under this Agreement, then, provided Purchaser is not in default hereunder, Purchaser may, at its election proceed with either of the following mutually exclusive alternatives as its sole and exclusive remedy:

A. Terminate the Agreement, whereupon: (1) the Deposit shall be returned to Purchaser without interest, (2) Purchaser may seek reimbursement from Caltrans of any and all hard third-party costs and expenses incurred by Purchaser in connection the investigation of the Property or the negotiation and execution of this Agreement, as evidenced by invoices delivered to Caltrans, up to the maximum aggregate amount of fifteen thousand Dollars ($15,000), and (3) neither party shall have any further obligation or liability to the other under this Agreement except for provisions of this Agreement which expressly state that they shall survive the termination of this Agreement; or

B. File in a court of competent jurisdiction an action for specific performance to cause Caltrans to convey the Property to Purchaser in accordance with the terms and conditions of this Agreement; but Purchaser shall not be entitled to recover any monetary damages (whether compensatory, consequential, exemplary, punitive or other) from Caltrans in connection with such default other than seeking

its reasonable attorneys' fees in connection with such action.

**PURCHASER ACKNOWLEDGES AND AGREES THAT THE LIMITATIONS ON REMEDIES AGAINST CALTRANS SET FORTH IN THIS SECTION 12.01 ARE A MATERIAL INDUCEMENT FOR CALTRANS TO ENTER INTO THIS AGREEMENT, AND PURCHASER AGREES THAT SUCH LIMITATIONS ARE REASONABLE AND ENFORCEABLE IN ACCORDANCE WITH THEIR TERMS.**

**12.02 Of Caltrans. LIQUIDATED DAMAGES. PURCHASER AND CALTRANS AGREE THAT SHOULD PURCHASER FAIL TO COMPLETE THE PURCHASE OF THE PROPERTY AS HEREIN PROVIDED BY REASON OF DEFAULT OF PURCHASER, THE PARTIES HERETO, BY INITIALING THIS SECTION 12.02 IN THE SPACE PROVIDED BELOW, AGREE THAT IT WOULD BE IMPRACTICAL OR EXTREMELY DIFFICULT TO ASCERTAIN OR FIX ACTUAL DAMAGES TO CALTRANS AS A RESULT OF SUCH FAILURE OR DEFAULT BY PURCHASER, THAT UNDER THE CIRCUMSTANCES EXISTING AS OF THE DATE OF THIS AGREEMENT THE ENTIRE DEPOSIT PROVIDED FOR IN SECTION 2.02(A) ABOVE IS A REASONABLE ESTIMATE OF CALTRANS' DAMAGES, AND THAT AS CALTRANS' SOLE AND EXCLUSIVE REMEDIES ON ACCOUNT OF SUCH BREACH, CALTRANS SHALL BE ENTITLED TO: (1) RETAIN SAID DEPOSIT AS LIQUIDATED DAMAGES FOR SUCH BREACH BY PURCHASER AND (2) TERMINATE THIS AGREEMENT. THE PAYMENT OF SUCH AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO CALTRANS PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677.**

**THE PROVISIONS HEREOF RELATE ONLY TO CALTRANS' DAMAGES FOR PURCHASER'S DEFAULTS IN ITS AGREEMENT TO PURCHASE THE PROPERTY AS PROVIDED HEREIN. NOTHING CONTAINED HEREIN SHALL LIMIT OR PRECLUDE, OR BE DEEMED TO LIMIT OR PRECLUDE, THE EXERCISE OR ENFORCEMENT BY CALTRANS OF ANY RIGHTS WHICH EXPRESSLY SURVIVE THE TERMINATION OF THIS AGREEMENT.**

**Purchaser's Initials:** _____ **Caltrans' Initials:** _____

**SECTION 13. MISCELLANEOUS**

**13.01 Headings.** This Agreement shall be construed as a whole, and the subject headings of the paragraphs and subparagraphs of this Agreement are included for convenience only and shall not affect the construction or interpretation of any of its provisions or define the provisions in the portions of this Agreement to which they pertain.

**13.02 Assignment.** Purchaser may not assign this Agreement, or any portion hereof or any of its rights or interests hereunder, without the express prior written consent of Caltrans, which consent may be conditioned or withheld in Caltrans' sole and absolute discretion, except as set forth herein. Purchaser may, without Caltrans' consent, but upon notice to Caltrans and Escrow Holder, assign any or all of its rights in, to or under this Agreement to an entity or instrumentality that is wholly controlled by Purchaser. No such assignment (regardless of whether consented to by Caltrans) shall relieve or release

its reasonable attorneys' fees in connection with such action.

**PURCHASER ACKNOWLEDGES AND AGREES THAT THE LIMITATIONS ON REMEDIES AGAINST CALTRANS SET FORTH IN THIS SECTION 12.01 ARE A MATERIAL INDUCEMENT FOR CALTRANS TO ENTER INTO THIS AGREEMENT, AND PURCHASER AGREES THAT SUCH LIMITATIONS ARE REASONABLE AND ENFORCEABLE IN ACCORDANCE WITH THEIR TERMS.**

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Purchaser from any of its obligations hereunder. As a condition to the effectiveness of such assignment, all assignees shall execute an assumption agreement reasonably acceptable to Caltrans under which the proposed assignee agrees to fully assume and be bound by all the terms of this Agreement to be observed or performed by Purchaser.

Caltrans shall be free to assign this Agreement, or any portion hereof or any of its rights or interests hereunder, without the consent or approval of Purchaser.

**13.03 Entire Agreement / Amendment.** This Agreement (including all exhibits and schedules hereto and other agreements referenced herein) constitute the entire agreement between the parties pertaining to the subject matter contained herein and supersede all prior written or oral agreements, representations and understandings of the parties relating to the subject matter herein. There are no representations, agreements, arrangements, or understandings, oral or written, relating to the subject matter which are not fully expressed herein. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by all the parties hereto.

This Agreement does not affect the enforceability of other written contracts related to the use and resale of the Property or to preserving the historic nature of the Property.

**13.04 Counterparts.** This Agreement may be executed simultaneously in one or more identical counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. This Agreement shall be fully effective and binding on all parties hereto, as if one or more copies thereof had been executed by all the parties hereto, when all the parties have executed identical counterparts hereof, even though no single counterpart has been executed by all the parties hereto.

**13.05 Binding / Successor & Assigns.** Except to the extent assignment hereof is prohibited, this Agreement shall be binding on, and shall inure to the benefit of, the parties hereto and their successors and assigns.

**13.06 Attorneys' Fees.** If any legal action, arbitration or other proceeding is brought by either party involving a dispute between the parties arising out of the interpretation or enforcement of any condition or provision hereof, or by reason of any breach arising hereunder or the sale of the Property, the prevailing party shall be entitled to recover its reasonable attorneys' fees, court costs and expert witness fees incurred in such action or proceeding in addition to any other relief to which such party may be entitled.

**13.07 Further Acts.** Each party agrees to perform any further acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions in this Agreement.

**13.08 Limited Third-Party Beneficiaries.** Subject to the remainder of this Section 13.08,

this Agreement is for the sole benefit of the parties hereto and there are no third-party beneficiaries, intended or otherwise. Notwithstanding the foregoing, HCD and the other Seller Parties (and other released persons) are intended third-party beneficiaries of Section 9 hereof, and HCD and the other Indemnified Parties are intended third party beneficiaries of Section 10 hereof.

**13.09 Notices.** All notices, requests, demands, and other communications required or desired under this Agreement shall be in writing and shall be given by any of the following methods: (i) personal service at the address set forth below, (ii) email transmission in the manner set forth below, or (iii) depositing such notice in the United States mail postage prepaid, addressed to the other as follows:

Caltrans
Division of Right of Way – SR-710, MS6
100 South Main Street
Los Angeles, CA 90012

City of South Pasadena
City Manager
1414 Mission Street
South Pasadena, CA 91030

Any notice given by personal service shall be deemed given when received, as verified by a written receipt or proof of service. Any notice given by email transmission shall be deemed given when transmitted, as evidenced by printed email; and any notice given by regular mail shall be deemed given on the fifth (5th) business day after its deposit in the United States mail postage prepaid.

Either party may change its address for purposes of this paragraph by giving the other party written notice of the new address to the other party at the address contained herein.

**13.10 Governing Law.** This Agreement has been prepared, negotiated, and entered into in the State of California and shall be governed by, construed and enforced in accordance with the internal laws of the State of California and according to its fair meaning, and not in favor of or against any party. Any action or proceeding relating or arising out of this Agreement shall be filed, if a State action, in the Superior Court of the State of California for the County of Los Angeles.

**13.11 Severability.** If any provision of this Agreement, or the application thereof to any person or circumstance, is held invalid or unenforceable by any court or arbitrator, it is the intent of the parties that all the other provisions of this Agreement, and the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall be construed to be fully valid, enforceable and binding on the parties to the fullest extent permitted by law.

**13.12 Survival / No Merger.** All covenants, representations, warranties, and other agreements under this Agreement which are expressly stated herein as surviving the close of escrow shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs in perpetuity, and shall not merge with or into the Director's Deed or the CC&Rs (or be terminated, limited or otherwise affected thereby).

**13.13 Time is of the Essence.** Time is of the essence of this Agreement in respect to all provisions of this Agreement that specify a time for performance, including the closing of escrow provided for herein, and failure to comply with this provision shall be a material breach of this Agreement.

**13.14 Days / Saturdays, Sundays, and Holidays.** Unless otherwise expressly stated, all time periods referred to herein shall be deemed to mean calendar days. If any date by which an election or a notice shall be given, or by which an action shall be taken, hereunder falls on a Saturday, Sunday, federal or state holiday, then the date by which such election or notice shall be given or such action shall be taken is extended to 5:00 p.m. on the next business day following such Saturday, Sunday, federal or state holiday.

**13.15 Waiver.** Waiver by one party of the performance of any covenant, condition or promise shall not invalidate this Agreement, nor shall it be a waiver by such party of such covenant, condition or promise in the future or of any other covenant, condition, or promise hereunder. Any waiver, to be effective, shall be express, in writing and signed by the waiving party, and shall be delivered to the other party. The exercise by a party of any remedy provided in this Agreement or at law shall not prevent the exercise by that party of any other remedy provided in this Agreement or at law.

**13.16 Construction.** As used in this Agreement, the masculine, feminine, or neuter gender and the singular or plural numbers shall each be deemed to include the other whenever the context so indicates. Each party hereto acknowledges and agrees that each has had independent counsel review and participated in the negotiation and drafting of this Agreement, and each hereby fully waives the application of any law, statute or rule of construction or interpretation, including without limitation California Civil Code Section 1654, to the effect that any ambiguities are to be construed against the drafting party.

**13.17 Exhibits.** All exhibits and schedules attached to this Agreement are hereby incorporated by reference herein and specifically made a part of this Agreement.

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

CALTRANS:

Recommended for Approval by:

STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION

By: _____ Date: _____
Angus Chan
Senior Right of Way Agent

By: _____ Date: _____
Heriberto Salazar
Office Chief, 710 Sales

Approved:

By: _____ Date: _____
Dan Murdoch
Deputy District Director, Right of Way

PURCHASER: CITY OF SOUTH PASADENA

By: Todd Hileman Date: 11/12/2025
Todd Hileman, City Manager
City of South Pasadena

Attest:

By: _____ Date: 11/12/2025
Deputy City Clerk

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

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Recommended for Approval by:

STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION

By: _____ Date: NOV 17, 2025
Angus Chan
Senior Right of Way Agent

By: _____ Date: 11-20-25
Heriberto Salazar
Office Chief, 710 Sales

Approved:

By: _____ Date: 11/20/25
Dan Murdoch
Deputy District Director, Right of Way

PURCHASER: CITY OF SOUTH PASADENA

By: _____ Date: _____
Todd Hileman, City Manager
City of South Pasadena

Attest:

By: _____ Date: _____
Deputy City Clerk

## Attached Exhibits

| | |
|---|---|
| ***Exhibits "A"*** | *Director's Deed/Legal Description of Property* |
| ***Exhibit "B"*** | *Deleted* |
| ***Exhibit "C"*** | *Declaration of Covenants, Conditions & Restrictions* |
| ***Exhibit "D"*** | Historical Covenants (only included if applicable) |

# City Council Agenda Report

**ITEM NO. 15**

**DATE:** March 4, 2026

**FROM:** Todd Hileman, City Manager

**PREPARED BY:** Nick Kimball, Assistant City Manager/CFO
William Castrillon, Budget and Purchasing Manager
Tatiana Fernandez, Management Analyst

**SUBJECT:** **CONSIDERATION TO RECEIVE AND FILE THE MID-YEAR BUDGET REVIEW FOR FISCAL YEAR 2025-2026, ADOPT A RESOLUTION APPROVING THE MID-YEAR BUDGET ADJUSTMENTS; AND REVIEW THE DECEMBER MONTHLY BUDGET REPORT, GENERAL FUND 5-YEAR FORECAST AND FISCAL YEAR 2026-2027 BUDGET CALENDAR**

## Recommendation

It is recommended that the City Council:

1. Receive a presentation of the Mid-Year Budget Review for Fiscal Year 2025-2026 (Attachment 1);
2. Adopt a Resolution approving the proposed mid-year adjustments (Attachment 2);
3. Review the monthly budget report through December 31, 2025 (Attachment 4);
4. Review the initial 5-year General Fund Forecast (Attachment 5);
5. Receive and file the tentative Fiscal Year 2026-2027 Budget Calendar (Attachment 6); and
6. Provide direction, as appropriate.

## Executive Summary

Overall, the General Fund is performing within expectations, with recommended mid-year adjustments largely reflecting increased development activity that is generating additional fee revenue and corresponding contract service costs. After accounting for prior-year carryovers and proposed adjustments, the General Fund is projected to end this fiscal year with an estimated surplus of approximately $60,880 and an estimated reserve balance of approximately $19.0 million, consistent with City reserve policies.

This report also includes the initial Monthly Budget Report for December 2025, a forward-looking financial forecast to support long-term planning, and a budget calendar to guide the upcoming FY 2026-2027 budget process.

## Background

In February 2025, City Council adopted priorities for FY 2025-2026, which included, among other items, providing regular financial reporting to support informed decision making.

On August 20, 2025, the City Council adopted the FY 2025-2026 City Budget.

On October 23, 2025, staff presented the FY 2025-2026 Finance Department Work Plan to the Finance Commission. The Work Plan included meeting the City Council priority of developing and implementing regular financial reporting beginning in February 2026 (Attachment 3).

In January and February 2026, Finance Department staff met with each Department to review budget to actual expenditures through December 2025 and discussed any proposed changes that would be requested to continue the operations of the City. The Finance Department then reviewed revenues, expenditures and proposed budget amendments with the City Manager to finalize recommended adjustments.

On February 26, 2026, Finance Department staff presented the mid-year review, monthly budget report, 5-year forecast, and fiscal year 2026-2027 budget calendar to the Finance Commission for review and feedback. A summary of the Commission's feedback will be provided as part of the presentation of this item to City Council.

**Analysis**

The annual mid-year budget review is an essential element in maintaining financial stability and transparency. The mid-year budget review process provides the opportunity to review the General Fund, make the needed course corrections to achieve a more accurate budget for the current fiscal year, and help shape the development of the next fiscal year budget through an updated General Fund Forecast and FY 2026-2027 Budget Calendar.

General Fund

The General Fund is the City's primary operating fund, supporting essential services like police, fire, emergency medical response, street, sidewalk and tree maintenance, permitting, recreation, and management. For FY 2025-2026, the City adopted a balanced budget with $43,715,328 in revenues and $43,325,013 in expenditures, resulting in net budget surplus of $390,315.

*General Fund Revenues*. Total adopted General Fund revenues for FY 2025-2026 were $43,715,328. Staff has reviewed receipts through mid-year, reviewed economic reporting and met with various contracted revenue consultants. Overall General Fund Revenues are performing within expectations. However, there are a number of large-scale development projects currently working through the entitlement process, resulting in increased revenue through Charges for Current Services (see Table 1).

Table 1:

| **General Fund Revenue Adjustments** | **Amount** |
|---|---|
| Plan Check Fees | $1,045,000 |
| Building Permits | 268,000 |
| **Total Recommended General Fund Revenue Adjustments** | **$1,313,000** |

*General Fund Expenditures.* Total adopted General Fund expenditures for FY 2025-2026 were $43,325,013. Budget adjustments through December 2025 amounted to $336,555, which consist primarily of prior year carry overs (i.e. items that were approved in prior budget years, but items were not received/completed before the close of the fiscal year), resulted in a

total adjusted expenditure budget, before recommended mid-year adjustments, of $43,561,568 (see Table 2).

Table 2:

| | |
|---|---|
| **FY 2025-2026 General Fund Adopted Budget:** | **$43,325,013** |
| **Carryovers from FY 2024-2025** | |
| Skate park repairs. | 9,900 |
| War Memorial building floor repairs. | 4,860 |
| Consultant agreement for updating the City's Housing Element. | 22,739 |
| Architectural design review assistance for DTSP, Residential or Mixed Use projects. | 43,631 |
| Fire Department Doors - repairs in progress through July | 2,386 |
| LA County Agricultural Commission – multi-year contract | 3,584 |
| Facility repairs. Materials ordered in FY24/25 to be completed in FY25/26 | 16,811 |
| Executive Search for Director-level positions | 5,500 |
| Finance Department Supplemental Staffing services to closeout FY 23-24 | 83,244 |
| Cost allocation study for FY 25-26, initiated in July 2025. | 43,900 |
| **Subtotal Carryovers:** | **236,555** |
| | |
| **Total FY 2025-2026 General Fund Adjusted Budget:** | **43,561,568** |

The recommended mid-year General Fund adjustments (see Table 3) primarily address increased development activity resulting in approximately $1.1 million in additional contract services for building and planning plan check and inspections, which are offset by additional fee revenue. There are also a few relatively minor clean up appropriations related to the MOUs that were agreed to and approved after the FY 2025-2026 Budget was adopted. Additional details are in Attachment "1."

Table 3:

| **General Fund Expenditure Adjustments** | **Amount** |
|---|---|
| Building Contract Services | 1,045,000 |
| Payment Processing Services Fees | 55,000 |
| Wellness Benefit per MOUs (adopted September 2025) | 15,000 |
| Temporary Staffing Services – Finance Dept | 46,980 |
| SPPD Electric Fleet Lease Payments | 243,900 |
| **Total Recommended General Fund Expenditure Adjustments:** | **1,405,880** |

The mid-year adjustments, including carryovers, result in a net budget surplus of $60,880 in the General Fund. Table 4 provides a summary of the General Fund including prior year carry-

overs and recommended mid-year adjustments.

Table 4:

| Fund | 2025-2026 Adjusted Budget | 2025-2026 Mid-Year Rec. | 2024-2025 Mid-Year Total |
|---|---|---|---|
| Revenues | $43,715,328 | $1,313,000 | $45,028,328 |
| Expenditures | 43,561,568 | 1,405,880 | 44,961,448 |
| **Surplus/(Deficit)** | **$153,760** | | **$60,880** |
| | | *Unassigned GF Reserve (6/30/2025):* | *$18,980,691* |
| | | **Estimated GF Reserve (6/30/2026):** | **$19,041,571** |

Self-Insurance Fund

In addition to the proposed adjustments in the General Fund, the Self Insurance Fund is also being recommended for mid-year adjustments. The proposed expenditure adjustment to liability claims costs of $750,000 is the result of a more aggressive approach to closing outstanding claims, which is offset by increased revenues of $750,000 due to insurance reimbursements for recent claim settlements.

MSRC Fund

September 2022, City Council authorized the Police Department to replace its gas-powered fleet with Tesla EVs and associated charging infrastructure. A portion of the cost to convert to EV was provided through grant funding secured from Mobile Source Air Pollution Reduction Review Committee (MSRC). The total cost of the charging infrastructure and annual financing costs are partially funded by the MSRC grant with the General Fund making up the difference. Both of these costs are currently budgeted in an internal service fund (Fund 105), which requires a year-end transfer from the General Fund to clear the negative fund balance.

Rather than creating a transfer to/from, it is more appropriate to budget the grant funded portion of the cost directly in the MSRC Special Revenue Fund and the General Fund portion directly in the Police Department operating budget. Therefore, the proposed mid-year adjustment includes moving the appropriation out of Fund 105 to each responsible fund.

Capital Improvement Program

In Prior years, the City has budgeted for Capital Improvement Projects (CIPs) by transferring funds from various Special Revenue sources to a Capital Projects Fund (Fund 400). Although this provides one central location for all CIPs, it creates challenges for tracking special revenues that are restricted to specific purposes (e.g., transportation, storm-water, etc.) and ensuring they are spent in accordance with their purpose. Therefore, staff is recommending a change to budget CIPs directly within the applicable Special Revenue Funds when those projects are funded by restricted revenues. This approach improves transparency, strengthens compliance with legal and policy restrictions, and provides clearer alignment between revenue sources and related project expenditures. It also simplifies financial reporting and enhances the City's ability to demonstrate appropriate use of restricted funds to the City Council, auditors, and the public. Attachment 2 provides the detail of the recommended transfers from

Fund 400 to each respective Special Revenue Fund.

General Fund 5 Year Financial Forecast

A five-year General Fund financial forecast is intended to provide the City Council with a forward-looking view of the City's fiscal condition, identify emerging trends, and support long-term policy and budget decisions. The forecast projects General Fund revenues, expenditures, and reserves over a five-year period using current information, adopted policies, and conservative assumptions. It is not intended to predict exact outcomes, but rather to highlight potential risks, opportunities, and decision points.

The forecast indicates that the City's General Fund remains generally stable in the near term, with revenues projected to grow modestly and expenditures continuing to be driven primarily by personnel costs, pension obligations, and healthcare expenses. Over the forecast period, structural cost drivers – particularly retirement and benefit-related expenditures – are expected to grow in line with ongoing revenues. However, staff will continue to actively monitor these drivers as they may place pressure on operating margins if they vary significantly from projections.

Importantly, the forecast shows how current service levels are sustained over time and the extent to which reserves are impacted in future years. This information allows the City Council to proactively consider fiscal strategies, policy adjustments, and timing of decisions to maintain long-term financial sustainability, preserve reserve levels consistent with Council policy, and align resources with community priorities.

The Forecast is expected to be updated twice per year (in February using Mid-Year Actual data and in September using Final Pre-audit Actual data). The Forecast is included as Attachment 4.

Fiscal Year 2026-2027 Budget Calendar

In order to meet the budget adoption deadline and give City Council and the public sufficient time to review and consider the City Manager's Proposed Budget, staff begins making preparations for the budget process in January each year. Preparations include initial revenue projections, providing direction to Departments regarding budget guidelines and expectations, and planning the budget calendar to get input from City Council.

To facilitate an efficient budget process, staff has developed a proposed calendar of events for the FY 2026-2027 budget process. The purpose of a budget calendar is to provide all parties involved with deadlines for submitting data and budget requests and provide the community opportunities to provide input. The tentative Budget Calendar is included as Attachment 5.

**Fiscal Impact**

The budget adjustments as proposed reflect funding level revisions needed during the normal course of business in any fiscal year. The General Fund mid-year adjustments reduce the budget surplus from $390,315 as adopted to $60,880 after proposed adjustments.

Pending authorization of the recommended mid-year adjustments, Staff projects a year-end General Fund Balance of approximately of $19 million, which represents more than 40% of the City's General Fund FY 2025-2026 operating expenditures.

**Commission Review and Recommendation**
On February 26, 2026, Finance Department staff presented the mid-year review, monthly budget report, 5-year forecast, and fiscal year 2026-2027 budget calendar to the Finance Commission for review and feedback. A summary of the Commission's feedback will be provided as part of the presentation of this item to City Council.

Attachment:
Attachment No. 1 - FY 25-26 Mid-Year Review Notes 1
Attachment No. 2 - FY 2025-2026 Mid-Year_Budget Amendment Resolution
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# FISCAL YEAR 2025-2026 MID-YEAR REVIEW NOTES

## GENERAL FUND REVENUES

| FUND | CAT | FY 25/26 Current Budget | YTD Revenues | Available | % Received |
|---|---|---|---|---|---|
| 101 | Assessments | 428,200 | 175,625 | 252,575 | 41.0% |
| | Charges for Current Services | 3,404,868 | 2,477,038 | 927,830 | 72.7% |
| | Fines, Forfeitures & Penalties | 63,350 | 44,648 | 18,701 | 70.5% |
| | Interfund Transfers | 1,610,849 | - | 1,610,849 | 0.0% |
| | Intergovernmental | 4,817,619 | 54,873 | 4,762,746 | 1.1% |
| | Licenses & Permits | 1,026,802 | 564,589 | 462,213 | 55.0% |
| | Other Revenue | 1,807,573 | 104,115 | 1,703,458 | 5.8% |
| | Other Taxes | 1,943,598 | 494,595 | 1,449,003 | 25.4% |
| | Property Taxes | 17,377,356 | 6,963,588 | 10,413,768 | 40.1% |
| | Sales Taxes | 5,562,209 | 1,900,401 | 3,661,808 | 34.2% |
| | Use of Money & Property | 1,148,690 | 283,158 | 865,532 | 24.7% |
| | Utility Users Taxes | 4,544,810 | 1,788,784 | 2,756,026 | 39.4% |
| **101 Total** | | **43,735,924** | **14,851,415** | **28,884,509** | **34.0%** |

- Intergovernmental Revenues consist mainly of Motor Vehicle in Lieu, with a budget of $ 4,292,024. Revenues are received generally in January and May. For the month of January, we received $2,207,463.
  Other revenues in this category are Fire interagency Support Reimbursement ($150,000), Shared Fire Command Reimbursement ($157,000), Miscellaneous Grants ($140,000)
- Other Revenues consist mainly of Reimbursement – Water Fund (Overhead Allocation to the General Fund) $1,021,628. As of December, we received $510,814.

## FOUR MAJOR GENERAL FUND CATEGORIES

| FUND | CAT | Description | FY 25/26 Current | YTD Revenu | Available | % Received |
|---|---|---|---|---|---|---|
| 101 | Other Taxes | Franchise - Cable TV | 212,963 | 41,160 | 171,803 | 19.3% |
| | | Franchise - Electric | 235,842 | - | 235,842 | 0.0% |
| | | Franchise - Gas | 62,934 | - | 62,934 | 0.0% |
| | | Franchise - Refuse | 838,456 | 226,722 | 611,734 | 27.0% |
| | | PSAF - Prop 172 Sales Tax | 374,484 | 124,468 | 250,016 | 33.2% |
| | | Real Property Transfer | 218,919 | 102,245 | 116,674 | 46.7% |
| | **Other Taxes Total** | | **1,943,598** | **494,595** | **1,449,003** | **25.4%** |
| | Property Taxes | Highway Rental | 88,436 | - | 88,436 | 0.0% |
| | | Homeowners Exemption | 48,600 | 8,602 | 39,998 | 17.7% |
| | | Property Tax - Current Secured | 16,155,734 | 6,770,695 | 9,385,039 | 41.9% |
| | | Property Tax - Int & Pen | 52,647 | 31,730 | 20,918 | 60.3% |
| | | Property Tax - Postponement | - | - | - | |
| | | Property Tax - Prior Years | - | (10,375) | 10,375 | |
| | | Property Tax - Residual SA | 250,000 | - | 250,000 | 0.0% |
| | | Property Tax - Unsecured | 506,939 | 77,798 | 429,141 | 15.3% |
| | | Supplemental - Sec/Unsec | 275,000 | 85,139 | 189,861 | 31.0% |
| | **Property Taxes Total** | | **17,377,356** | **6,963,588** | **10,413,768** | **40.1%** |
| | Sales Taxes | Sales & Use Tax | 2,615,793 | 890,360 | 1,725,433 | 34.0% |
| | | Sales Tax - Measure A | 2,946,416 | 1,010,040 | 1,936,376 | 34.3% |
| | | Sales Tax "In Lieu" | - | - | - | |
| | **Sales Taxes Total** | | **5,562,209** | **1,900,401** | **3,661,808** | **34.2%** |
| | Utility Users Taxes | Utility Tax - Cable | 272,535 | 73,185 | 199,350 | 26.9% |
| | | Utility Tax - Electric | 2,474,576 | 1,101,393 | 1,373,183 | 44.5% |
| | | Utility Tax - Gas | 553,021 | 104,752 | 448,269 | 18.9% |
| | | Utility Tax - Telephone | 405,365 | 130,231 | 275,134 | 32.1% |
| | | Utility Tax - Water | 839,313 | 379,224 | 460,089 | 45.2% |
| | **UUT Total** | | **4,544,810** | **1,788,784** | **2,756,026** | **39.4%** |
| 101 Total | | | 29,427,973 | 11,147,368 | 18,280,605 | 37.9% |

- Other Taxes – We received 27% of budget revenue for Franchise Refuse. The average collected at mid-year in prior years is 51.2%
- For Franchise – Cable TV, we received 19.3%. The average collected at mid-year in prior years is 22.6%
- Revenue for Franchise Gas and Franchise Electric are collected during the second half of the year.
- The revenue collected for Property Taxes is 40.1%. The average for prior years collections at mid-year is 39.5%
- The revenue collected for Sales Taxes is 34.2%. The average for prior years collections at mid-year is 32.0%
- The revenue collected for Utility User tax is 39.4%. The average for prior years collections at mid-year is 39.2%

## GENERAL FUND EXPENDITURES

| TYPE | CAT | FY 25/26 Current Budget | YTD Expenditure | Encumbrance | Available | % Used | % Used w/No Encumbrance |
|---|---|---|---|---|---|---|---|
| Expenditure | Benefits | 9,763,872 | 6,451,127 | - | 3,312,745 | 66.1% | 66.1% |
| | Capital Outlay | 404,050 | 50,738 | 5,754 | 347,558 | 14.0% | 12.6% |
| | Operating Expense | 12,338,082 | 5,054,538 | 2,897,891 | 4,385,653 | 64.5% | 41.0% |
| | Other Expenses | 2,039 | - | - | 2,039 | 0.0% | 0.0% |
| | Salaries & Wages | 20,253,613 | 8,422,672 | - | 11,830,942 | 41.6% | 41.6% |
| **Expenditure Total** | | **42,761,655** | **19,979,074** | **2,903,645** | **19,878,936** | **53.5%** | **46.7%** |

- Overall General Fund expenditure usage, including encumbrances at mid-year, is 53.5%. The expenditure usage without encumbrances is 46.7%.

## GENERAL FUND SALARY AND BENEFITS

| FUND | TYPE | CAT | Description | FY 25/26 Curret Budget | YTD Expenditure | Available | % Used |
|---|---|---|---|---|---|---|---|
| 101 | Expenditure | Benefits | CalPERS UAL | 3,956,620 | 3,956,621 | (0) | 100.0% |
| | | | Car Allowance | 6,000 | 1,800 | 4,200 | 30.0% |
| | | | City Manager's Car allowance | - | 1,757 | (1,757) | |
| | | | Deferred Compensation | 163,349 | 76,231 | 87,118 | 46.7% |
| | | | Dental Insurance | 93,480 | 38,190 | 55,290 | 40.9% |
| | | | Disability Insurance | - | 32,865 | (32,865) | |
| | | | FICA - Medicare | 208,546 | 137,440 | 71,106 | 65.9% |
| | | | Group Health Insurance | 1,964,880 | 673,158 | 1,291,722 | 34.3% |
| | | | Holiday Pay | 6,450 | 2,105 | 4,346 | 32.6% |
| | | | Housing Stipend | 6,000 | 5,857 | 143 | 97.6% |
| | | | Life Insurance | 21,335 | 8,523 | 12,812 | 40.0% |
| | | | Optical Insurance | 23,359 | 9,411 | 13,948 | 40.3% |
| | | | PARS Employer Contribution | - | - | - | |
| | | | Reimb. - Wellness | - | 2,223 | (2,223) | |
| | | | Retiree CalPers Admin | - | - | - | |
| | | | Retiree Health Insurance | 525,000 | 246,522 | 278,478 | 47.0% |
| | | | Retirement | 2,053,006 | 893,191 | 1,159,815 | 43.5% |
| | | | Unemployment Insurance | - | 21,434 | (21,434) | |
| | | | Uniform Allowance | 66,675 | 23,505 | 43,170 | 35.3% |
| | | | Uniform Allowance | 21,275 | 6,521 | 14,754 | 30.6% |
| | | | Vision Insurance | 2,230 | 835 | 1,395 | 37.4% |
| | | | Workers Compensation | 644,824 | 311,715 | 333,108 | 48.3% |
| | | | Workers Compensation Ins. | 842 | 1,224 | (382) | 145.4% |
| | | **Benefits Total** | | **9,763,872** | **6,451,127** | **3,312,745** | 66.1% |
| | | Salaries & | Fines & Penalties | - | 69,191 | (69,191) | |
| | | | Fire Strike Team Reimburser | - | - | - | |
| | | | Fitness | 10,500 | 5,000 | 5,500 | 47.6% |
| | | | Group Health Insurance | - | 4,340 | (4,340) | |
| | | | Holiday | 291,640 | 170,476 | 121,164 | 58.5% |
| | | | IOD - Non - Safety | - | - | - | |
| | | | IOD - Non Safety | - | 530 | (530) | |
| | | | IOD - Non-safety | - | - | - | |
| | | | IOD - Safety | - | 84,481 | (84,481) | |
| | | | IOD non-safety | - | - | - | |
| | | | Leave Buyback | 288,004 | 5,076 | 282,928 | 1.8% |
| | | | Optical Insurance | - | 58 | (58) | |
| | | | Overtime | 1,652,120 | 1,453,749 | 198,371 | 88.0% |
| | | | Overtime - DUI Checkpoint | 47,000 | - | 47,000 | 0.0% |
| | | | Overtime - Fire Strike | 300,000 | - | 300,000 | 0.0% |
| | | | Overtime - FLSA | 30,000 | 15,732 | 14,268 | 52.4% |
| | | | Overtime - Narco K9 | - | - | - | |
| | | | Overtime - Special Detail | 250,000 | 112,169 | 137,831 | 44.9% |
| | | | Overtime 4th July | - | - | - | |
| | | | Salaries - Permanent | 15,396,220 | 5,857,711 | 9,538,509 | 38.0% |
| | | | Salaries - PT Stipend | - | - | - | |
| | | | Salaries - Regular Employees | 90,792 | 42,005 | 48,787 | 46.3% |
| | | | Salaries - Temp / Part | 1,897,336 | 554,681 | 1,342,656 | 29.2% |
| | | | Salaries Permenant | - | 41,045 | (41,045) | |
| | | | Temp / Part 4th July | - | - | - | |
| | | | Temp / Part Facilty Rental | - | 3,348 | (3,348) | |
| | | | Temp / Part Special Events | - | 3,080 | (3,080) | |
| | | | (blank) | - | - | - | |
| | | **Salaries & Wages Total** | | **20,253,613** | **8,422,672** | **11,830,942** | **41.6%** |
| | Expenditure Total | | | **30,017,485** | **14,873,798** | **15,143,687** | **49.6%** |

- The overall Salaries and Benefits Usage is 49.7%. Benefits usage is 66.1% mainly due to the $3.9 million payment made at the beginning of the year. Salary expenditure is at 41.6%, which can be attributed to salary savings, offset by overtime, mainly by Fire and Police.

## FIRE AND POLICE OVERTIME

| Department | CAT | Description | FY 25/26 Curret Budget | YTD Expenditure | Available | % Used |
|---|---|---|---|---|---|---|
| Fire | Salaries & Wages | Fire Strike Team Reimburs | - | - | - | |
| | | Fitness | 10,500 | 5,000 | 5,500 | 47.6% |
| | | Holiday | 85,197 | 39,059 | 46,138 | 45.8% |
| | | IOD - Safety | - | 38,335 | (38,335) | |
| | | Leave Buyback | 40,000 | 5,000 | 35,000 | 12.5% |
| | | Overtime | 800,000 | 699,540 | 100,460 | 87.4% |
| | | Overtime - Fire Strike | 300,000 | - | 300,000 | 0.0% |
| | | Overtime - FLSA | 30,000 | 15,732 | 14,268 | 52.4% |
| | | Overtime - Special Detail | 100,000 | 44,691 | 55,309 | 44.7% |
| | | Salaries - Permanent | 3,226,793 | 1,093,627 | 2,133,166 | 33.9% |
| | | Salaries - Temp / Part | - | - | - | |
| **Fire Total** | | | **4,592,490** | **1,940,985** | **2,651,505** | **42.3%** |
| Police | Salaries & Wages | Holiday | 175,189 | 129,927 | 45,262 | 74.2% |
| | | IOD - Non-safety | - | - | - | |
| | | IOD - Safety | - | 46,146 | (46,146) | |
| | | Leave Buyback | 154,000 | - | 154,000 | 0.0% |
| | | Overtime | 750,600 | 722,237 | 28,363 | 96.2% |
| | | Overtime - DUI Checkpoint | 47,000 | - | 47,000 | 0.0% |
| | | Overtime - Special Detail | 150,000 | 67,478 | 82,522 | 45.0% |
| | | Salaries - Permanent | 6,527,206 | 2,528,113 | 3,999,093 | 38.7% |
| | | Salaries - Temp / Part | 123,074 | 50,535 | 72,540 | 41.1% |
| **Police Total** | | | **7,927,069** | **3,544,435** | **4,382,634** | **44.7%** |
| Total | | | **12,519,559** | **5,485,419** | **7,034,139** | **43.8%** |

- Fire is currently at 87.4% usage of regular overtime. Their year-end projection is $1,156,0000 which will be offset by salary savings
- Police is currently at 96.2% using regular overtime. Their year-end projection is $1,300,000. The overage will be offset by savings in salaries.

## ENTERPRISE REVENUE

| FUND | CAT | FY 25/26 Budget | YTD Rev | Available | % Received |
|---|---|---|---|---|---|
| 210 | Charges for Current Service | 2,102,000 | 978,257 | 1,123,743 | 46.5% |
| | Use of Money and Property | - | 54,938 | (54,938) | |
| **210 Total** | | **2,102,000** | **1,033,196** | **1,068,804** | **49.2%** |
| 295 | Charges for Current Service | 1,964,500 | 875,276 | 1,089,224 | 44.6% |
| | Use of Money and Property | - | 24,531 | (24,531) | |
| **295 Total** | | **1,964,500** | **899,808** | **1,064,692** | **45.8%** |
| 500 | Charges for Current Service | 11,112,500 | 5,229,393 | 5,883,107 | 47.1% |
| | Interfund Transfers | - | - | - | |
| | Intergovernmental | 2,023,175 | - | 2,023,175 | 0.0% |
| | Other Revenue | 22,500 | 40,565 | (18,065) | 180.3% |
| | Use of Money and Property | - | 88,579 | (88,579) | |
| **500 Total** | | **13,158,175** | **5,358,538** | **7,799,637** | **40.7%** |

- Fund 210 -Sewer revenue is mainly for Sewer Service Charges
- Fund 295 – Golf Course revenue is generated from food concessions, golf shop, green fees, and range. Revenue from the golf shop is trending lower than budget and will probably be under approximately $15,000 -$20,000.
- Fund 500 – Water revenue from Charges for Services is mainly Water Sales ($11,000,000).
- Intergovernmental revenue is derived from State Grant – Prop 68 Ground Water. Public Works decreased their revenue projection to $1,715,752. Staff are looking into the status of two claims submitted for $1,182,577. City received $533,175 for claim #1 in November 2024. Staff will verify.

## ENTERPRISE EXPENDITURES

| FUND | CAT | FY 25/26 Budget | YTD Exp | Encumber | Available | % Used w/o |
|---|---|---|---|---|---|---|
| 210 | Benefits | 266,056 | 127,180 | - | 138,876 | 47.8% |
| | Capital Outlay | 283,500 | - | - | 283,500 | 0.0% |
| | Operating | 727,254 | 95,413 | 54,815 | 577,025 | 13.1% |
| | Salaries & Wages | 675,508 | 208,488 | - | 467,020 | 30.9% |
| | Transfers | 1,858,153 | - | - | 1,858,153 | 0.0% |
| **210 Total** | | **3,810,471** | **431,081** | **54,815** | **3,324,574** | **11.3%** |
| 295 | Capital Outlay | 186,371 | 23,189 | - | 163,182 | 12.4% |
| | Operating | 1,502,352 | 680,632 | - | 821,720 | 45.3% |
| | Transfers | 85,000 | - | - | 85,000 | 0.0% |
| **295 Total** | | **1,773,723** | **703,820** | **-** | **1,069,902** | **39.7%** |
| 500 | Benefits | 924,486 | 456,473 | - | 468,013 | 49.4% |
| | Capital Outlay | 890,000 | 1,129 | - | 888,871 | 0.1% |
| | Operating | 6,716,956 | 1,150,503 | 1,448,831 | 4,117,622 | 17.1% |
| | Salaries & Wages | 2,291,554 | 784,570 | - | 1,506,984 | 34.2% |
| | Transfers | 10,919,027 | - | - | 10,919,027 | 0.0% |
| **500 Total** | | **21,742,023** | **2,392,675** | **1,448,831** | **17,900,517** | **11.0%** |

- Fund 210 expenditure usage is 11.3% mainly due to no or low budget usage in Transfers (1,858,153) and Operating expenditures ($727,254). Transfers from Fund 210 will fund CIP projects in Fund 400 and pay debt service. Operating expenditure is 13.1 %. This can be attributed to overhead allocation ($140,432), which has $0 expenses year-to-date but will be fully expended by the end of the fiscal year. Contract Services($140,000) has $0 expenses year-to-date and will likely have savings at year-end.
- Fund 295 expenditure usage is 39.7%, mainly due to no or low usage of budget from Transfers ($85,000) and Capital Outlay (186,371). Transfers from Fund 295 will fund CIP projects. Capital Outlay budget will be fully expensed for machinery and equipment.
- Fund 500 expenditure usage is 11.3%, mainly due to Transfers ($10,919,027) and Capital Outlay ($890,000). Transfers from Fund 500 will fund CIP projects in Fund 400 and pay for debt service. Operating expenses is 17,1% in part due to Overhead Allocation ($1,021,626), which is $0 of expenses year-to-date but will be fully expensed by year-end. Watermaster Charges ($750,000) has $0, but the year-end projection is $1,250,000, resulting in an overage of $500,000.

**CITY OF SOUTH PASADENA**
**RESOLUTION NO. 7986**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH PASADENA AMENDING THE FISCAL YEAR 2025-2026 ADOPTED BUDGET**

**WHEREAS**, the City Council of the City of South Pasadena adopted the Fiscal Year 2025-2026 Budget on August 20, 2025, establishing the City's financial plan for the fiscal year beginning July 1, 2025 and ending June 30, 2026; and

**WHEREAS**, subsequent to adoption, the City has identified a need to amend the budget to General Fund -101 revenues and appropriate funds from the General Fund reserves to fund the FY 2025/2026 Mid-Year budget adjustments. In addition, the City has a need to amend Fund – 400 Capital Project Fund and appropriate funds to various enterprise, special revenue, and general fund accounts (See Exhibit 1). Other Mid-Yer budget adjustments include Fund 103 - Insurance Fund, Fund 238 -MSRC Gran , and Fund105 - Facilities and Equipment Replacement Fund; and

**WHEREAS**, the proposed amendments are necessary to ensure the continued delivery of essential services, maintain fiscal responsibility, and align City resources with City Council priorities; and

**WHEREAS**, the City Council has reviewed the proposed amendments and finds them to be in the best interest of the City and its residents.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SOUTH PASADENA, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:**

**Section 1.** The above recitals are hereby declared to be true and correct and are incorporated herein as if set forth in full.

**Section 2.** The Fiscal Year 2025-2026 Adopted Budget is hereby amended as set forth in the table below:

| **Revenue Account No.** | **Description** | **Amount** |
|---|---|---|
| 101-0000-0000-5200-003 | Planning Check Fees | $1,045,000 |
| 101-0000-0000-5200-004 | Building Permits | $268,000 |
| 103-0000-0000-5410-001 | Insurance Reimbursement | $750,000 |
| **TOTAL:** | | **$2,063,000,** |
| **Expenditure Account No.** | **Description** | **Amount** |
| 101-7010-7011-8170-000 | Professional Services | $1,045,000 |
| 101-7010-7011-8180-000 | Contract Services | $55,000 |
| 101-2050-2051-7183-000 | Reimbursement -Wellness | $15,000 |
| 101-3010-3011-8170-000 | Professional Services | $46,980 |
| 101-4010-4011-8101-000 | Vehicle Lease | $243,900 |

| | | |
|---|---|---|
| 103-2010-2501-8161-000 | Claims & Judgement - GL | $750,000 |
| 238-4010-4011-8101-000 | Vehicle Lease | $124,984 |
| 105-4010-4011-8101-000 | Vehicle Lease | -$368,884 |
| **TOTAL:** | | **$1,911,980** |

**Section 3.** The City Manager, or their designee, is authorized and directed to implement the budget amendments, including transfers, appropriations, and related accounting entries, in accordance with this resolution.

**Section 4.** The City Manager is further authorized to make minor adjustments and technical corrections consistent with the intent of this resolution.

**Section 5.** The City Clerk shall certify to the adoption of this resolution.

**PASSED, APPROVED AND ADOPTED** this 4th day of March 2026.

_____
Shelia Rossi, Mayor

**ATTEST:**

_____
Nikima S. Newsome, Chief City Clerk

**APPROVED AS TO FORM:**

_____
Roxanne Diaz, City Attorney

I, Nikima S. Newsome, Chief City Clerk of the City of South Pasadena, do hereby certify the foregoing Resolution No. 7986 was duly passed and adopted by the City Council of the City of South Pasadena, at a regular adjourned meeting held on the 4th day of March, 2026, by the following roll call vote:

AYES:
NAYES:
ABSENT:
ABSTAIN:

_____
Nikima S. Newsome, Chief City Clerk

| From | To | Project Name | Budget |
|---|---|---|---|
| 400-9000-9001-9014-105 | 105-9001-9014-8170-000 | Reconfig IT_PIO & CMO Office | 29,289.00 |
| 400-9000-9001-9153-105 | 105-9001-9153-8170-000 | Phase II Fire Dept. Restroom | 69,115.00 |
| 400-9000-9001-9214-105 | 105-9001-9214-8170-000 | FD Diesel Exhaust Sys Replcmt | 130,000.00 |
| 400-9000-9001-9216-105 | 105-9001-9216-8170-000 | Police & Fire Access Gate | 45,885.00 |
| 400-9000-9001-9224-105 | 105-9001-9224-8170-000 | Citywide Facility Repair | 155,852.00 |
| 400-9000-9001-9229-105 | 105-9001-9229-8170-000 | PD Locker Room Remodel | 90,000.00 |
| 400-9000-9001-9230-105 | 105-9001-9230-8170-000 | PD Improvements | 40,000.00 |
| 400-9000-9001-9231-105 | 105-9001-9231-8170-000 | PD Briefing Room Update | 40,000.00 |
| 400-9000-9001-9242-105 | 105-9001-9242-8170-000 | War Memorial Audio/Vis. Equip. | 50,000.00 |
| 400-9000-9001-9245-105 | 105-9001-9245-8170-000 | War Memorial Basement | 20,000.00 |
| 400-9000-9001-9246-105 | 105-9001-9246-8170-000 | FD Dormitory Expansion | 0.00 |
| 400-9000-9001-9269-105 | 105-9001-9269-8170-000 | War Memorial HVAC Repairs | 15,711.00 |
| 400-9000-9001-9273-105 | 105-9001-9273-8170-000 | Rec. Facilities Key System | 2,980.00 |
| 400-9000-9001-9330-105 | 105-9001-9330-8170-000 | Senior Center Flooring | 9,697.69 |
| 400-9000-9001-9404-105 | 105-9001-9404-8170-000 | Citywide Fac Assessmnt/Sec Enh | 233,570.00 |
| 400-9000-9002-9342-228 | 228-9002-9342-8170-000 | 308 San Pascual Residence Impr | 0.00 |
| 400-9000-9003-9186-116 | 116-9003-9186-8170-000 | CD Permit Management Software | 20,000.00 |
| 400-9000-9003-9407-210 | 210-9003-9407-8170-000 | CMMS/Work Order Sys/GIS | 60,000.00 |
| 400-9000-9003-9407-500 | 500-9003-9407-8170-000 | CMMS/Work Order Sys/GIS | 60,000.00 |
| 400-9000-9003-9415-116 | 116-9003-9415-8170-000 | CityTech & Financial System | 90,000.00 |
| 400-9000-9004-9322-105 | 105-9004-9322-8170-000 | Library ADA Ramp, Light & Imp, | 59,919.00 |
| 400-9000-9004-9328-105 | 105-9004-9328-8170-000 | Library Facility Improvements | 82,583.00 |
| 400-9000-9004-9329-105 | 105-9004-9329-8170-000 | Library Roof | 106,696.00 |
| 400-9000-9004-9338-116 | 116-9004-9338-8170-000 | Library/ Comm Ctr Site Plan | 33,255.00 |
| 400-9000-9004-9339-116 | 116-9004-9339-8170-000 | Library Radio Frequency Ident | 105,000.00 |
| 400-9000-9004-9405-105 | 105-9004-9405-8170-000 | Library Security Improvements | 134,058.00 |
| 400-9000-9005-9011-295 | 295-9005-9011-8170-000 | Golf Course D.R. Emerg. Rprs | 10,600.00 |
| 400-9000-9005-9012-295 | 295-9005-9012-8170-000 | Golf Course 13 Hole Netting Rp | 0.00 |
| 400-9000-9005-9013-116 | 116-9005-9013-8170-000 | Resurface Tennis Courts/Pklbll | 56,265.00 |
| 400-9000-9005-9030-295 | 295-9005-9030-8170-000 | AS Golf Course Comp. Plan | 0.00 |
| 400-9000-9005-9033-116 | 116-9005-9033-8170-000 | Grevalia&Berkshire Pocket Park | 280,782.00 |
| 400-9000-9005-9033-251 | 251-9005-9033-8170-000 | Grevalia&Berkshire Pocket Park | 550,000.00 |
| 400-9000-9005-9033-252 | 252-9005-9033-8170-000 | Grevalia&Berkshire Pocket Park | 193,992.00 |
| 400-9000-9005-9033-275 | 275-9005-9033-8170-000 | Grevalia&Berkshire Pocket Park | 422,782.71 |
| 400-9000-9005-9034-116 | 116-9005-9034-8170-000 | Eddie Park House | 75,000.00 |
| 400-9000-9005-9151-295 | 295-9005-9151-8170-000 | Golf Course Eqpmt. Rplmt | 85,000.00 |
| 400-9000-9005-9157-295 | 295-9005-9157-8170-000 | Golf Course Netting Replacemnt | 718,103.15 |
| 400-9000-9005-9367-116 | 116-9005-9367-8170-000 | Parks Master Plan | 111,783.92 |
| 400-9000-9005-9367-275 | 275-9005-9367-8170-000 | Parks Master Plan | 124,016.08 |
| 400-9000-9005-9369-275 | 275-9005-9369-8170-000 | Snake Trail Improvements | 50,000.00 |
| 400-9000-9005-9425-295 | 295-9005-9425-8170-000 | Arroyo Seco Golf Crse Comp Pln | 29,526.00 |
| 400-9000-9006-9408-210 | 210-9006-9408-8170-000 | Sewer Sys Rep, Rehab&Replace | 1,325,792.99 |
| 400-9000-9007-9364-239 | 239-9007-9364-8170-000 | Rio Hondo LRS Alham Wash Trtmt | 55,000.00 |
| 400-9000-9007-9386-239 | 239-9007-9386-8170-000 | Hanscom Drive Improvements | 60,000.00 |
| 400-9000-9007-9411-239 | 239-9007-9411-8170-000 | Huntington Dr Green St | 0.00 |
| 400-9000-9007-9412-503 | 503-9007-9412-8170-000 | City Hall Storm Water Project | 21,724.75 |
| 400-9000-9007-9413-116 | 116-9007-9413-8170-000 | Arroyo Seco San Rafael/Pascual | 0.00 |
| 400-9000-9007-9413-239 | 239-9007-9413-8170-000 | Arroyo Seco San Rafael/Pascual | 315,013.00 |
| 400-9000-9007-9413-503 | 503-9007-9413-8170-000 | Arroyo Seco San Rafael/Pascual | 100,000.00 |
| 400-9000-9008-9025-233 | 233-9008-9025-8170-000 | Street Maintenance 25-26 | 225,000.00 |
| 400-9000-9008-9025-236 | 236-9008-9025-8170-000 | Street Maintenance 25-26 | 225,000.00 |
| 400-9000-9008-9193-210 | 210-9008-9193-8170-000 | Orange Zone Reconstruction | 150,000.00 |
| 400-9000-9008-9193-233 | 233-9008-9193-8170-000 | Orange Zone Reconstruction | 500,000.00 |

| From | | To | | Project Name | Budget |
|---|---|---|---|---|---|
| 400-9000-9008-9193-236 | | 236-9008-9193-8170-000 | | Orange Zone Reconstruction | 500,000.00 |
| 400-9000-9008-9193-237 | | 237-9008-9193-8170-000 | | Orange Zone Reconstruction | 0.00 |
| 400-9000-9008-9193-500 | | 500-9008-9193-8170-000 | | Orange Zone Reconstruction | 1,000,000.00 |
| 400-9000-9008-9203-104 | | 104-9008-9203-8170-000 | | Street Repairs | 2,241,557.44 |
| 400-9000-9008-9203-207 | | 207-9008-9203-8170-000 | | Street Repairs | 0.00 |
| 400-9000-9008-9203-210 | | 210-9008-9203-8170-000 | | Street Repairs | 100,000.00 |
| 400-9000-9008-9203-230 | | 230-9008-9203-8170-000 | | Street Repairs | 0.00 |
| 400-9000-9008-9203-233 | | 233-9008-9203-8170-000 | | Street Repairs | 551,057.29 |
| 400-9000-9008-9203-236 | | 236-9008-9203-8170-000 | | Street Repairs | 551,315.31 |
| 400-9000-9008-9203-237 | | 237-9008-9203-8170-000 | | Street Repairs | 1,209,738.00 |
| 400-9000-9008-9203-245 | | 245-9008-9203-8170-000 | | Street Repairs | 19,131.53 |
| 400-9000-9008-9203-500 | | 500-9008-9203-8170-000 | | Street Repairs | 4,640,000.00 |
| 400-9000-9008-9204-104 | | 104-9008-9204-8170-000 | | Indiana & Pasadena Recon. | 110,000.00 |
| 400-9000-9008-9204-210 | | 210-9008-9204-8170-000 | | Indiana & Pasadena Recon. | 49,550.44 |
| 400-9000-9008-9204-233 | | 233-9008-9204-8170-000 | | Indiana & Pasadena Recon. | 149,100.89 |
| 400-9000-9008-9204-236 | | 236-9008-9204-8170-000 | | Indiana & Pasadena Recon. | 149,100.89 |
| 400-9000-9008-9204-500 | | 500-9008-9204-8170-000 | | Indiana & Pasadena Recon. | 198,201.78 |
| 400-9000-9008-9216-233 | | 233-9008-9216-8170-000 | | Mission/Arroyo/Pasadena Inter. | 90,000.00 |
| 400-9000-9008-9216-236 | | 236-9008-9216-8170-000 | | Mission/Arroyo/Pasadena Inter. | 90,000.00 |
| 400-9000-9008-9247-260 | | 260-9008-9247-8170-000 | | Sidewalk Rpl ADA Ramp 24-25 | 108,710.00 |
| 400-9000-9008-9264-236 | | 236-9008-9264-8170-000 | | ADA Sidewalk Repairs | 0.00 |
| 400-9000-9008-9264-260 | | 260-9008-9264-8170-000 | | ADA Sidewalk Repairs | 103,878.00 |
| 400-9000-9008-9267-260 | | 260-9008-9267-8170-000 | | Sidewalk Rpl ADA Ramp 25-26 | 117,360.00 |
| 400-9000-9008-9373-233 | | 233-9008-9373-8170-000 | | Marengo Ave. Improvements | 50,000.00 |
| 400-9000-9008-9373-236 | | 236-9008-9373-8170-000 | | Marengo Ave. Improvements | 50,000.00 |
| 400-9000-9009-9188-116 | | 116-9009-9188-8170-000 | | City/Civic EV Charging System | 159,185.74 |
| 400-9000-9009-9188-238 | | 238-9009-9188-8170-000 | | City/Civic EV Charging System | 0.00 |
| 400-9000-9009-9189-116 | | 116-9009-9189-8170-000 | | Arroyo Park EV Charging System | 50,000.00 |
| 400-9000-9009-9216-116 | | 116-9009-9216-8170-000 | | Civic Center/Mound Solar Panel | 10,000.00 |
| 400-9000-9010-9102-234 | | 234-9010-9102-8170-000 | | Fremont/Huntington MAT Project | 1,211,232.00 |
| 400-9000-9010-9102-297 | | 297-9010-9102-8170-000 | | Fremont/Huntington Corridor | 323,000.00 |
| 400-9000-9010-9103-233 | | 233-9010-9103-8170-000 | | Fremont/Huntington MIP Project | 200,000.00 |
| 400-9000-9010-9103-243 | | 243-9010-9103-8170-000 | | Fremont/Huntington MIP Project | 1,100,000.00 |
| 400-9000-9010-9161-108 | | 108-9010-9161-8170-000 | | North-South Corridor ITS Dploy | 46,930.87 |
| 400-9000-9010-9161-205 | | 205-9010-9161-8170-000 | | North-South Corridor ITS Dploy | 90,000.00 |
| 400-9000-9010-9161-207 | | 207-9010-9161-8170-000 | | North-South Corridor ITS Dploy | 90,000.00 |
| 400-9000-9010-9161-214 | | 214-9010-9161-8170-000 | | North-South Corridor ITS Dploy | 397,654.81 |
| 400-9000-9010-9161-255 | | 255-9010-9161-8170-000 | | North-South Corridor ITS Dploy | 6,005.95 |
| 400-9000-9010-9290-240 | | 240-9010-9290-8170-000 | | Grevalia/Fair Oaks Int. Imprv | 50,000.00 |
| 400-9000-9010-9311-243 | | 243-9010-9311-8170-000 | | Fair Oaks SR-110 Ramp | 1,500,000.00 |
| 400-9000-9010-9350-240 | | 240-9010-9350-8170-000 | | Pedestrian Crossing Devices | 322,624.00 |
| 400-9000-9010-9351-236 | | 236-9010-9351-8170-000 | | Rect. Rapid Flashing Beacons | 41,047.00 |
| 400-9000-9010-9351-277 | | 277-9010-9351-8170-000 | | Rect. Rapid Flashing Beacons | 234,874.50 |
| 400-9000-9010-9383-240 | | 240-9010-9383-8170-000 | | Orange Grove Ave. Project | 50,000.00 |
| 400-9000-9010-9421-233 | | 233-9010-9421-8170-000 | | CIP Special Trans Project | 29,576.00 |
| 400-9000-9010-9421-236 | | 236-9010-9421-8170-000 | | CIP Special Trans Project | 29,576.00 |
| 400-9000-9010-9423-233 | | 233-9010-9423-8170-000 | | Mobil/ActTransport Plan Update | 75,000.00 |
| 400-9000-9010-9423-236 | | 236-9010-9423-8170-000 | | Mobil/ActTransport Plan Update | 75,000.00 |
| 400-9000-9010-9426-240 | | 240-9010-9426-8170-000 | | Garfield/Monterey Impro. | 100,000.00 |
| 400-9000-9010-9427-240 | | 240-9010-9427-8170-000 | | Columbia St. Stripe & Sig. | 50,000.00 |
| 400-9000-9010-9428-104 | | 104-9010-9428-8170-000 | | Mission Mnt. & Slow St | 125,000.00 |
| 400-9000-9010-9428-327 | | 327-9010-9428-8170-000 | | Mission Mnt. & Slow St | 250,000.00 |
| 400-9000-9011-9300-500 | | 500-9011-9300-8170-000 | | Ann.Water Main Repairs | 1,951,261.25 |

| From | | To | | Project Name | Budget |
|---|---|---|---|---|---|
| 400-9000-9011-9349-500 | | 500-9011-9349-8170-000 | | Advanced Metering Infr (AMI) | 150,000.00 |
| 400-9000-9011-9409-500 | | 500-9011-9409-8170-000 | | Westside Reservoir | 797,111.45 |
| 400-9000-9011-9428-500 | | 500-9011-9428-8170-000 | | SCADA Upgrade | 150,000.00 |
| | | | | **Total** | **29,112,773.43** |

# Monthly Budget Report as of December 31, 2025

## GENERAL FUND (101)

## I. EXPENSES BY DEPARTMENT[1]

| ADOPTED BUDGET | |
|---|---|
| **Department** | **FY 2025-2026 Total Adopted** |
| City Council | **148,444** |
| City Manager's Office | **2,616,104** |
| City Treasurer | **9,835** |
| Community Development | **3,098,239** |
| Community Services | **2,183,925** |
| Finance | **7,429,406** |
| Fire | **7,732,501** |
| Human Resources | **-** |
| Library | **2,486,768** |
| Police | **13,222,090** |
| Public Works | **3,551,361** |
| Transfers | **846,340** |
| **Total** | **43,325,013** |

**Monthly Report - By Department**

**ADOPTED BUDGET**

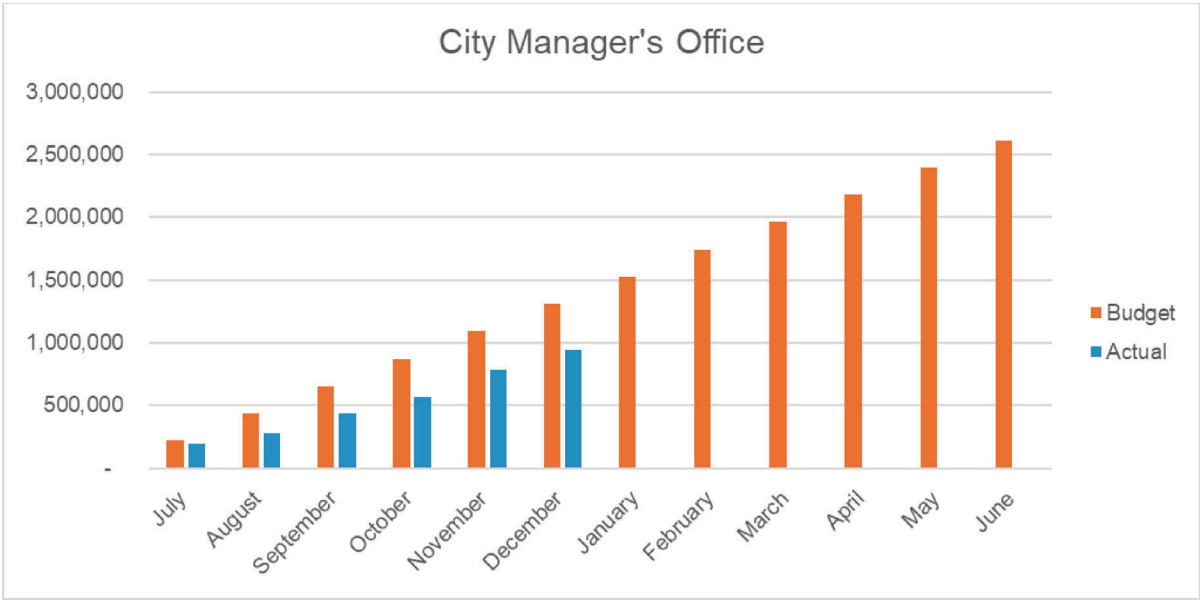
| Department | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Total Adopted |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| City Council | 12,370 | 24,741 | 37,111 | 49,481 | 61,852 | 74,222 | 86,592 | 98,963 | 111,333 | 123,703 | 136,074 | 148,444 | **148,444** |
| City Manager's Office | 218,009 | 436,017 | 654,026 | 666,396 | 678,767 | 691,137 | 703,507 | 715,878 | 728,248 | 740,618 | 752,989 | 765,359 | **2,616,104** |
| City Treasurer | 820 | 1,639 | 2,459 | 3,278 | 4,098 | 4,918 | 5,737 | 6,557 | 7,376 | 8,196 | 9,016 | 9,835 | **9,835** |
| Community Development | 258,187 | 516,373 | 774,560 | 1,032,746 | 1,290,933 | 1,549,119 | 1,807,306 | 2,065,492 | 2,323,679 | 2,581,866 | 2,840,052 | 3,098,239 | **3,098,239** |
| Community Services | 181,994 | 363,988 | 545,981 | 727,975 | 909,969 | 1,091,963 | 1,273,956 | 1,455,950 | 1,637,944 | 1,819,938 | 2,001,932 | 2,183,925 | **2,183,925** |
| Finance | 619,117 | 1,238,234 | 1,857,351 | 2,476,469 | 3,095,586 | 3,714,703 | 4,333,820 | 4,952,937 | 5,572,054 | 6,191,172 | 6,810,289 | 7,429,406 | **7,429,406** |
| Fire | 644,375 | 1,288,750 | 1,933,125 | 2,577,500 | 3,221,875 | 3,866,251 | 4,510,626 | 5,155,001 | 5,799,376 | 6,443,751 | 7,088,126 | 7,732,501 | **7,732,501** |
| Human Resources | - | - | - | - | - | - | - | - | - | - | - | - | **-** |
| Library | 207,231 | 414,461 | 621,692 | 828,923 | 1,036,153 | 1,243,384 | 1,450,615 | 1,657,845 | 1,865,076 | 2,072,306 | 2,279,537 | 2,486,768 | **2,486,768** |
| Police | 1,101,841 | 2,203,682 | 3,305,522 | 4,407,363 | 5,509,204 | 6,611,045 | 7,712,886 | 8,814,727 | 9,916,567 | 11,018,408 | 12,120,249 | 13,222,090 | **13,222,090** |
| Public Works | 295,947 | 591,894 | 887,840 | 1,183,787 | 1,479,734 | 1,775,681 | 2,071,627 | 2,367,574 | 2,663,521 | 2,959,468 | 3,255,414 | 3,551,361 | **3,551,361** |
| Transfers | 70,528 | 141,057 | 211,585 | 282,113 | 352,642 | 423,170 | 493,698 | 564,227 | 634,755 | 705,283 | 775,812 | 846,340 | **846,340** |
| **Total** | **3,539,889** | **7,079,779** | **10,619,668** | **13,953,919** | **17,288,170** | **20,622,421** | **23,956,673** | **27,290,924** | **30,625,175** | **33,959,426** | **37,293,677** | **40,627,928** | **43,325,013** |

**ACTUAL:**

| Department | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Total Actual |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| City Manager's Office | 191,604 | 86,937 | 153,983 | 135,854 | 213,764 | 157,144 | | | | | | | **939,286** |
| Community Development | 260,805 | 228,583 | 155,570 | 266,779 | 196,792 | 121,252 | | | | | | | **1,229,781** |
| Community Services | 215,380 | 183,538 | 140,655 | 108,286 | 87,166 | 102,711 | | | | | | | **837,736** |
| Finance | 261,638 | 523,058 | 758,923 | 329,773 | 229,238 | 735,198 | | | | | | | **2,837,828** |
| Fire | 1,384,574 | 615,519 | 497,241 | 446,065 | 426,208 | 478,397 | | | | | | | **3,848,004** |
| Human Resources | - | - | - | 283,633 | 18,551 | 25,081 | | | | | | | **327,265** |
| Library | 325,329 | 281,581 | 127,821 | 176,192 | 165,343 | 166,615 | | | | | | | **1,242,881** |
| Police | 2,558,016 | 1,099,260 | 841,516 | 844,081 | 840,817 | 903,993 | | | | | | | **7,087,683** |
| Public Works | 217,312 | 230,873 | 229,701 | 273,848 | 299,500 | 218,643 | | | | | | | **1,469,877** |
| **Total** | 5,414,659 | 3,249,351 | 2,905,411 | 2,864,509 | 2,477,380 | 2,909,033 | - | - | - | - | - | - | **19,820,342** |

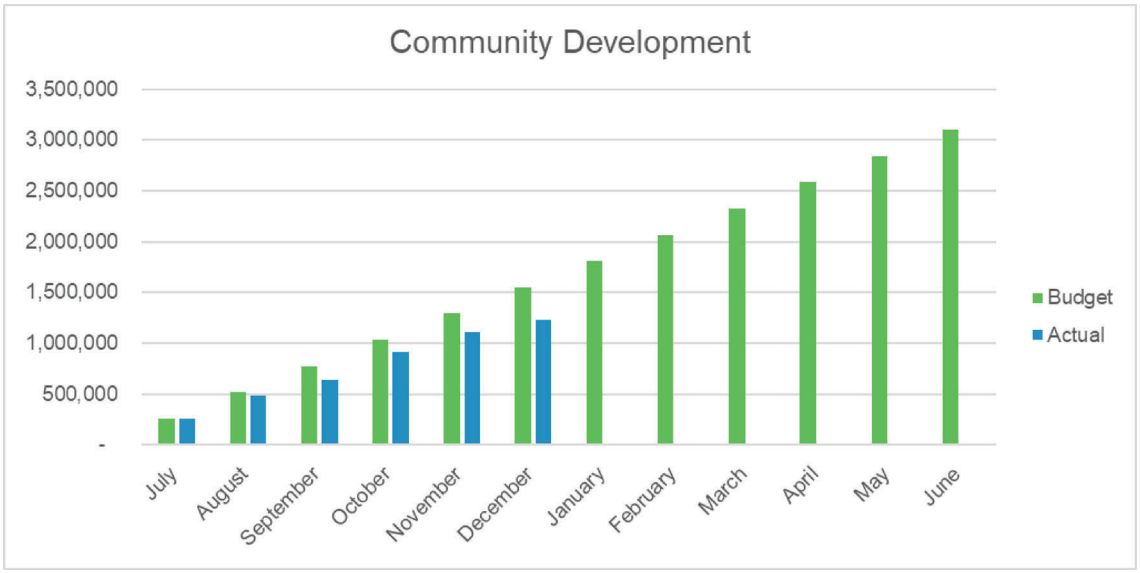
[1] This report only includes operating departments (i.e., City Manager's Office, Community Development). Transfers will be reflected in section II Expenses by Category.

## City Manager's Office



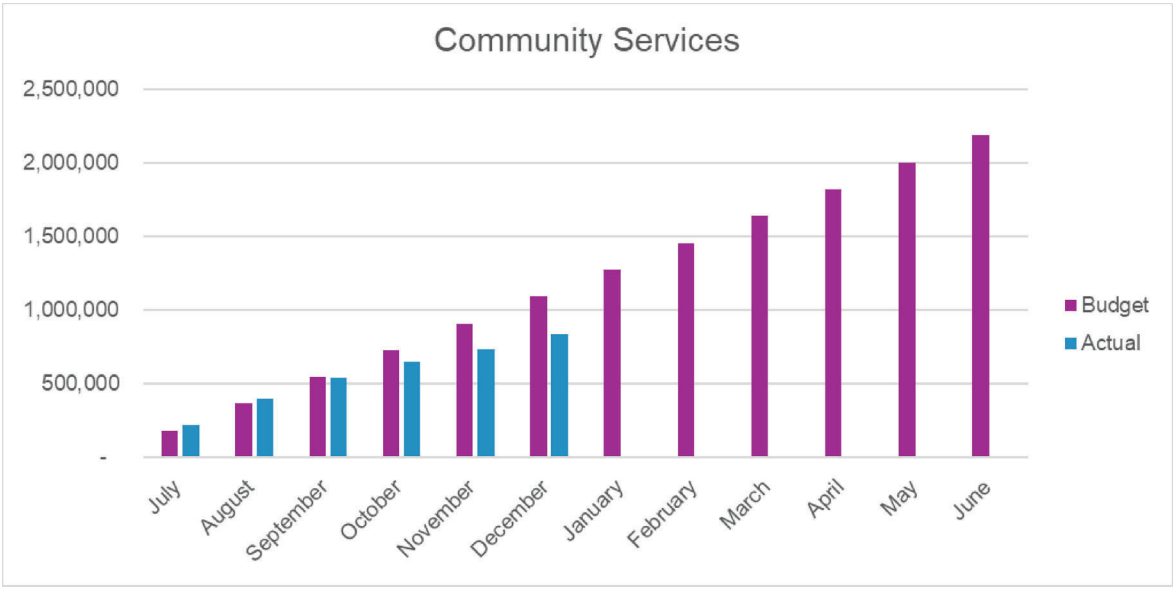

| Monthly Report - By Department | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ADOPTED BUDGET | | | | | | | | | | | | | |
| Department | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Total Adopted |
| City Manager's Office | 218,009 | 436,017 | 654,026 | 872,035 | 1,090,043 | 1,308,052 | 1,526,060 | 1,744,069 | 1,962,078 | 2,180,086 | 2,398,095 | 2,616,104 | **2,616,104** |
| ACTUAL: | | | | | | | | | | | | | |
| Department | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Total Actual |
| City Manager's Office | 191,604 | 86,937 | 153,983 | 135,854 | 213,764 | 157,144 | | | | | | | **939,286** |

## Community Development



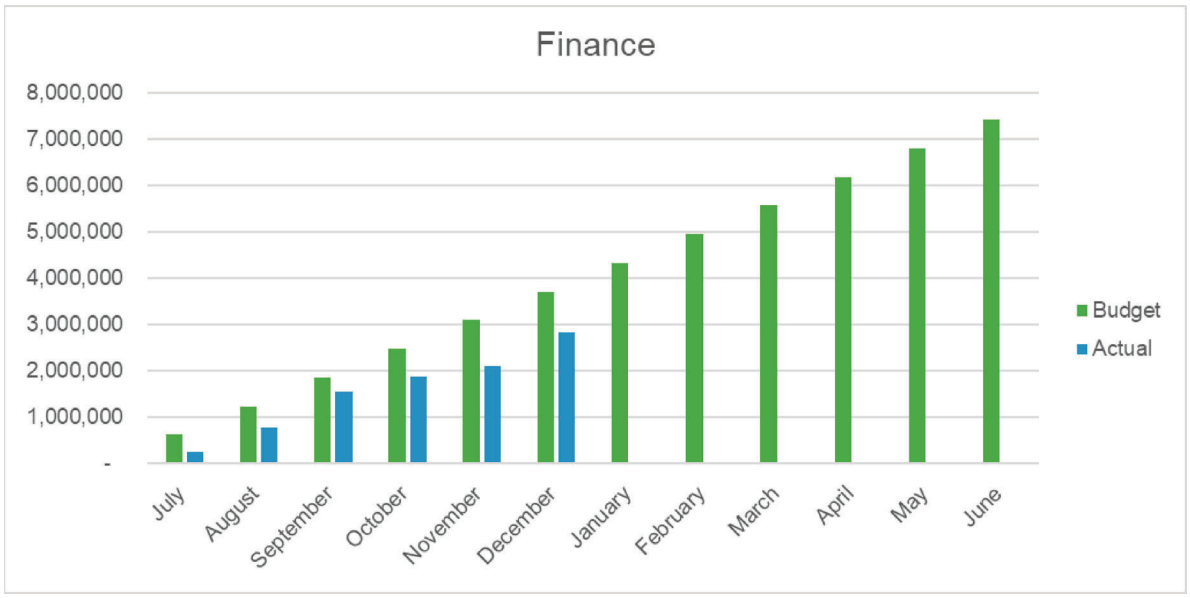

| Monthly Report - By Department | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ADOPTED BUDGET | | | | | | | | | | | | | |
| Department | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Total Adopted |
| Community Development | 258,187 | 516,373 | 774,560 | 1,032,746 | 1,290,933 | 1,549,119 | 1,807,306 | 2,065,492 | 2,323,679 | 2,581,866 | 2,840,052 | 3,098,239 | **3,098,239** |
| ACTUAL: | | | | | | | | | | | | | |
| Department | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Total Actual |
| Community Development | 260,805 | 228,583 | 155,570 | 266,779 | 196,792 | 121,252 | | | | | | | **1,229,781** |

## Community Services



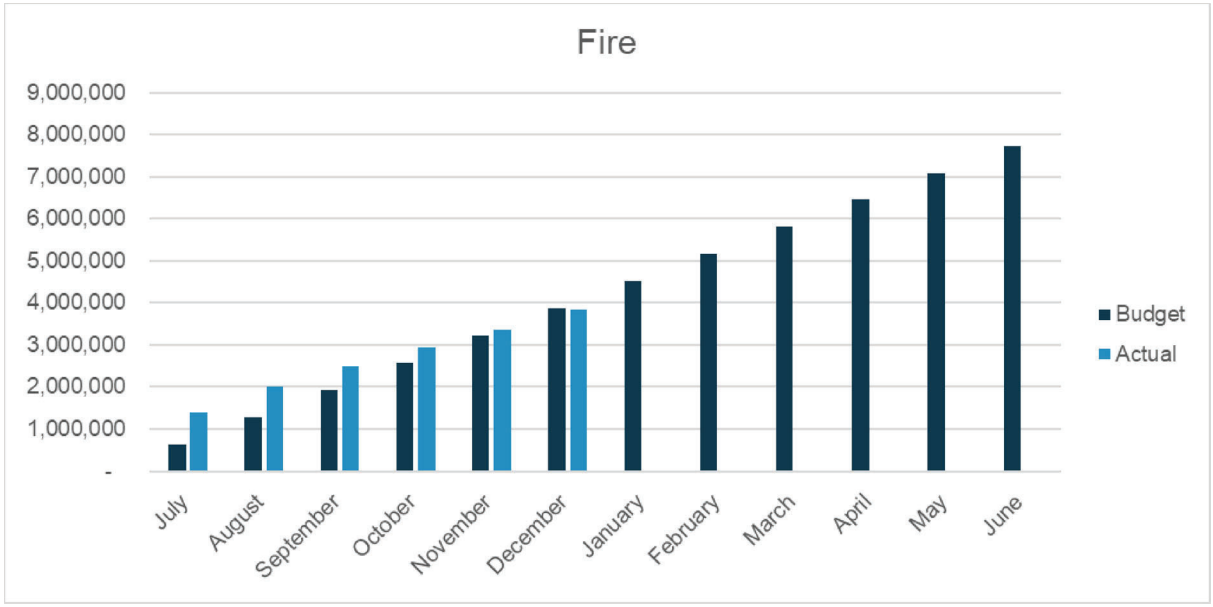

| Monthly Report - By Department | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ADOPTED BUDGET | | | | | | | | | | | | | |
| Department | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Total Adopted |
| Community Services | 181,994 | 363,988 | 545,981 | 727,975 | 909,969 | 1,091,963 | 1,273,956 | 1,455,950 | 1,637,944 | 1,819,938 | 2,001,932 | 2,183,925 | **2,183,925** |
| ACTUAL: | | | | | | | | | | | | | |
| Department | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Total Actual |
| Community Services | 215,380 | 183,538 | 140,655 | 108,286 | 87,166 | 102,711 | | | | | | | **837,736** |

## Finance



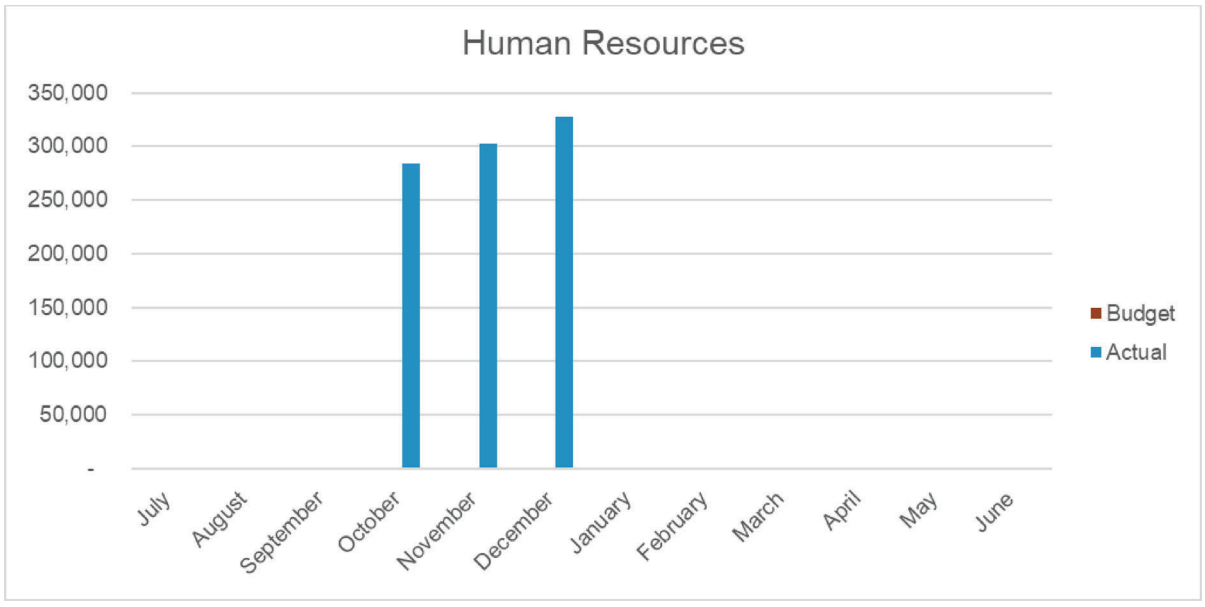

| Monthly Report - By Department | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ADOPTED BUDGET | | | | | | | | | | | | | |
| Department | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Total Adopted |
| Finance | 619,117 | 1,238,234 | 1,857,351 | 2,476,469 | 3,095,586 | 3,714,703 | 4,333,820 | 4,952,937 | 5,572,054 | 6,191,172 | 6,810,289 | 7,429,406 | **7,429,406** |
| ACTUAL: | | | | | | | | | | | | | |
| Department | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Total Actual |
| Finance | 261,638 | 523,058 | 758,923 | 329,773 | 229,238 | 735,198 | | | | | | | **2,837,828** |

## Fire



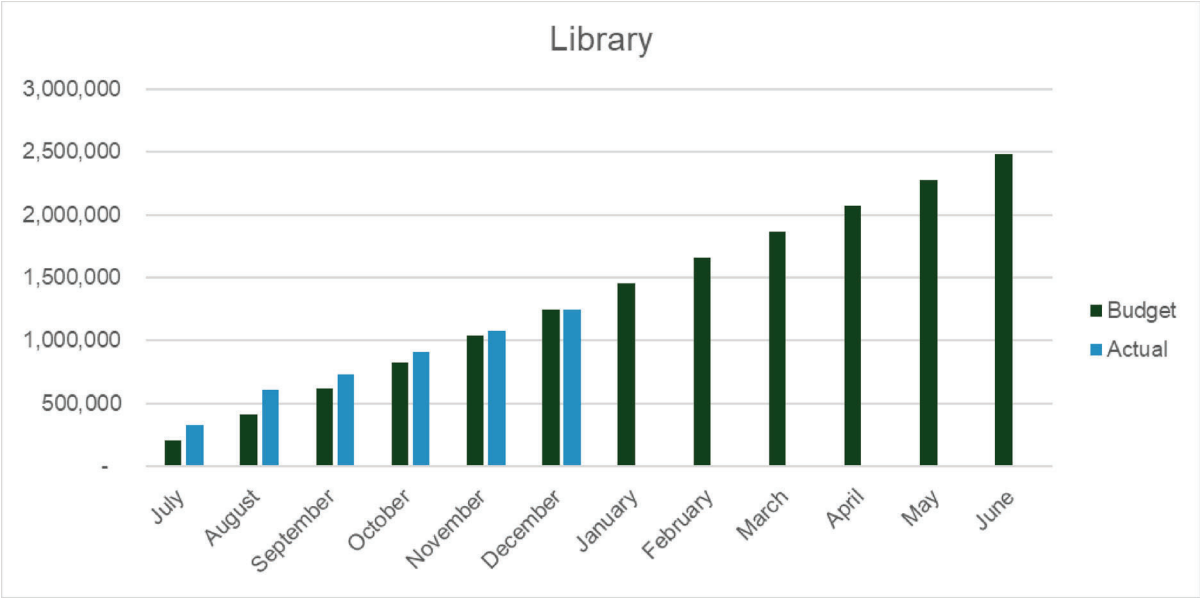

| Monthly Report - By Department | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ADOPTED BUDGET | | | | | | | | | | | | | |
| Department | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Total Adopted |
| Fire | 644,375 | 1,288,750 | 1,933,125 | 2,577,500 | 3,221,875 | 3,866,251 | 4,510,626 | 5,155,001 | 5,799,376 | 6,443,751 | 7,088,126 | 7,732,501 | **7,732,501** |
| | | | | | | | | | | | | | |
| ACTUAL: | | | | | | | | | | | | | |
| Department | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Total Actual |
| Fire | 1,384,574 | 615,519 | 497,241 | 446,065 | 426,208 | 478,397 | | | | | | | **3,848,004** |

## Human Resources



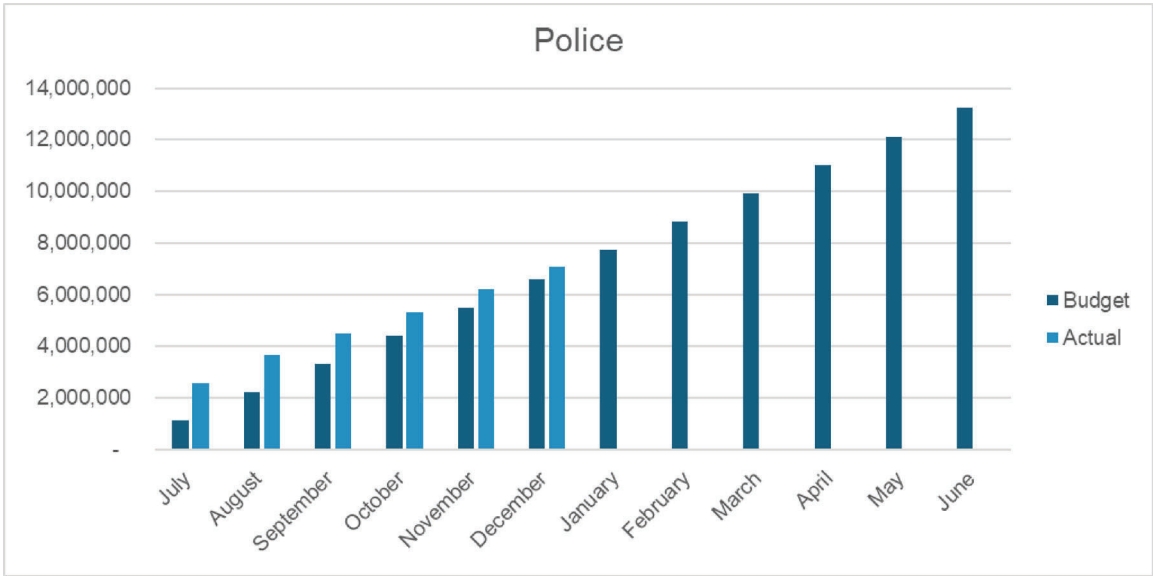

| Monthly Report - By Department | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ADOPTED BUDGET | | | | | | | | | | | | | |
| Department | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Total Adopted |
| Human Resources | - | - | - | - | - | - | - | - | - | - | - | - | **-** |
| | | | | | | | | | | | | | |
| ACTUAL: | | | | | | | | | | | | | |
| Department | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Total Actual |
| Human Resources | - | - | - | 283,633 | 18,551 | 25,081 | | | | | | | **327,265** |

## Library



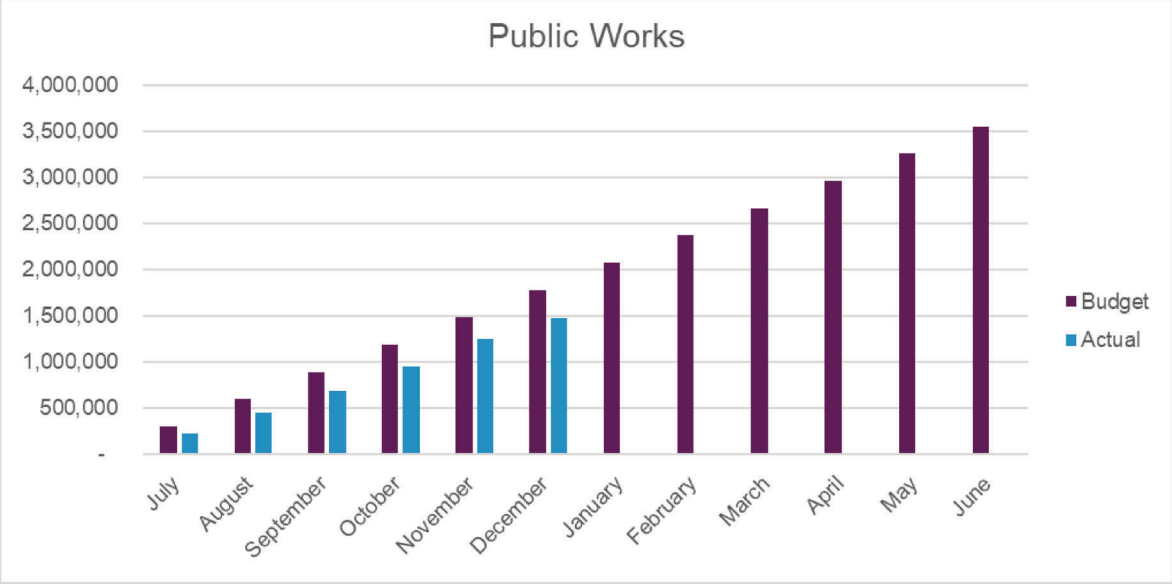

| Monthly Report - By Department | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ADOPTED BUDGET | | | | | | | | | | | | | |
| Department | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Total Adopted |
| Library | 207,231 | 414,461 | 621,692 | 828,923 | 1,036,153 | 1,243,384 | 1,450,615 | 1,657,845 | 1,865,076 | 2,072,306 | 2,279,537 | 2,486,768 | **2,486,768** |
| | | | | | | | | | | | | | |
| ACTUAL: | | | | | | | | | | | | | |
| Department | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Total Actual |
| Library | 325,329 | 281,581 | 127,821 | 176,192 | 165,343 | 166,615 | | | | | | | **1,242,881** |

## Police




| Monthly Report - By Department | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ADOPTED BUDGET | | | | | | | | | | | | | |
| Department | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Total Adopted |
| Police | 1,101,841 | 2,203,682 | 3,305,522 | 4,407,363 | 5,509,204 | 6,611,045 | 7,712,886 | 8,814,727 | 9,916,567 | 11,018,408 | 12,120,249 | 13,222,090 | **13,222,090** |
| | | | | | | | | | | | | | |
| ACTUAL: | | | | | | | | | | | | | |
| Department | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Total Actual |
| Police | 2,558,016 | 1,099,260 | 841,516 | 844,081 | 840,817 | 903,993 | | | | | | | **7,087,683** |

## Public Works




| Monthly Report - By Department | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ADOPTED BUDGET | | | | | | | | | | | | | |
| Department | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Total Adopted |
| Public Works | 295,947 | 591,894 | 887,840 | 1,183,787 | 1,479,734 | 1,775,681 | 2,071,627 | 2,367,574 | 2,663,521 | 2,959,468 | 3,255,414 | 3,551,361 | **3,551,361** |
| | | | | | | | | | | | | | |
| ACTUAL: | | | | | | | | | | | | | |
| Department | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Total Actual |
| Public Works | 217,312 | 230,873 | 229,701 | 273,848 | 299,500 | 218,643 | | | | | | | **1,469,877** |

## II. EXPENSES BY CATEGORY[2]

| ADOPTED BUDGET | |
|---|---|
| **Category** | **FY 2025-2026 Adopted Budget** |
| Salaries & Wages | 21,251,246 |
| Benefits | 7,757,857 |
| Operating Expenses | 13,032,481 |
| Capital Outlay | 435,050 |
| Other Expenses | 2,039 |
| Transfers | 846,340 |
| **Total** | **43,325,013** |

**Monthly Report - By Category**

**ADOPTED BUDGET**

| Category | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Adopted Budget |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Salaries & Wages | 1,770,937 | 3,541,874 | 5,312,811 | 7,083,749 | 8,854,686 | 10,625,623 | 12,396,560 | 14,167,497 | 15,938,434 | 17,709,372 | 19,480,309 | 21,251,246 | 21,251,246 |
| Benefits | 646,488 | 1,292,976 | 1,939,464 | 2,585,952 | 3,232,440 | 3,878,929 | 4,525,417 | 5,171,905 | 5,818,393 | 6,464,881 | 7,111,369 | 7,757,857 | 7,757,857 |
| Operating Expenses | 1,086,040 | 2,172,080 | 3,258,120 | 4,344,160 | 5,430,200 | 6,516,241 | 7,602,281 | 8,688,321 | 9,774,361 | 10,860,401 | 11,946,441 | 13,032,481 | 13,032,481 |
| Capital Outlay | 36,254 | 72,508 | 108,763 | 145,017 | 181,271 | 217,525 | 253,779 | 290,033 | 326,288 | 362,542 | 398,796 | 435,050 | 435,050 |
| Other Expenses | 170 | 340 | 510 | 680 | 849 | 1,019 | 1,189 | 1,359 | 1,529 | 1,699 | 1,869 | 2,039 | 2,039 |
| Transfers | 70,528 | 141,057 | 211,585 | 282,113 | 352,642 | 423,170 | 493,698 | 564,227 | 634,755 | 705,283 | 775,812 | 846,340 | 846,340 |
| **Total** | 3,610,418 | 7,220,835 | 10,831,253 | 14,441,671 | 18,052,089 | 21,662,506 | 25,272,924 | 28,883,342 | 32,493,760 | 36,104,177 | 39,714,595 | 43,325,013 | **43,325,013** |

**ACTUAL**

| Category | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Total Actual |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Salaries & Wages | 791,166 | 2,137,814 | 1,467,291 | 1,458,323 | 1,497,844 | 1,686,552 | | | | | | | 9,038,989 |
| Benefits | 4,121,272 | 451,936 | 307,128 | 313,595 | 271,140 | 300,548 | | | | | | | 5,765,619 |
| Operating Expenses | 498,896 | 677,029 | 1,138,667 | 1,099,886 | 722,253 | 916,412 | | | | | | | 5,053,143 |
| Capital Outlay | - | 1,203 | 8,010 | 19,539 | 1,512 | 20,475 | | | | | | | 50,738 |
| Other Expenses | - | - | - | - | - | - | | | | | | | - |
| Transfers | - | - | - | - | - | 45,469 | | | | | | | 45,469 |
| **Total** | 5,411,334 | 3,267,981 | 2,921,095 | 2,891,343 | 2,492,749 | 2,969,455 | - | - | - | - | - | - | **19,953,957** |

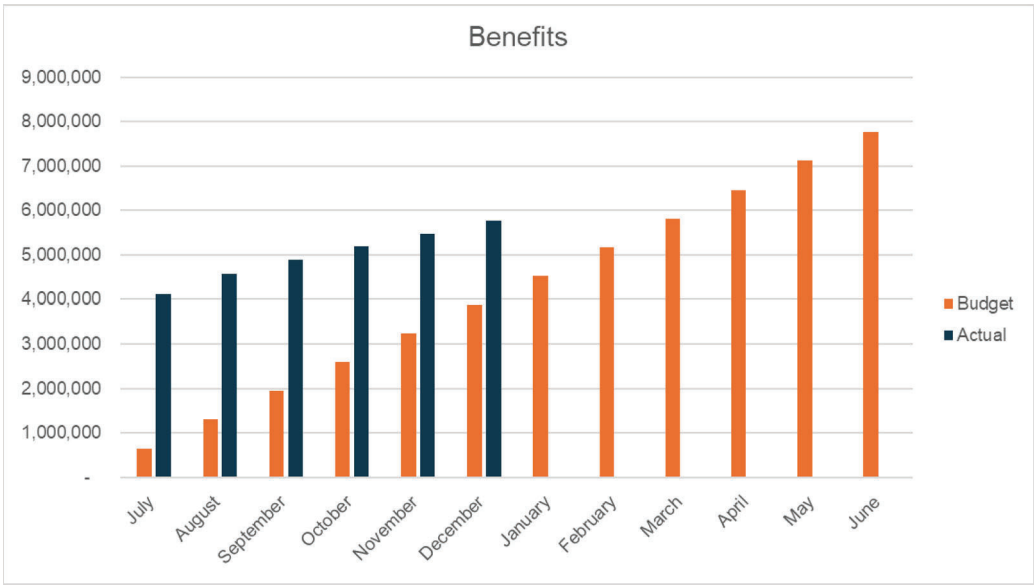
[2] Charts and tables for categories that have no data have been excluded from this report.

## Salaries & Wages



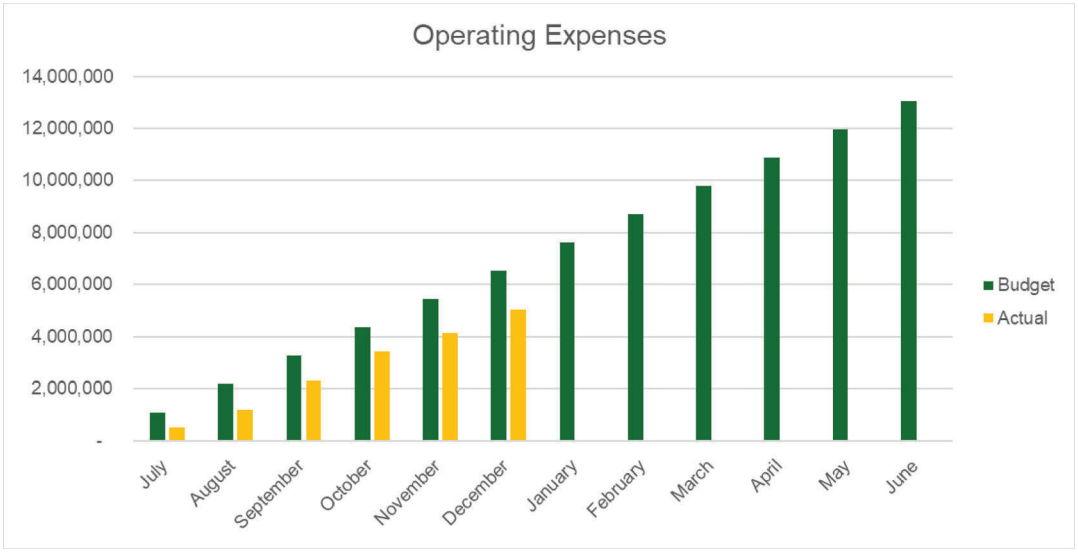

| Monthly Report - By Category | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ADOPTED BUDGET | | | | | | | | | | | | | |
| Category | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Adopted Budget |
| Salaries & Wages | 1,770,937 | 3,541,874 | 5,312,811 | 7,083,749 | 8,854,686 | 10,625,623 | 12,396,560 | 14,167,497 | 15,938,434 | 17,709,372 | 19,480,309 | 21,251,246 | 21,251,246 |
| ACTUAL | | | | | | | | | | | | | |
| Category | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Total Actual |
| Salaries & Wages | 791,166 | 2,137,814 | 1,467,291 | 1,458,323 | 1,497,844 | 1,686,552 | | | | | | | 9,038,989 |

## Benefits



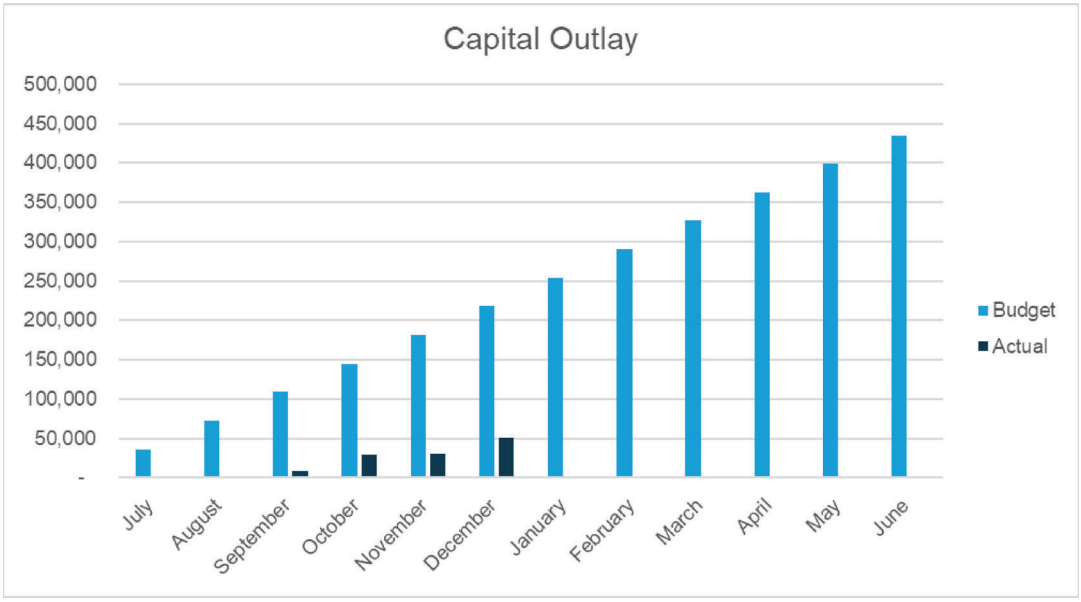

| Monthly Report - By Category | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ADOPTED BUDGET | | | | | | | | | | | | | |
| Category | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Adopted Budget |
| Benefits | 646,488 | 1,292,976 | 1,939,464 | 2,585,952 | 3,232,440 | 3,878,929 | 4,525,417 | 5,171,905 | 5,818,393 | 6,464,881 | 7,111,369 | 7,757,857 | 7,757,857 |
| ACTUAL | | | | | | | | | | | | | |
| Category | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Total Actual |
| Benefits | 4,121,272 | 451,936 | 307,128 | 313,595 | 271,140 | 300,548 | | | | | | | 5,765,619 |

## Operating Expenses




| Monthly Report - By Category | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ADOPTED BUDGET | | | | | | | | | | | | | |
| Category | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Adopted Budget |
| Operating Expenses | 1,086,040 | 2,172,080 | 3,258,120 | 4,344,160 | 5,430,200 | 6,516,241 | 7,602,281 | 8,688,321 | 9,774,361 | 10,860,401 | 11,946,441 | 13,032,481 | 13,032,481 |
| ACTUAL | | | | | | | | | | | | | |
| Category | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Total Actual |
| Operating Expenses | 498,896 | 677,029 | 1,138,667 | 1,099,886 | 722,253 | 916,412 | | | | | | | 5,053,143 |

## Capital Outlay




| Monthly Report - By Category | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ADOPTED BUDGET | | | | | | | | | | | | | |
| Category | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Adopted Budget |
| Capital Outlay | 36,254 | 72,508 | 108,763 | 145,017 | 181,271 | 217,525 | 253,779 | 290,033 | 326,288 | 362,542 | 398,796 | 435,050 | 435,050 |
| ACTUAL | | | | | | | | | | | | | |
| Category | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Total Actual |
| Capital Outlay | - | 1,203 | 8,010 | 19,539 | 1,512 | 20,475 | | | | | | | 50,738 |

## Transfers




| Monthly Report - By Category | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ADOPTED BUDGET | | | | | | | | | | | | | |
| Category | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Adopted Budget |
| Transfers | 70,528 | 141,057 | 211,585 | 282,113 | 352,642 | 423,170 | 493,698 | 564,227 | 634,755 | 705,283 | 775,812 | 846,340 | 846,340 |
| | | | | | | | | | | | | | |
| ACTUAL | | | | | | | | | | | | | |
| Category | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Total Actual |
| Transfers | - | - | - | - | - | 45,469 | | | | | | | 45,469 |

## III. Revenue by Category

| ADOPTED BUDGET: | |
|---|---|
| Category | FY 2025-2026 Adopted Budget |
| Property Tax | 17,377,356 |
| Sales Tax | 5,562,209 |
| Utility Users Tax | 4,544,810 |
| Charges for Current Services | 3,390,618 |
| Intergovernmental | 4,811,273 |
| Assessment | 428,200 |
| Fines, Forfeitures & Penalties | 63,350 |
| Licenses & Permits | 1,026,802 |
| Use of Money & Property | 1,148,690 |
| Interfund Transfer | 1,610,849 |
| Other Taxes | 1,943,598 |
| Other Revenue | 1,807,573 |
| Total | 43,715,328 |

Monthly Report By Category

ADOPTED BUDGET:

| Category | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Adopted Budget |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Property Tax | 1,448,113 | 2,896,226 | 4,344,339 | 5,792,452 | 7,240,565 | 8,688,678 | 10,136,791 | 11,584,904 | 13,033,017 | 14,481,130 | 15,929,243 | 17,377,356 | **17,377,356** |
| Sales Tax | 463,517 | 927,035 | 1,390,552 | 1,854,070 | 2,317,587 | 2,781,105 | 3,244,622 | 3,708,139 | 4,171,657 | 4,635,174 | 5,098,692 | 5,562,209 | **5,562,209** |
| Utility Users Tax | 378,734 | 757,468 | 1,136,202 | 1,514,937 | 1,893,671 | 2,272,405 | 2,651,139 | 3,029,873 | 3,408,607 | 3,787,342 | 4,166,076 | 4,544,810 | **4,544,810** |
| Charges for Current Services | 282,552 | 565,103 | 847,655 | 1,130,206 | 1,412,758 | 1,695,309 | 1,977,861 | 2,260,412 | 2,542,964 | 2,825,515 | 3,108,067 | 3,390,618 | **3,390,618** |
| Intergovernmental | 400,939 | 801,879 | 1,202,818 | 1,603,758 | 2,004,697 | 2,405,636 | 2,806,576 | 3,207,515 | 3,608,455 | 4,009,394 | 4,410,333 | 4,811,273 | **4,811,273** |
| Assessment | 35,683 | 71,367 | 107,050 | 142,733 | 178,417 | 214,100 | 249,783 | 285,467 | 321,150 | 356,833 | 392,517 | 428,200 | **428,200** |
| Fines, Forfeitures & Penalties | 5,279 | 10,558 | 15,837 | 21,117 | 26,396 | 31,675 | 36,954 | 42,233 | 47,512 | 52,791 | 58,070 | 63,350 | **63,350** |
| Licenses & Permits | 85,567 | 171,134 | 256,701 | 342,267 | 427,834 | 513,401 | 598,968 | 684,535 | 770,102 | 855,668 | 941,235 | 1,026,802 | **1,026,802** |
| Use of Money & Property | 95,724 | 191,448 | 287,173 | 382,897 | 478,621 | 574,345 | 670,069 | 765,793 | 861,518 | 957,242 | 1,052,966 | 1,148,690 | **1,148,690** |
| Interfund Transfer | 134,237 | 268,475 | 402,712 | 536,950 | 671,187 | 805,425 | 939,662 | 1,073,899 | 1,208,137 | 1,342,374 | 1,476,612 | 1,610,849 | **1,610,849** |
| Other Taxes | 161,967 | 323,933 | 485,900 | 647,866 | 809,833 | 971,799 | 1,133,766 | 1,295,732 | 1,457,699 | 1,619,665 | 1,781,632 | 1,943,598 | **1,943,598** |
| Other Revenue | 150,631 | 301,262 | 451,893 | 602,524 | 753,155 | 903,787 | 1,054,418 | 1,205,049 | 1,355,680 | 1,506,311 | 1,656,942 | 1,807,573 | **1,807,573** |
| Total | 3,642,944 | 7,285,888 | 10,928,832 | 14,571,776 | 18,214,720 | 21,857,664 | 25,500,608 | 29,143,552 | 32,786,496 | 36,429,440 | 40,072,384 | 43,715,328 | **43,715,328** |

ACTUAL:

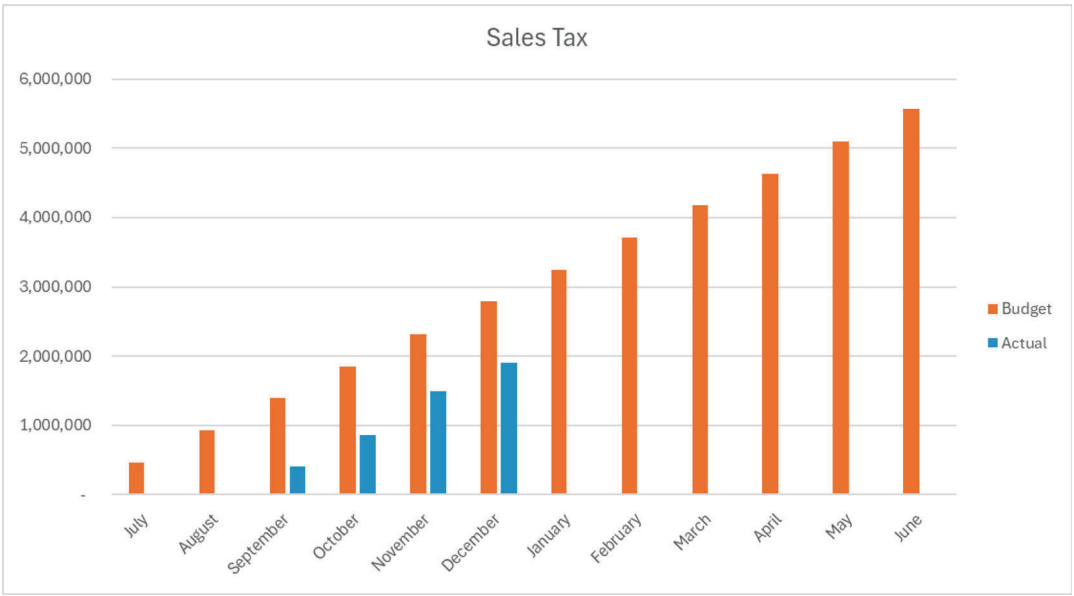
| Category | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Total Actual |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Property Tax | - | 1 | - | - | 295,840 | 6,667,747 | | | | | | | **6,963,588** |
| Sales Tax | - | - | 399,140 | 457,254 | 640,509 | 403,497 | | | | | | | **1,900,401** |
| Utility Users Tax | (5,741) | 218,578 | 481,011 | 396,355 | 395,605 | 302,975 | | | | | | | **1,788,784** |
| Charges for Current Services | 381,843 | 325,542 | 305,755 | 319,984 | 535,790 | 600,235 | | | | | | | **2,469,149** |
| Intergovernmental | - | - | 50,371 | 1,599 | - | 261,250 | | | | | | | **313,221** |
| Assessment | - | (1) | - | - | 3,647 | 171,978 | | | | | | | **175,625** |
| Fines, Forfeitures & Penalties | 8,723 | 7,824 | 8,551 | 7,207 | 6,573 | 5,770 | | | | | | | **44,648** |
| Licenses & Permits | 37,091 | 137,403 | 78,771 | 104,434 | 91,880 | 123,045 | | | | | | | **572,624** |
| Use of Money & Property | (159,682) | 44,451 | 245,762 | 46,442 | 47,940 | 58,246 | | | | | | | **283,158** |
| Interfund Transfer | - | - | - | - | - | - | | | | | | | **-** |
| Other Taxes | - | 200,438 | 68,055 | 91,282 | 82,870 | 51,950 | | | | | | | **494,595** |
| Other Revenue | 9,203 | 20,426 | 9,097 | 27,900 | 17,789 | 600,731 | | | | | | | **685,145** |
| Total | **271,436** | **954,663** | **1,646,513** | **1,452,457** | **2,118,443** | **9,247,425** | - | - | - | - | - | - | **15,690,938** |

## Property Tax



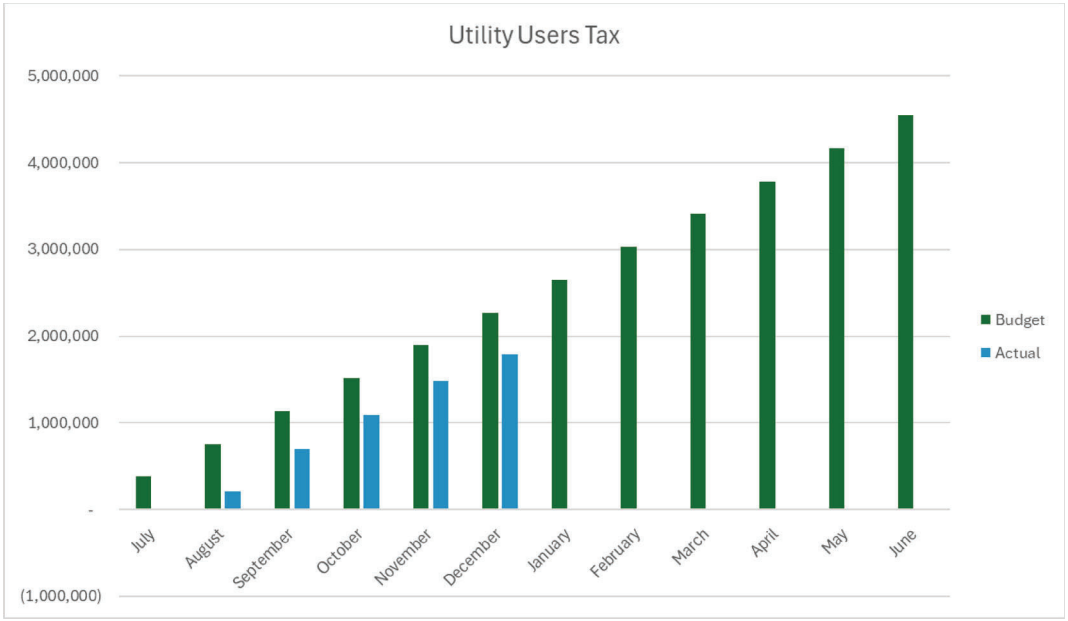

| Monthly Report By Category | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ADOPTED BUDGET: | | | | | | | | | | | | | |
| Category | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Adopted Budget |
| Property Tax | 1,448,113 | 2,896,226 | 4,344,339 | 5,792,452 | 7,240,565 | 8,688,678 | 10,136,791 | 11,584,904 | 13,033,017 | 14,481,130 | 15,929,243 | 17,377,356 | **17,377,356** |
| | | | | | | | | | | | | | |
| ACTUAL: | | | | | | | | | | | | | |
| Category | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Total Actual |
| Property Tax | - | 1 | - | - | 295,840 | 6,667,747 | | | | | | | **6,963,588** |

## Sales Tax



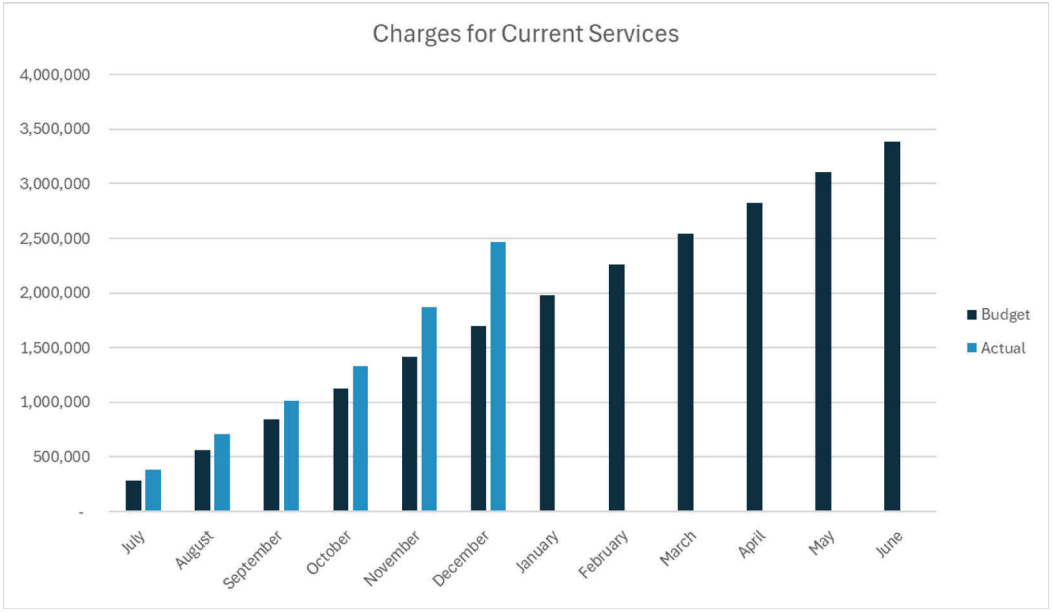

| Monthly Report By Category | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ADOPTED BUDGET: | | | | | | | | | | | | | |
| Category | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Adopted Budget |
| Sales Tax | 463,517 | 927,035 | 1,390,552 | 1,854,070 | 2,317,587 | 2,781,105 | 3,244,622 | 3,708,139 | 4,171,657 | 4,635,174 | 5,098,692 | 5,562,209 | **5,562,209** |
| | | | | | | | | | | | | | |
| ACTUAL: | | | | | | | | | | | | | |
| Category | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Total Actual |
| Sales Tax | - | - | 399,140 | 457,254 | 640,509 | 403,497 | | | | | | | **1,900,401** |

## Utility Users Tax



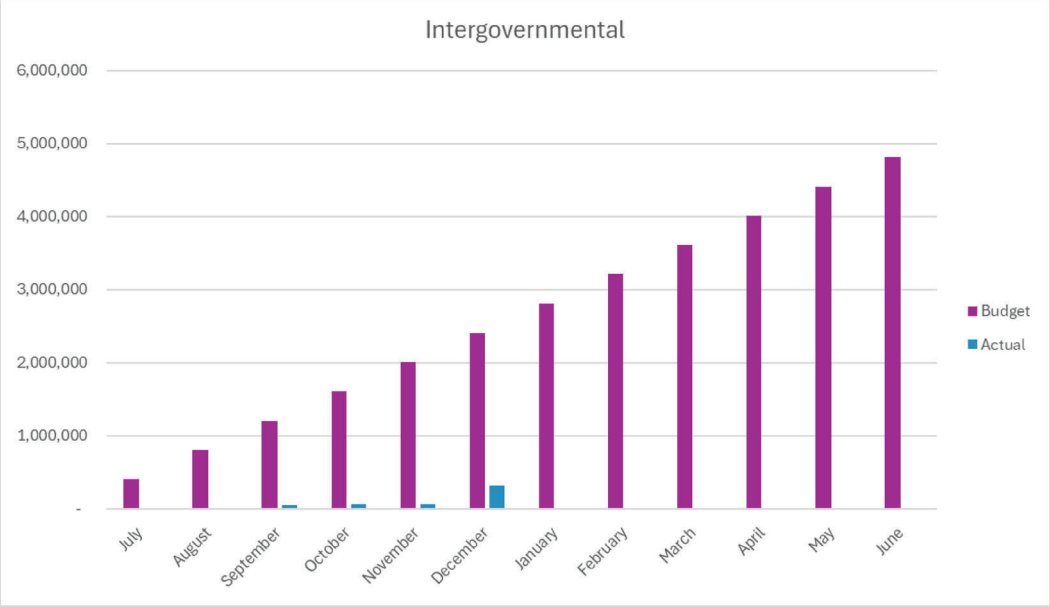

| Monthly Report By Category | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ADOPTED BUDGET: | | | | | | | | | | | | | |
| Category | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Adopted Budget |
| Utility Users Tax | 378,734 | 757,468 | 1,136,202 | 1,514,937 | 1,893,671 | 2,272,405 | 2,651,139 | 3,029,873 | 3,408,607 | 3,787,342 | 4,166,076 | 4,544,810 | **4,544,810** |
| ACTUAL: | | | | | | | | | | | | | |
| Category | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Total Actual |
| Utility Users Tax | (5,741) | 218,578 | 481,011 | 396,355 | 395,605 | 302,975 | | | | | | | **1,788,784** |

## Charges for Current Services



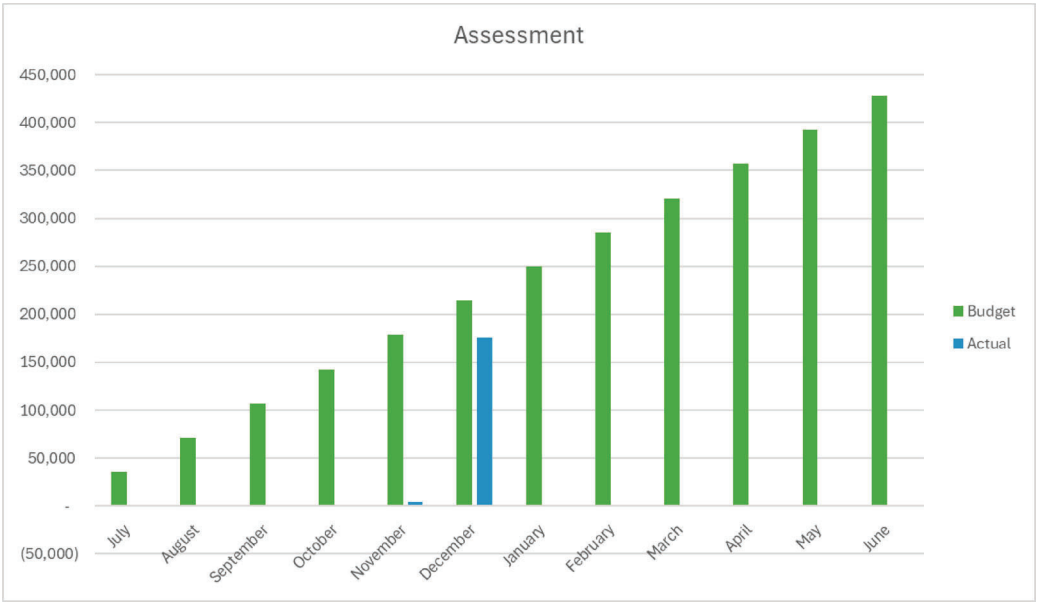

| Monthly Report By Category | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ADOPTED BUDGET: | | | | | | | | | | | | | |
| Category | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Adopted Budget |
| Charges for Current Services | 282,552 | 565,103 | 847,655 | 1,130,206 | 1,412,758 | 1,695,309 | 1,977,861 | 2,260,412 | 2,542,964 | 2,825,515 | 3,108,067 | 3,390,618 | **3,390,618** |
| ACTUAL: | | | | | | | | | | | | | |
| Category | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Total Actual |
| Charges for Current Services | 381,843 | 325,542 | 305,755 | 319,984 | 535,790 | 600,235 | | | | | | | **2,469,149** |

## Intergovernmental



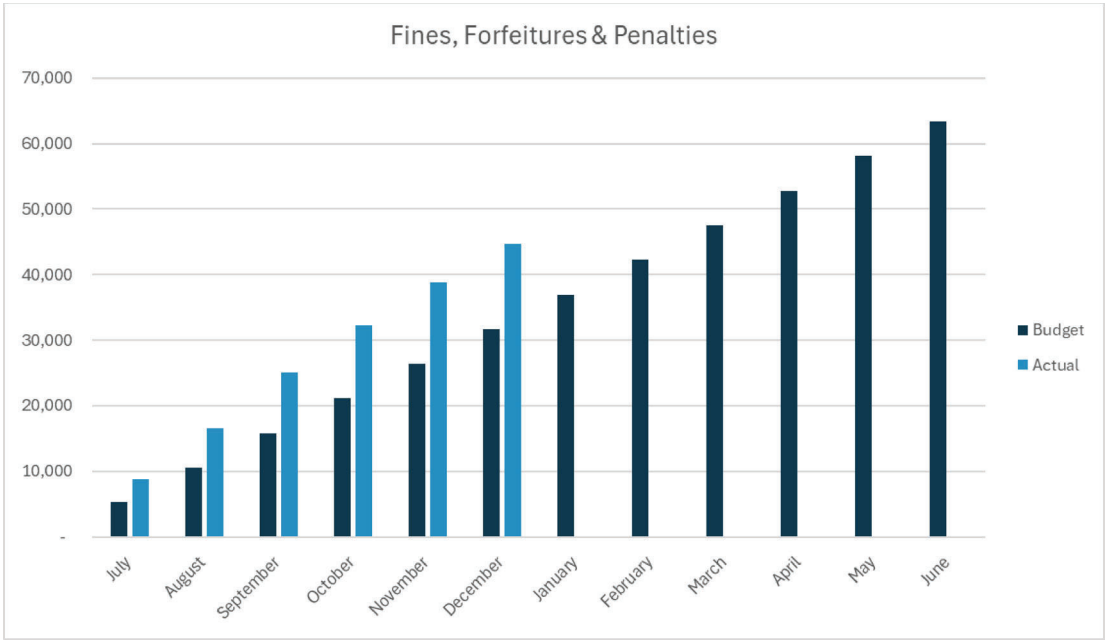

| Monthly Report By Category | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ADOPTED BUDGET: | | | | | | | | | | | | | |
| Category | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Adopted Budget |
| Intergovernmental | 400,939 | 801,879 | 1,202,818 | 1,603,758 | 2,004,697 | 2,405,636 | 2,806,576 | 3,207,515 | 3,608,455 | 4,009,394 | 4,410,333 | 4,811,273 | **4,811,273** |
| ACTUAL: | | | | | | | | | | | | | |
| Category | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Total Actual |
| Intergovernmental | - | - | 50,371 | 1,599 | - | 261,250 | | | | | | | **313,221** |

## Assessment



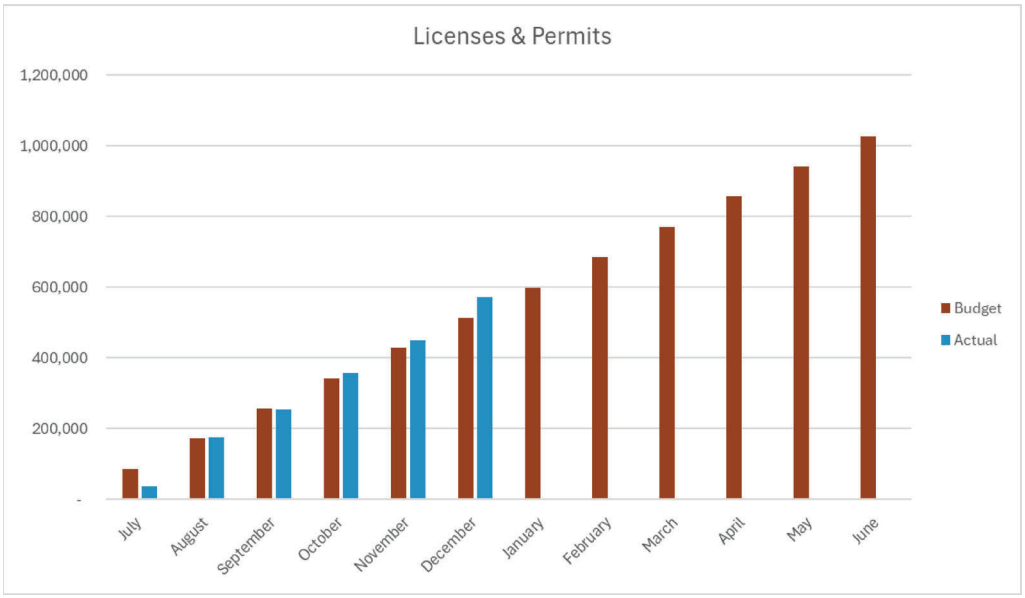

| Monthly Report By Category | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ADOPTED BUDGET: | | | | | | | | | | | | | |
| Category | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Adopted Budget |
| Assessment | 35,683 | 71,367 | 107,050 | 142,733 | 178,417 | 214,100 | 249,783 | 285,467 | 321,150 | 356,833 | 392,517 | 428,200 | **428,200** |
| ACTUAL: | | | | | | | | | | | | | |
| Category | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Total Actual |
| Assessment | - | (1) | - | - | 3,647 | 171,978 | | | | | | | **175,625** |

## Fines, Forfeitures & Penalties



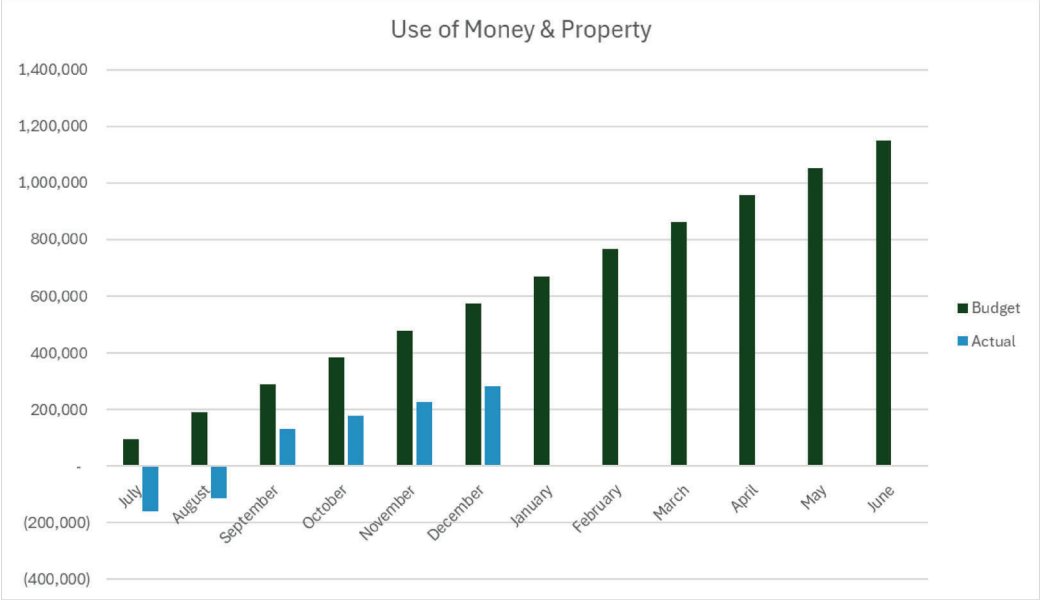

| Monthly Report By Category | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ADOPTED BUDGET: | | | | | | | | | | | | | |
| Category | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Adopted Budget |
| Fines, Forfeitures & Penalties | 5,279 | 10,558 | 15,837 | 21,117 | 26,396 | 31,675 | 36,954 | 42,233 | 47,512 | 52,791 | 58,070 | 63,350 | **63,350** |
| ACTUAL: | | | | | | | | | | | | | |
| Category | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Total Actual |
| Fines, Forfeitures & Penalties | 8,723 | 7,824 | 8,551 | 7,207 | 6,573 | 5,770 | | | | | | | **44,648** |

## Licenses and Permits



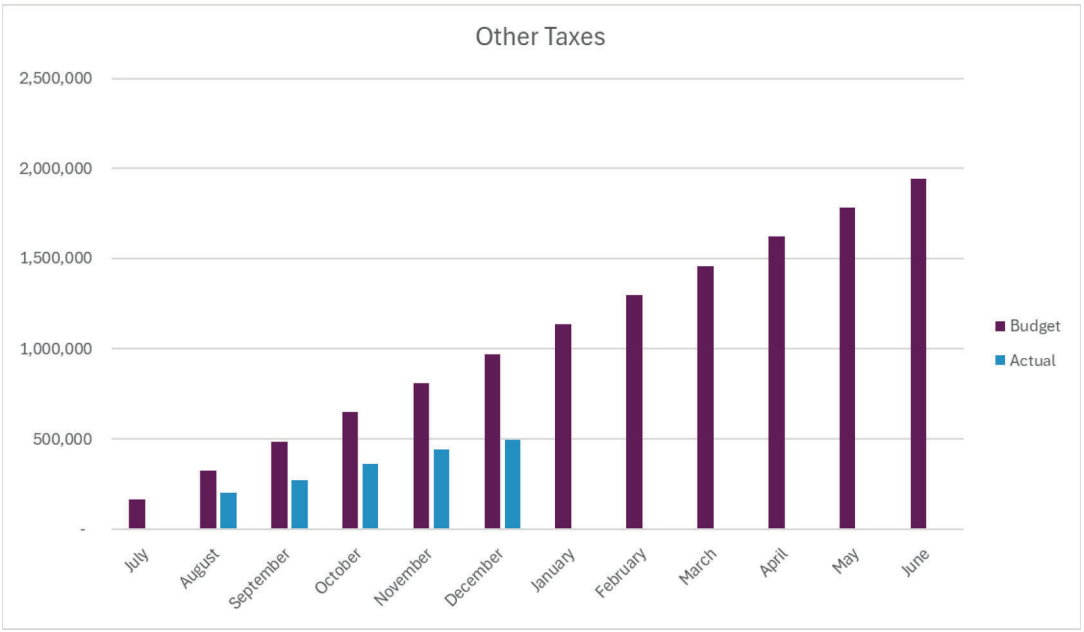

| Monthly Report By Category | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ADOPTED BUDGET: | | | | | | | | | | | | | |
| Category | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Adopted Budget |
| Licenses & Permits | 85,567 | 171,134 | 256,701 | 342,267 | 427,834 | 513,401 | 598,968 | 684,535 | 770,102 | 855,668 | 941,235 | 1,026,802 | **1,026,802** |
| ACTUAL: | | | | | | | | | | | | | |
| Category | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Total Actual |
| Licenses & Permits | 37,091 | 137,403 | 78,771 | 104,434 | 91,880 | 123,045 | | | | | | | **572,624** |

## Use of Money & Property



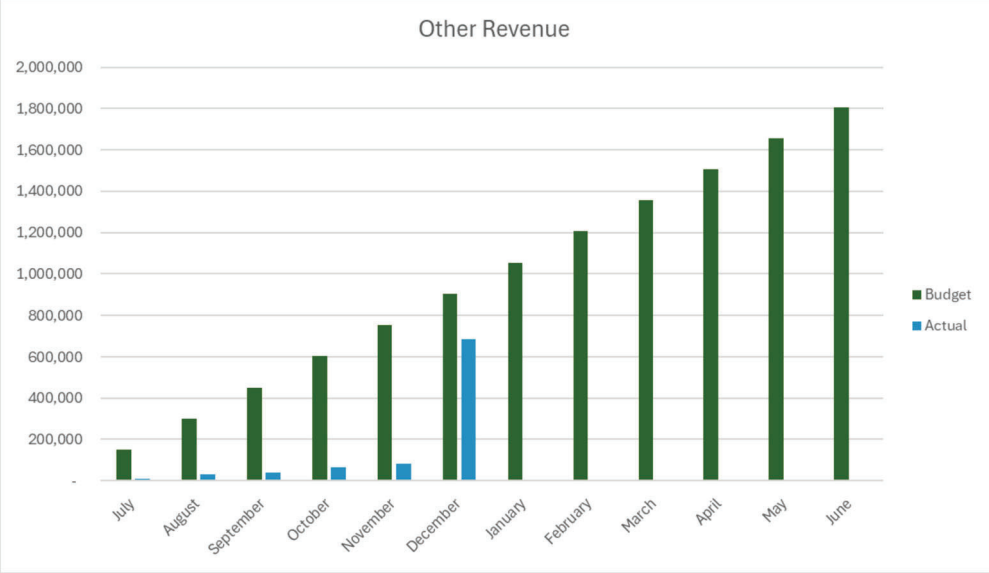

| Monthly Report By Category | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ADOPTED BUDGET: | | | | | | | | | | | | | |
| Category | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Adopted Budget |
| Use of Money & Property | 95,724 | 191,448 | 287,173 | 382,897 | 478,621 | 574,345 | 670,069 | 765,793 | 861,518 | 957,242 | 1,052,966 | 1,148,690 | **1,148,690** |
| ACTUAL: | | | | | | | | | | | | | |
| Category | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Total Actual |
| Use of Money & Property | (159,682) | 44,451 | 245,762 | 46,442 | 47,940 | 58,246 | | | | | | | **283,158** |

## Other Taxes




| Monthly Report By Category | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ADOPTED BUDGET: | | | | | | | | | | | | | |
| Category | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Adopted Budget |
| Other Taxes | 161,967 | 323,933 | 485,900 | 647,866 | 809,833 | 971,799 | 1,133,766 | 1,295,732 | 1,457,699 | 1,619,665 | 1,781,632 | 1,943,598 | **1,943,598** |
| ACTUAL: | | | | | | | | | | | | | |
| Category | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Total Actual |
| Other Taxes | - | 200,438 | 68,055 | 91,282 | 82,870 | 51,950 | | | | | | | **494,595** |

## Other Revenue




| Monthly Report By Category | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ADOPTED BUDGET: | | | | | | | | | | | | | |
| Category | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Adopted Budget |
| Other Revenue | 150,631 | 301,262 | 451,893 | 602,524 | 753,155 | 903,787 | 1,054,418 | 1,205,049 | 1,355,680 | 1,506,311 | 1,656,942 | 1,807,573 | **1,807,573** |
| | | | | | | | | | | | | | |
| ACTUAL: | | | | | | | | | | | | | |
| Category | July | August | September | October | November | December | January | February | March | April | May | June | FY 2025-2026 Total Actual |
| Other Revenue | 9,203 | 20,426 | 9,097 | 27,900 | 17,789 | 600,731 | | | | | | | **685,145** |

**CITY OF SOUTH PASADENA**
FINANCE DEPARTMENT
1414 MISSION STREET, SOUTH PASADENA, CA 91030
TEL: (626) 403-7312 ▪ FAX: (626) 403-7313
WWW.SOUTHPASADENACA.GOV

**Date:** February 26, 2026

**To:** Finance Commission

**From:** Nick Kimball, Assistant City Manager/CFO

**Re:** **General Fund 5-Year Forecast**

---

A five-year General Fund financial forecast is intended to provide the City Council with a forward-looking view of the City's fiscal condition, identify emerging trends, and support long-term policy and budget decisions. The forecast projects General Fund revenues, expenditures, and reserves over a five-year period using current information, adopted policies, and conservative assumptions. It is not intended to predict exact outcomes, but rather to highlight potential risks, opportunities, and decision points.

**Forecast Assumptions**

The five-year forecast is based on the following key assumptions. These assumptions represent staff's best estimate of "most likely" conditions using information available at the time of preparation and are intentionally conservative to enhance reliability.

*General Assumptions*

- The forecast reflects current service levels and does not assume the addition or reduction of programs or staffing unless already approved by the City Council.
- One-time revenues and expenditures have been identified and excluded from ongoing baseline assumptions where appropriate.
- No use of reserves to support ongoing operations is assumed unless explicitly shown in the forecast.
- All projections are expressed in nominal dollars and do not attempt to predict economic shocks or extraordinary events.

*Limitations and Risks*

While the forecast represents staff's best estimate, actual results may vary due to:

- Economic conditions affecting major revenue sources
- State budget actions or changes in local government funding
- Labor negotiations not yet settled
- Changes in pension or healthcare cost assumptions

***Revenue Assumptions***

Property Tax: Property tax revenues are projected to grow modestly, consistent with recent assessed valuation trends, historical growth rates, and known reassessment activity.

- Historical annual growth
  - 5-years: 5.8%
  - 10-years: 7.2%
- Projected annual growth: 4.0% per year

Sales and Use Tax: Sales tax revenues are projected using a conservative growth rate reflecting recent performance and regional economic conditions. No assumption is made for extraordinary growth.

- Historical annual growth
  - 5-years: 4.9%
  - 10-years: 5.0%
- Projected annual growth: 3.0% per year

Other Taxes and Fees: Franchise taxes, business license taxes, and other General Fund revenues are assumed to grow modestly or remain flat unless rate changes or policy actions have been approved.

- Historical annual growth
  - 5-years: 6.5%
  - 10-years: 3.7%
- Projected annual growth:
  - Baseline: 3.0% per year
  - Solid Waste Franchise: 5.0% per year based on increased customer rates
  - Real Property Transfer: 4.0% per year in line with Property Tax

Intergovernmental Revenues: Intergovernmental revenues primarily consist of Motor Vehicle In Lieu fee from the State, which is a property tax based revenue. Consequently, this revenue category is projected in line with Property Tax.

- Historical annual growth
  - 5-years: 5.6%
  - 10-years: 7.6%
- Projected annual growth: 4.0% per year
  - Shared Fire Command Reimbursement: 4.0% per year in line with MOU salary increases

One-Time Revenues: Grants, reimbursements, and other non-recurring revenues are excluded from ongoing projections.

***Expenditure Assumptions***

Salaries and Wages: Personnel costs are projected based on authorized staffing levels, adopted Memoranda of Understanding (MOUs), known step increases, and approved cost-of-living adjustments (COLA). The City has four (4) bargaining units[1] and one (1) unrepresented management group. Currently, all four groups have MOUs in effect through June 30, 2028, as follows:

- FY 2025-2026: 6.0% COLA
- FY 2026-2027: 4.0% COLA
- FY 2027-2028: 4.0% COLA (last year of MOU increases)
- Beyond the current terms of the existing MOUs, overall salary and benefits are assumed to increase by 2.5% per year; subject to bargaining based on the City's financial condition.

Pension Costs**:** CalPERS employer contribution rates are projected using current actuarial schedules and known rate increases adopted by the CalPERS Board.

- Historical change in Unfunded Accrued Liability (UAL) Contribution per CalPERS Actuarial:
  - 3-years: 4.9%
  - 10-years: Data not available
- Projected annual growth: 5.0% per year for the first two years, then reducing to 4.0% in the next three years as "Classic" members are replaced with "PEPRA" members.

Healthcare and Benefits: The City contributes to employee health benefit costs through a maximum per employee contribution (varies based on level of coverage: single, employee+1, or family), which is bargained with each bargaining unit through their respective MOU. The maximum contribution for employee+1 is provided below for reference:

- FY 2025-2026: $1,560 (0% increase)
- FY 2026-2027: $1,660 (6.5% increase)
- FY 2027-2028: $1,750 (5.5% increase)

Operations, Training, and Supplies: City management has the most flexibility with determining funding for operations, training, and supplies as this category is not subject to contractual obligations. The amount provided to each department is reviewed and determined annually based on revenue projections. Therefore, a modest increase of 1.0% per year is included in the projection.

Professional & Contract Services: Professional and contract services are used to supplement services provided by the City and fill gaps in knowledge, expertise, and/or specialized equipment that are not economical for the City to provide in-house. These services are typically rendered through a multi-year contractual obligation with annual increases that include escalators based on the Consumer Price Index for the Los Angeles Area (CPI-LA)

- Historical CPI-LA annual growth (through June)
  - 5-years: 4.3%
  - 10-years: 3.4%
- Projected annual growth: 3.5% per year over the next 5 years.

Capital and One-Time Costs: Capital expenditures are generally excluded unless they have an identified General Fund operating impact. The City is currently working on a plan to develop a 5-year Vehicle & IT

[1] 1) Firefighters Association, 2) Police Officers Association, 3) Public Service Employees Association, and 4) Part-time Public Service Employees Association

Equipment Replacement Schedule, and annual Facility Maintenance, which may be reflected as Capital Outlay in the future. Staff is currently identifying opportunities to reduce existing operating costs that can be used to fund the vehicle, equipment, IT, and facility maintenance costs.

***Reserves and Fund Balance***

The forecast tracks projected ending General Fund reserves each year and compares them to the City's adopted reserve policy (Target Fund Balance). Reserve levels are shown for planning purposes and do not represent a recommendation to draw down reserves for ongoing operations.

## APPENDIX A: Relevant Tables and Source Documents:

- South Pasadena Memoranda of Understanding are posted on the City's website: https://www.southpasadenaca.gov/Your-Government/Department-Service-Areas/Management-Services/Human-Resources/Compensation

**CPI-U Los Angeles-Long Beach-Anahiem**

| Year | 12-month June | 5-year Average | 10-year Average |
|---|---|---|---|
| **2016** | 1.8% | | |
| **2017** | 2.2% | | |
| **2018** | 4.0% | | |
| **2019** | 3.3% | | |
| **2020** | 1.4% | 2.5% | |
| **2021** | 4.0% | | |
| **2022** | 8.6% | | |
| **2023** | 2.5% | | |
| **2024** | 3.2% | | |
| **2025** | 3.2% | 4.3% | 3.4% |
| **2026** | | | |
| **2027** | | | |
| **2028** | | | |
| **2029** | | | |
| **2030** | | | |

Data Source: U.S. Bureau of Labor Statistics visited on 2/7/2026
https://data.bls.gov/timeseries/CUURS49ASA0?amp%253bdata_tool=XGtable&output_view=data&include_graphs=true

# City of South Pasadena
# General Fund - 5 Year Forecast
# As of: December 31, 2025

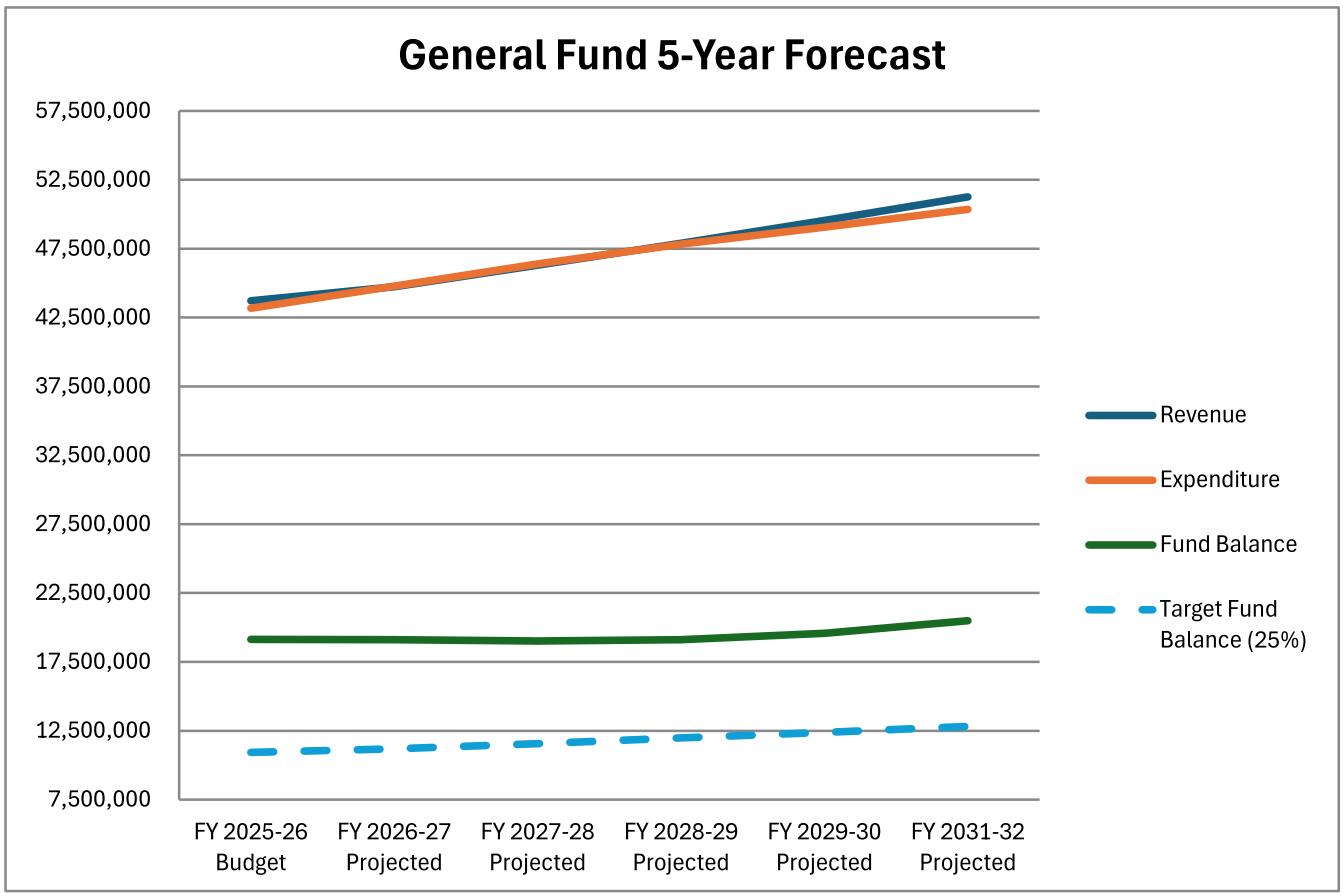
| | | | | | | |
|---|---|---|---|---|---|---|
| Beginning Fund Balance: | 18,980,681 | 19,134,428 | 19,106,911 | 19,017,586 | 19,101,644 | 19,584,992 |

## REVENUE By Category

| | FY 2025-26 Adj. Budget | FY 2026-27 Projected | FY 2027-28 Projected | FY 2028-29 Projected | FY 2029-30 Projected | FY 2031-32 Projected |
|---|---|---|---|---|---|---|
| Property Taxes | 17,377,356 | 18,153,171 | 18,873,816 | 19,623,288 | 20,402,738 | 21,213,366 |
| Assessments | 428,200 | 428,200 | 428,200 | 428,200 | 428,200 | 428,200 |
| Sales Taxes | 5,562,209 | 5,729,075 | 5,900,948 | 6,077,976 | 6,260,315 | 6,448,125 |
| Other Taxes (Franchise Tax) | 1,943,598 | 2,020,864 | 2,101,375 | 2,185,272 | 2,272,705 | 2,363,830 |
| Utility Users Taxes | 4,544,810 | 4,681,154 | 4,821,589 | 4,966,236 | 5,115,224 | 5,268,680 |
| Licenses & Permits | 1,026,802 | 1,057,570 | 1,089,261 | 1,121,903 | 1,155,524 | 1,190,154 |
| Fines, Forfeitures & Penalties | 63,350 | 65,250 | 67,208 | 69,224 | 71,300 | 73,439 |
| Use of Money & Property | 1,148,690 | 1,171,664 | 1,195,097 | 1,218,999 | 1,243,379 | 1,268,247 |
| Intergovernmental | 4,817,619 | 4,835,045 | 5,027,835 | 5,228,324 | 5,433,367 | 5,646,495 |
| Charges for Current Services | 3,404,868 | 3,541,063 | 3,647,295 | 3,756,713 | 3,869,415 | 3,985,497 |
| Other Revenue | 1,807,573 | 1,439,693 | 1,488,035 | 1,538,310 | 1,577,525 | 1,617,916 |
| Interfund Transfers | 1,590,240 | 1,622,045 | 1,654,486 | 1,687,575 | 1,721,327 | 1,755,753 |
| **REVENUE-Total** | **43,715,315** | **44,744,795** | **46,295,143** | **47,902,021** | **49,551,018** | **51,259,703** |
| Less One-Time | - | - | - | - | - | - |
| **Revenue - Ongoing** | **43,715,315** | **44,744,795** | **46,295,143** | **47,902,021** | **49,551,018** | **51,259,703** |

## EXPENDITURE By Category

| | FY 2025-26 Adj. Budget | FY 2026-27 Projected | FY 2027-28 Projected | FY 2028-29 Projected | FY 2029-30 Projected | FY 2031-32 Projected |
|---|---|---|---|---|---|---|
| Salaries | 20,260,063 | 21,070,466 | 21,913,284 | 22,570,683 | 23,022,097 | 23,482,538 |
| Retirement | 6,172,976 | 6,479,991 | 6,760,747 | 7,029,410 | 7,306,947 | 7,595,513 |
| Insurance | 3,484,496 | 3,635,582 | 3,793,298 | 3,923,777 | 4,054,914 | 4,190,521 |
| Other Benefits | 99,950 | 101,949 | 103,988 | 106,068 | 108,189 | 110,353 |
| **Sub-Total** | **30,017,485** | **31,287,988** | **32,571,317** | **33,629,938** | **34,492,146** | **35,378,925** |
| Operations | 5,937,062 | 5,649,091 | 5,742,862 | 5,839,519 | 5,939,192 | 6,042,014 |
| Professional/Contract Services | 6,807,021 | 7,011,232 | 7,221,569 | 7,474,324 | 7,735,925 | 8,006,683 |
| Capital Outlay | - | - | - | - | - | - |
| Transfers-Out | 800,000 | 824,000 | 848,720 | 874,182 | 900,407 | 927,419 |
| **Sub-Total** | **13,544,083** | **13,484,323** | **13,813,151** | **14,188,025** | **14,575,525** | **14,976,116** |
| **EXPENDITURE - Total** | **43,561,568** | **44,772,311** | **46,384,468** | **47,817,963** | **49,067,671** | **50,355,041** |
| Less One-Time | (386,555) | - | - | - | - | - |
| **EXPENDITURE - Ongoing** | **43,175,013** | **44,772,311** | **46,384,468** | **47,817,963** | **49,067,671** | **50,355,041** |
| **Total Surplus(Deficit)** | **153,747** | **(27,517)** | **(89,325)** | **84,057** | **483,348** | **904,662** |
| **Operating Surplus(Deficit)** | **540,302** | **(27,517)** | **(89,325)** | **84,057** | **483,348** | **904,662** |
| Ending Fund Balance: | 19,134,428 | 19,106,911 | 19,017,586 | 19,101,644 | 19,584,992 | 20,489,653 |


General Fund 5-Year Forecast
57,500,000
52,500,000
47,500,000
42,500,000
37,500,000
32,500,000
27,500,000
22,500,000
17,500,000
12,500,000
7,500,000
FY 2025-26 Budget
FY 2026-27 Projected
FY 2027-28 Projected
FY 2028-29 Projected
FY 2029-30 Projected
FY 2031-32 Projected
Revenue
Expenditure
Fund Balance
Target Fund Balance (25%)

# FY 2026-2027 Budget Calendar

| | |
|---|---|
| **JANUARY 2026** | **Budget Kickoff**<br>Week of Jan. 5: Finance department sends out FY 2025-2026 and FY 2026-2027 budget guidelines. |
| | **FY 2025-2026 Mid-Year**<br>1/14/2026: Mid-Year Preparation - What to expect? (All departments to attend)<br>1/19-23/2026: Finance sends out budget analysis and meeting schedule to departments<br>1/29/2026: Departments submit Mid-Year Projections and Enhancements<br>**FY 2026-2027 Proposed Budget**<br>1/22/2026: FY 2026-2027 Budget Training (All departments to attend)<br>1/26-29/2026: Finance will send out budget request templates to departments |
| **FEBRUARY, 2026** | **FY 2025-2026 Mid-Year**<br>2/2/2026: Finance department prepares Mid-Year report and analysis.<br>2/2-3/2026: Finance meets with departments to review Mid-Year |
| | 2/13/2026: Presentation to the City Manager<br>2/26/2026: Presentation to Finance Commission. |
| | **FY 2026-2027 CIP Budget Preparation:**<br>2/2/2026: Preliminary meeting with Departments/Finance/Public Works. |
| **MARCH, 2026** | **FY 2025-2026 Mid-Year:**<br>3/4/2026: Submit for adoption to City Council |
| | **FY 2026-2027 Operating and CIP Budget:**<br>3/2/2026: Departments submit proposed budget, one-time enhancements, and projections. Public Works submits preliminary CIP Budget and Five-Year Projections.<br>3/3/2026: Finance review proposed budgets and schedule department meetings.<br>3/16/2026: (Week) Department and Finance meeting to discuss the proposed budget.<br>3/16/2026: Finance starts drafting the Operating and CIP budget. |
| **APRIL, 2026** | **FY 2026-2027 Budget:**<br>4/2/2026: (Week) Departments present the proposed Operating budget to ACM/CFO and City Manager.<br>4/2/2026: Present CIP Budget to ACM/CFO and City Manager.<br>4/16/2026: Prepare Five-Year Budget projections for General Fund, Review Investment Policy, and revisions from City Manager.<br>4/23/2026: Present to the Finance Commission the 5-year budget projection and review Investment Policy. |
| **MAY, 2026** | **FY 2026-2027 Budget:**<br>5/14/2026: Submit to Finance Commission Draft FY 2026-2027 operating and CIP budget. Upload and post proposed budget.<br>5/20/2026: City Council Study Session No. 1: All Departments present proposed Operating Budget.<br>5/28/2025: Community Budget Meeting |
| **JUNE, 2026** | **FY 2026-2027 Budget:**<br>6/1/2026: Prepare and post Public Hearing for FY 2026-2027 CIP Budget<br>6/3/2026: City Council Study Session No. 2: Public Works presents Water, Sewer, and CIP budget; City Manager and Finance present Vehicle Replacement Plan.<br>6/10/2026: Finance presents final revisions of the FY 2026-2027 Budget at a Joint City Council and Finance Commission meeting.<br>6/17/2026: Submit the FY 2026-2027 Operating and CIP Budget for adoption.<br>6/30/2026: Upload adopted budget |
| | **July 1, 2026 - New Fiscal Year 2026-2027 Begins** |

# City Council Agenda Report

**ITEM NO. 16**

**DATE:** March 4, 2026

**FROM:** Todd Hileman, City Manager

**PREPARED BY:** Nikima S. Newsome, Chief City Clerk
Roxanne M. Diaz, City Attorney

**SUBJECT:** **CONSIDERATION OF THE ADOPTION OF RESOLUTION NO. 7987 ADOPTING THE TECHNOLOGY DISRUPTION POLICY FOR CITY COUNCIL MEETINGS IN COMPLIANCE WITH SENATE BILL 707**

## Recommendation

It is recommended that the City Council adopt Resolution No. 7987, adopting the Technology Disruption Policy for City Council meetings and direct staff to implement the policy effective July 1, 2026, in compliance with state law.

## Executive Summary

Senate Bill 707 ("SB 707"), signed in law in October 2025, is considered one the most extensive revisions to the Ralph M. Brown Act ("Brown Act") and adds new requirements to make meetings more accessible to the public in addition to other discrete revisions.

A provision of SB 707 requires certain "eligible legislative bodies" (which includes the South Pasadena City Council) that provide remote participation options for public meetings to establish a policy to address technological failures that prevent remote public access. The proposed Technology Disruption Policy establishes clear procedures to ensure transparency, compliance with the Brown Act, and continued public participation in the event of a disruption to the City's two-way audiovisual meeting platform.

Adoption of this policy will ensure the City of South Pasadena remains compliant with Government Code requirements and maintains public access to City Council meetings.

## Background

The City Council conducts its meetings in accordance with the Brown Act and provides remote participation through a two-way audiovisual platform to promote accessibility and transparency.

Senate Bill 707 amended Government Code Section 54953.4 to require that cities of a certain size provide an opportunity for the public to attend and participate in City Council meetings remotely, which the City already does. This is commonly known as a "hybrid meeting." In addition, the City is required to adopt procedures to address technology disruptions that prevent members of the public from attending, observing or participating in City Council meetings remotely. These procedures must be adopted by July 1, 2026.

The proposed policy establishes uniform procedures to follow when technical issues disrupt the City's remote participation platform.

**Analysis**
The Technology Disruption Policy establishes procedures and responsibilities to ensure compliance with state law and continuity of public participation.

**Key Policy Elements Include:**

**Remote Access Requirements**
- Meeting agendas must include remote access instructions and technical support contact information.

**Identification of Technology Disruptions**
- Any Councilmember, staff member, or the Mayor may identify a disruption preventing remote participation.

**Recess Procedures**
- The Mayor will call a recess (up to one hour) to allow staff to restore service.
- The City Clerk will document the time and actions taken.

**Restoration Efforts**
- Staff will make good faith efforts to restore service, including troubleshooting and switching to backup systems.

**Meeting Continuation Options**
If service is restored within one hour:
- The meeting reconvenes and resumes.

If service is not restored:
- Council may adopt findings to continue the meeting without remote access; or
- Adjourn to a future date.

**Chief City Clerk Responsibilities**
- Monitor platform functionality.
- Maintain backup access information.
- Coordinate communications.
- Document disruptions and restoration efforts in meeting minutes.

Adoption of the policy will ensure consistent procedures and compliance with SB 707 requirements. The policy will go into effect on July 1, 2026.

**Fiscal Impact**
There is no direct fiscal impact associated with adopting this policy. Existing technology and staffing resources will be utilized.

Attachment:
Attachment No. 1 - Resolution No. 7987
Attachment No. 2 - Technology Disruption Policy

**CITY OF SOUTH PASADENA**
**RESOLUTION NO. 7987**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH PASADENA ADOPTING A TECHNOLOGY DISRUPTION POLICY FOR CITY COUNCIL MEETINGS IN COMPLIANCE WITH SENATE BILL 707 AND GOVERNMENT CODE SECTION 54953.4**

**WHEREAS,** the City of South Pasadena City Council conducts meetings in accordance with the Ralph M. Brown Act (Government Code § 54950 et seq.) to ensure transparency and public participation in local government; and

**WHEREAS,** the City provides remote public participation through a two-way audiovisual platform to enhance accessibility and promote civic engagement; and

**WHEREAS,** Senate Bill 707 (Durazo) requires "eligible legislative bodies," which includes the City of South Pasadena, that provide remote participation to adopt procedures to address technological disruptions that prevent remote public access to public meetings; and

**WHEREAS,** a technology disruption may prevent members of the public from attending, observing, or participating in City Council meetings remotely; and

**WHEREAS,** the City Council desires to establish uniform procedures to ensure compliance with state law and to maintain transparency and public access in the event of such disruptions; and

**WHEREAS,** the proposed "Technology Disruption Policy" establishes procedures for identifying disruptions, calling a recess, making good faith restoration efforts, documenting actions taken, and determining whether to continue or adjourn a meeting; and

**WHEREAS,** adoption of the Technology Disruption Policy will ensure the City remains compliant with state law while maintaining orderly and accessible public meetings.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SOUTH PASADENA, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:**

**SECTION 1. Recitals.** The foregoing recitals are true and correct and incorporated herein by this reference as if set forth in full.

**SECTION 2. Adoption of Policy.** The City Council hereby adopts the Technology Disruption Policy for City Council meetings, attached hereto as Exhibit A ("Policy").

**SECTION 3. Implementation.** The Chief City Clerk is directed to implement the Policy and ensure it is publicly available on the City's website and through the City Clerk's Office.

**SECTION 4. Compliance with State Law.** The Policy is adopted in compliance with Government Code Section 54953.4(b)(1)(A) and (B) and shall guide City Council meeting procedures when remote access disruptions occur.

**SECTION 5. Effective Date.** This Resolution shall take effect immediately upon adoption, and the Policy shall become operative on July 1, 2026.

**PASSED, APPROVED AND ADOPTED** on this 4th day of March 2026.

Sheila Rossi, Mayor

**ATTEST:**

Nikima S. Newsome, Chief City Clerk

**APPROVED AS TO FORM:**

Roxanne Diaz, City Attorney

**I HEREBY CERTIFY** the foregoing Resolution No. 7982 was duly adopted by the City Council of the City of South Pasadena, California, at a regular meeting held on the 4th day of March 2026 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAINED:**

_____

Nikima S. Newsome, Chief City Clerk

**EXHIBIT A**

**TECHNOLOGY DISRUPTION POLICY**

[to be added]

# TECHNOLOGY DISRUPTION POLICY FOR CITY COUNCIL MEETINGS

## 1. Purpose

Starting on July 1, 2026, all open and public meetings of the South Pasadena City Council ("City Council") held pursuant to the Ralph M. Brown Act (codified at Government Code § 54950 et seq.) ("Brown Act") shall include an opportunity for members of the public to attend such meetings either through a Two-Way Telephonic Service or a Two-Way Audiovisual Platform. The City of South Pasadena utilizes a Two-Way Audiovisual Platform for its City Council meetings.

The purpose of this Technology Disruption Policy ("Policy") is to establish procedures for the City Council to follow in the event there is a disruption to its Two-Way Audiovisual Platform that prevents members from the public from attending, observing or otherwise participating in the Meeting through that internet based platform.

This Policy is adopted in compliance with California Senate Bill 707 (Durazo) and the Brown Act, specifically Government Code Section 54953.4(b)(1)(A) and (B).

## 2. Definitions

For purposes of this Policy, the following definitions apply:

- **Meeting**: A meeting held by the City Council pursuant to Brown Act.
- **Technology Disruption**: A failure or interruption of the Two-Way Audiovisual Platform that prevents the public from attending, observing, and/or providing public comment through the remote access options identified on the City Council Meeting agenda
- **Two-Way Audiovisual Platform or Platform**: An online meeting platform that provides members of the public with the ability to participate in a Meeting of the City Council via both an interactive video conference option and a two-way telephonic option.
- **Two-Way Telephonic Service**: A telephone-based service that allows members of the public to dial a telephone number to listen and verbally participate in a Meeting of the City Council, without requiring internet access.

## 3. Applicability

This Policy applies to all regular, special, and adjourned Meetings of the City Council except for those Meetings listed in Government Code Section 54953.4(b)(1)(A)(i)(II)(ia), (ib), (ic), (id) and (ie). In addition, this Policy shall not apply if adequate telephonic or internet service is not operational at the Meeting location.

## 4. Notice of Remote Access

For each Meeting subject to this Policy, the City Clerk shall ensure that the Meeting agenda clearly identifies:

A. The available remote access options (Two-Way Audiovisual Platform);
B. Instructions for accessing the Meeting and providing public comment; and
C. Contact information for reporting technical difficulties during the Meeting.

## 5. Procedures for Technology Disruptions

### 5.1 Identification of Disruption

If the Mayor, City Clerk, City staff, or City Council Member becomes aware that a Technology Disruption is occurring, such person shall notify the City Clerk or the Mayor that the Two-Way Audiovisual Platform has been disrupted preventing the public from accessing or participating in the Meeting and a recess is required in order to evaluate and restore service to the Platform.

### 5.2 Calling a Recess

A. The Mayor shall recess the Meeting and make an announcement that: (i) there is disruption or other technical issue that has rendered the Platform non-operational preventing the public from participating in the Meeting remotely; (ii) a recess will be called in order to evaluate and restore service to the Platform; and (iii) the recess may last for up to an hour or until service to the Platform is restored, whichever occurs first.
B. The City Clerk shall record the time when the recess is called by the Mayor.
C. During the recess, the City Council may convene to closed session to hear any closed session items listed in the closed session agenda for that Meeting.

### 5.3 Good Faith Restoration Efforts

A. During the recess, the City shall make a good faith effort to restore telephonic or internet service to the Platform. This includes but is not limited to contacting technical support, troubleshooting any issues impacting connectivity, switching to backup systems, etc.
B. If the City is successful in restoring service to the Platform within one hour of when the recess was called, the City Clerk shall inform the Mayor that the matter has been resolved.
C. If the City is not successful in restoring service to the Platform within one hour of when the recess was called, the City Clerk shall inform the Mayor that after making a good faith effort to restore service, that service to the Platform was unable to be restored. The City Clerk shall provide the Mayor with a written description of the efforts made to restore service.

### 5.4 Reconvening the Meeting if the Technology Disruption was Resolved

If service to the Platform is restored within one hour of when the recess was called, the Mayor shall reconvene the Meeting and the Meeting will resume.

### 5.5 Reconvening the Meeting if the Technology Disruption was not Restored

The Mayor shall reconvene the Meeting and inform the City Council and public that the Technology Disruption was not resolved within the one-hour recess period. Thereafter, the City Council may take one of the following actions:

A. A member of the City Council may make a motion to adopt a finding that pursuant to its Technology Disruption Policy, (i) good faith efforts to restore internet or telephone services to the Platform were made and a description of those efforts shall be recited; and (ii) that the public interest in continuing the meeting outweighs the public interest in remote public access. The Mayor shall ask for a second and if a second is received, shall ask the City Clerk to take a roll call vote. If the motion is passed, the City Council may resume the Meeting; or
B. The City Council may adjourn the Meeting to a future date and time, which subsequent Meeting shall be noticed in accordance with the Brown Act.

## 6. Chief City Clerk Responsibilities

The Chief City Clerk, or the Deputy City Clerk, shall be responsible for:

A. Monitoring the functionality of the Two-Way Audiovisual Platform during Meetings;
B. Maintaining current technical support and backup access information;
C. Coordinating public communications related to Meeting access issues;
D. Ensuring this Policy is publicly available on the City's website; and
E. Ensuring that the Meeting minutes document the nature of the disruption; the duration of the recess; a description of the efforts made to restore service; and the decisions made regarding continuation or adjournment of the Meeting.

## 7. Public Availability

This Policy shall be posted on the City of South Pasadena meeting webpage. In addition, the Policy is available from the City Clerk's Office by emailing cityclerk@southpasadenaca.gov.

## 8. Review and Updates

This Policy shall be reviewed periodically and updated as necessary to reflect changes in law, technology, or City procedures.

## 9. Effective Date

This Policy shall go into effect on July 1, 2026.

# City Council Agenda Report

**ITEM NO. 18**

**DATE:** March 4, 2026

**FROM:** Todd Hileman, City Manager

**PREPARED BY:** Nikima S. Newsome, Chief City Clerk

**SUBJECT:** **COUNCILMEMBER COMMUNICATIONS**