



AGENDA

REGULAR MEETING CYPRESS CITY COUNCIL

February 13, 2023

1:00 P.M. - Closed Session
4:30 P.M. - Workshop Session
6:00 P.M. - Open Session

www.cypressca.org

Council Chambers
5275 Orange Avenue
Cypress, California

NOTICE

Effective January 2023, the general open session of all regular City Council meetings will begin at 6:00 p.m.

PUBLIC PARTICIPATION

Members of the public can participate in this meeting as follows:

1. Attend In-Person. First-come, first-served seating is available in the Council Chambers. Face coverings are recommended and all in-person attendees must be free of any symptoms associated with COVID-19.
2. Attend Virtually via Webinar. This option provides the ability to provide live public comments during Oral Communications or Public Hearings and view slideshow presentations. Please register at <https://attendee.gotowebinar.com/register/4608505560182658648> to receive an email containing a link to join the webinar. Advance registration is recommended.
3. Watch the Meeting. The City Council meeting can be viewed live on Spectrum Cable Channel 36 or on the City's website at www.cypressca.org/watchlive.
4. Listen to the Meeting. The public may participate via the listen-only teleconference mode by calling (415) 655-0052 and entering Access Code 365-403-046 when prompted. No registration or audio pin is necessary.
5. Submit Public Comments Prior to the Meeting. The public may submit comments via email to cityclerk@cypressca.org. Comments submitted by 3:00 p.m. on February 13, 2023 will be added to the City Council agenda as a Consent Calendar item.

CALL TO ORDER

1:00 P.M.

Executive Board Room

ROLL CALL

Cypress City Council, also acting as the Ex-Officio Governing Board of Directors of the Cypress Recreation and Park District

Mayor Anne Hertz-Mallari
Mayor Pro Tem Scott Minikus
Council Member David Burke
Council Member Frances Marquez
Council Member Bonnie Peat

ORAL COMMUNICATIONS (Three minutes per speaker, unless extended by the City Council)

The public may address the City Council on matters appearing on the Closed Session or Workshop agenda. Although Council Members may provide brief responses, the City Council may not discuss or take action on items that are not on its agenda.

If you would like to address the City Council in person, please complete a Speaker's Card. If you would like to address the City Council via the meeting webinar, please click the 'hand raise' button, unmute your microphone and wait for the Mayor or City Clerk to call on you.



= Hand Raise



= Unmute

Speakers providing comments in person will be called first. Speakers shall limit their comments to no more than three minutes.

Alternatively, comments may be submitted to cityclerk@cypressca.org prior to 3:00 p.m. on February 13, 2023. All comments submitted via email prior to the deadline will be added to the agenda as a Consent Calendar item.

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
Pursuant to Government Code Section 54956.9(d)(1)
Southwest Voter Registration Education Project v. City of Cypress
Case No. 30-2022-01270865-CU-CR-CJC
Orange County Superior Court

RECONVENE

4:30 P.M.
Executive Board Room

WORKSHOP SESSION

City Council Meeting Agenda Structure Review

Fiscal Year 2022-23 Mid-Year Budget Review

RECONVENE

6:00 P.M.

Council Chambers

ROLL CALL

Cypress City Council, also acting as the Ex-Officio Governing Board of Directors of the Cypress Recreation and Park District

Mayor Anne Hertz-Mallari

Mayor Pro Tem Scott Minikus

Council Member David Burke

Council Member Frances Marquez

Council Member Bonnie Peat

PLEDGE OF ALLEGIANCE

INVOCATION The Church of Jesus Christ of Latter-Day Saints

The City Council does not endorse the content of the invocation and does not endorse the invitational speaker's particular faith, belief and/or religious denomination. The City Council has an established neutral policy for selecting and scheduling invitational speakers. The City Council's policy on invocations is available from the City Clerk.

REPORT OF WORKSHOP AGENDA / CLOSED SESSION

City Manager/City Attorney

PRESENTATIONS

So Cal Gas Pipeline Project Update

Introduction of New City Employees

ORAL COMMUNICATIONS (Limited to 30 minutes – three minutes per speaker, unless extended by the City Council)

The public may address the City Council on any matters prior to any action taken on the agenda. Although Council Members may provide brief responses, the City Council may not discuss or take action on items that are not on its agenda.

If you would like to address the City Council in person, please complete a Speaker's Card. If you would like to address the City Council via the meeting webinar, please click the 'hand raise' button, unmute your microphone and wait for the Mayor or City Clerk to call on you.



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Speakers providing comments in person will be called first. Speakers shall limit their comments to no more than three minutes.

Alternatively, comments may be submitted to cityclerk@cypressca.org prior to 3:00 p.m. on February 13, 2023. All comments submitted via email prior to the deadline will be added to the agenda as a Consent Calendar item.

CONSENT CALENDAR

All matters listed on the Consent Calendar are to be approved with one motion unless a Council Member requests separate action on a specific item.

1. Receive and File Public Comments Submitted for the February 13, 2023 City Council Meeting

Prepared by: Alisha Farnell, City Clerk

Recommendation: Receive and file submitted public comments.

2. Introduce and/or Adopt All Ordinances and Resolutions Presented for Consideration by Title Only and to Waive Further Reading

3. Approve Minutes - Meetings of January 21, 2023 and January 23, 2023

Prepared by: Alisha Farnell, City Clerk

Recommendation: Approve as submitted.

4. Adopt the FY 2023-24 Budget Calendar

Prepared by: Matt Burton, Director of Finance and Administrative Services

Recommendation: Adopt the Fiscal Year 2023-24 budget calendar.

5. Approve Changes to the Taxi Voucher Senior Transportation Program

Prepared by: Jeff Draper, Director of Recreation and Community Services

Recommendation:

1. Remove taxi voucher income eligibility requirements for participants; and
2. Increase the number of taxi vouchers participants can request each month from six to ten.

6. Approve On-Call Contracts for Police Department Internal Affairs Investigation Services

Prepared by: Mark Lauderback, Chief of Police

Recommendation: Approve on-call contracts for Police Department internal affairs investigation services to Garon Wyatt Investigation Services and Norman A. Traub & Associates Workplace Investigators.

7. Approve the Acquisition of Real Property at 5121 Myra Avenue

Prepared by: Doug Dancs, Director of Public Works

Recommendation:

1. Approve the purchase of the real property at 5121 Myra Avenue in the amount of \$830,000, and authorize a contingency for closing costs not to exceed \$15,000; and
2. Authorize the City Manager to sign and finalize all documents associated with the purchase; and
3. Authorize a \$845,000 appropriation increase in the City Capital Projects Fund for the purchase; and
4. Approve a \$845,000 transfer from the Infrastructure Fund to the City Capital Projects Fund to pay for the purchase.

8. Receive and File the Fiscal Year 2022-23 Mid-Year Budget Report and Approve Budget Adjustments

Prepared by: Matt Burton, Director of Finance and Administrative Services

Recommendation:

1. Receive and file the FY 2022-23 Mid-Year Budget Report; and
2. Approve mid-year Budget adjustments:
 - City
 - a. Increase appropriations in the General Fund by \$105,936
 - b. Increase appropriations in the Storm Drainage Fund by \$59,700
 - c. Increase appropriations in the Lighting District Fund by \$12,000
 - d. Increase appropriations in the Sewer Fund by \$8,400
 - e. Increase appropriations in the Narcotics Asset Seizure Fund by \$30,000
 - f. Increase appropriations in the Central Services Fund by \$40,000
 - g. Increase appropriations in the Capital Replacement Fund by \$27,000
 - h. Transfer \$60,700 of appropriations in the General Fund from personnel to contract services
 - i. Transfer \$27,000 from the Narcotics Asset Seizure Fund to the Capital Replacement Fund
 - j. Transfer \$1,000,000 from the Liability Self-Insurance Fund to the Workers Compensation Self-Insurance Fund
 - k. Transfer \$1,750,000 from the General Fund to the Infrastructure Fund
 - l. Transfer \$1,750,000 from the General Fund to the Employee Benefits Fund for Pension Trust Investment
 - m. Approve the receipt of \$1,434,209 from the Park District as partial payment on the outstanding Repayment Agreement and Promissory Note with the City for the construction of Lexington Park
 - n. Approve the attached Repayment Agreement and Promissory Note between the City and Park District for an amount not to exceed \$1,275,000.

Recreation and Park District

- o. Increase appropriations in the General Fund by \$896,600
- p. Transfer \$1,434,209 from the Park Development Fund to the General Fund
- q. Approve a \$1,434,209 payment to the City's Infrastructure fund to apply against the outstanding Repayment Agreement and Promissory Note between the City and Park District for the construction of Lexington Park.

9. Approve Register of Warrants, Transfers, and Wires Issued for the Period of January 7, 2023 through January 27, 2023

Prepared by: Matt Burton, Director of Finance and Administrative Services

Recommendation: Approve the attached payment register summarized below for the period of January 7, 2023 through January 27, 2023:

- Electronic Funds Transfers 12518 through 12611
- Warrants 61509 through 61626
- Payroll Transfers W1493 through W1494

NEW BUSINESS

10. Receive a Presentation regarding the HOPE Center

Prepared by: Mark Lauderback, Chief of Police

Recommendation: Receive a presentation regarding the Homeless Outreach and Proactive Engagement (HOPE) Center.

11. Review, Potentially Revise, and Adopt the City Council's Civility, Conduct and Governance Policy

Prepared by: Peter Grant, City Manager

Recommendation:

1. Review, Potentially Revise, and Adopt the City Council's Civility, Conduct and Governance Policy; and
2. Require each Council Member to sign the Civility, Conduct and Governance Policy and Code of Ethics by February 23, 2023

ORAL COMMUNICATIONS (Five minutes per speaker, unless extended by the City Council)

The public may address the City Council on any item within the subject matter jurisdiction of the City Council. Although Council Members may provide brief responses, the City Council may not discuss or take action on items that are not on its agenda.

If you would like to address the City Council in person, please complete a Speaker's Card. If you would like to address the City Council via the meeting webinar, please click the 'hand raise' button, unmute your microphone and wait for the Mayor or City Clerk to call on you.



= Hand Raise



= Unmute

Speakers providing comments in person will be called first. Speakers shall limit their comments to no more than five minutes.

Alternatively, comments may be submitted to cityclerk@cypressca.org prior to 3:00 p.m. on February 13, 2023. All comments submitted via email prior to the deadline will be added to the agenda as a Consent Calendar item.

COUNCIL MEMBER REPORTS AND REMARKS

CITY MANAGER REMARKS

ADJOURNMENT - IN MEMORY OF SELMA POLICE OFFICER GONZALO CARRASCO JR.

The next meeting will be an adjourned Regular Meeting, to be held on Monday, February 27, 2023, beginning at 5:30 p.m. in the Executive Board Room.

I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing Agenda was posted on the City Hall bulletin board not less than 72 hours prior to the meeting. Dated this 8th day of February, 2023.

Alisha Farnell, City Clerk

In compliance with the Americans With Disabilities Act, if you need special assistance to participate in this meeting, you should contact the City Clerk at (714) 229-6685 at least 72 hours prior to the meeting to enable the City to make reasonable arrangements to assure accessibility to this meeting.



CITY OF CYPRESS
CITY COUNCIL REPORT

City Council Regular

1.

FROM: Alisha Farnell, City Clerk

DATE: 02/13/2023

SUBJECT: Receive and File Public Comments Submitted for the February 13, 2023
City Council Meeting

RECOMMENDATION

Receive and file submitted public comments.

BUDGET IMPACT

None.

LEGAL REVIEW

None required.

APPROVED BY: Peter Grant, City Manager



CITY OF CYPRESS
CITY COUNCIL REPORT

City Council Regular

3.

FROM: Alisha Farnell, City Clerk

DATE: 02/13/2023

SUBJECT: Approve Minutes - Meetings of January 21, 2023 and January 23, 2023

RECOMMENDATION

Approve as submitted.

BUDGET IMPACT

None.

LEGAL REVIEW

None required.

APPROVED BY: Peter Grant, City Manager

Attachments

January 21, 2023 Special Meeting Minutes

January 23, 2023 Regular Meeting Minutes

SPECIAL MEETING
CYPRESS CITY COUNCIL
JANUARY 21, 2023
9:00 A.M.

A special meeting of the Cypress City Council was called to order at 9:00 a.m. by Mayor Hertz-Mallari at the Residence Inn by Marriott, 4931 Katella Avenue, Cypress, California.

ROLL CALL

Cypress City Council, also acting as the Ex-Officio Governing Board of Directors of the Cypress Recreation and Park District

Mayor Paulo Anne Hertz-Mallari
Mayor Pro Tem Scott Minikus
Council Member David Burke
Council Member Frances Marquez
Council Member Bonnie Peat

STAFF PRESENT

City Manager Peter Grant

ORAL COMMUNICATIONS (Limited to three minutes per speaker, unless modified by the City Council)

None.

WORKSHOP SESSION

The City Council participated in a Team Building Workshop.

ADJOURNMENT

Mayor Hertz-Mallari adjourned the meeting at 3:32 p.m. to an adjourned Regular Meeting, to be held on Monday, January 23, 2023, beginning at 5:00 p.m. in the Executive Board Room.

MAYOR OF THE CITY OF CYPRESS

ATTEST:

CITY CLERK OF THE CITY OF CYPRESS

REGULAR MEETING
CYPRESS CITY COUNCIL
JANUARY 23, 2023
5:00 P.M.

A regular meeting of the Cypress City Council was called to order at 5:00 p.m. by Mayor Hertz-Mallari in the Council Chambers, 5275 Orange Avenue, Cypress, California.

ROLL CALL

Cypress City Council, also acting as the Ex-Officio Governing Board of Directors of the Cypress Recreation and Park District

Mayor Anne Hertz-Mallari
Mayor Pro Tem Scott Minikus
Council Member David Burke
Council Member Frances Marquez – arrived at 5:01 p.m.
Council Member Bonnie Peat

STAFF PRESENT

City Manager Peter Grant
City Attorney Fred Galante
City Clerk Alisha Farnell
Director of Public Works Doug Dancs
City Engineer Nick Mangalakiri

ORAL COMMUNICATIONS

None.

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9(d)(1)
Youngsma, et al. v. Cypress School District, et al.
Case No. 30-2021-01220176-CU-EI-CXC
Orange County Superior Court

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9(d)(1)
Southwest Voter Registration Education Project v. City of Cypress
Case No. 30-2022-01270865-CU-CR-CJC
Orange County Superior Court

CONFERENCE WITH REAL PROPERTY NEGOTIATOR
Pursuant to Government Code Section 54956.8
Property: 5121 Myra Avenue, Cypress (APN 241-044-01)

Agency Negotiator: Peter Grant, City Manager
Negotiating Parties: Robert S. Ferrier
Under Negotiation: Price and terms of potential acquisition

Mayor Hertz-Mallari recessed the meeting at 5:02 p.m.

RECONVENE

Mayor Hertz-Mallari called to order the 6:00 p.m. session of the City Council meeting at 6:07 p.m.

ROLL CALL

Mayor Anne Hertz-Mallari
Mayor Pro Tem Scott Minikus
Council Member David Burke
Council Member Frances Marquez
Council Member Bonnie Peat

STAFF PRESENT

City Manager Peter Grant
City Attorney Fred Galante
Director of Finance and Administrative Services Matt Burton
Director of Public Works Doug Dancs
Director of Recreation and Community Services Jeff Draper
Chief of Police Mark Lauderback
City Clerk Alisha Farnell
City Engineer Nick Mangalakiri
Assistant Director of Finance and Administrative Services Donna Mullally
Information Systems Manager Adrian Smith
Associate Planner Kori Sanders

PLEDGE OF ALLEGIANCE The Boys & Girls Club of Greater Anaheim-Cypress led the Pledge of Allegiance.

INVOCATION Tom Sibley, The Church of Jesus Christ of Latter-Day Saints, led the Invocation.

Mayor Hertz-Mallari asked for a moment of silence in honor of the victims of the Monterey Park mass shooting.

REPORT OF WORKSHOP AGENDA / CLOSED SESSION

The City Attorney reported that the City Council met in Closed Session regarding the first item listed on the agenda, Conference with Legal Counsel – existing litigation, the matter of Youngsma, et al. v. Cypress School District, et al. He stated Council Member Peat recused

herself from the item and exited the room. The remaining Council received an update on the status of this matter and no further reportable action was taken.

Regarding the second Closed Session item listed on the agenda, namely Conference with Legal Counsel – existing litigation, the matter of Southwest Voter Registration Education Project v. City of Cypress. The City Attorney stated the City Council would recess back into Closed Session following the open session to discuss the item.

Regarding the third Closed Session item listed on the agenda, namely Conference with Real Property Negotiator concerning the property at 5121 Mayra Avenue with the negotiating party: Robert Ferrier and Under Negotiation: Price and term of potential acquisition. He stated that the City Council received a briefing, provided unanimous direction and no further reportable action was taken.

PRESENTATIONS

Orange County Transportation Authority provided an update on the Measure M2 Streets and Roads Program.

Chief of Police introduced Records Supervisor Nisha Bhagat, Police Clerk Paola Arroyo and Police Officer Joe Gonzalez.

ORAL COMMUNICATIONS (Limited to 30 minutes – three minutes per speaker, unless extended by the City Council)

Erica Gharey, on behalf of Boys & Girls Club of Greater Anaheim-Cypress, spoke regarding National Mentoring Month.

Art Gomez, on behalf of Red Cross, spoke regarding the importance of blood donation and announced a blood drive on February 26, 2023 at the American Legion in Cypress.

Clarissa Serpas, on behalf of So Cal Gas, spoke regarding high natural gas prices, ways residents can reduce heating costs and assistance programs for income-qualified customers.

Marilyn Reames, Cypress, spoke regarding closed session item on the January 9 agenda.

Jennifer Martinez, on behalf of Cypress Girls Softball, spoke regarding Opening Day festivities.

Kenneth Kaiser, Cypress, spoke regarding mail delivery to his community.

Bob Youngsma, Cypress, Cypress, spoke regarding vendor contributions to elections.

Helen Le, Cypress, spoke regarding presentation items, public comments made by others, and traffic concerns on Crescent Avenue.

Edwin Kraemer, Cypress, spoke regarding utility poles on Cerritos Avenue, Arnold Cypress Park renovation project and Cypress School District facility maintenance.

PUBLIC HEARINGS

Item No. 1: Approve Conditional Use Permit No. 2023-01 to Permit the Sale of Beer and Wine for an Existing Restaurant at 4720 Lincoln Avenue

Mayor Hertz-Mallari asked Council Member to disclose any communication with anyone relevant to the item.

No communications were disclosed.

Mayor Hertz-Mallari opened the public hearing.

The Associate Planner provided a report on this item.

Mayor Pro Tem Minikus commented on this item.

Mayor Hertz-Mallari invited the applicant to come forward.

The Applicant agreed with the conditions of approval.

Mayor Hertz-Mallari invited members of the public to speak on this item.

Helen Le, Cypress, spoke in support of this item.

Mayor Hertz-Mallari closed the public hearing.

A motion was made by Mayor Pro Tem Minikus, and seconded by Council Member Marquez, to adopt a resolution approving Conditional Use Permit No. 2023-01, with conditions, and confirm the project is exempt from the California Environmental Quality Act requirements.

The motion was unanimously carried by the following roll call vote:

AYES:	5	COUNCIL MEMBERS:	Burke, Marquez, Peat, Minikus and Hertz-Mallari
NOES:	0	COUNCIL MEMBERS:	None
ABSENT:	0	COUNCIL MEMBERS:	None

RESOLUTION NO. 6920

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CYPRESS
APPROVING CONDITIONAL USE PERMIT NO. 2023-01, A REQUEST TO
ALLOW ON-SALE BEER AND WINE AT AN EXISTING RESTAURANT
LOCATED AT 4720 LINCOLN AVENUE, WITHIN THE PC – PLANNED
COMMUNITY ZONE AND FINDING THE REQUEST EXEMPT FROM
CALIFORNIA ENVIRONMENTAL ACT REQUIREMENTS**

CONSENT CALENDAR

All matters listed on the Consent Calendar are to be approved with one motion unless a Council Member requests separate action on a specific item.

A motion was made by Council Member Peat, seconded by Council Member Marquez, to approve Consent Calendar items No. 2 through 17.

The motion was unanimously carried by the following roll call vote:

AYES: 5 COUNCIL MEMBERS: Burke, Marquez, Peat, Minikus and Hertz-Mallari

NOES: 0 COUNCIL MEMBERS: None

ABSENT: 0 COUNCIL MEMBERS: None

Item No. 2: Receive and File Public Comments Submitted for the January 23, 2023 City Council Meeting

Recommendation: Receive and file submitted public comments.

Item No. 3: Introduce and/or Adopt All Ordinances and Resolutions Presented for Consideration by Title Only and to Waive Further Reading

Item No. 4: Approve Minutes – Meeting of January 9, 2023

Recommendation: Approve as submitted.

Item No. 5: Adopt the 2023 Federal and State Legislative Platform

Recommendation: Adopt the 2023 Federal and State Legislative Platform.

Item No. 6: Approve a Task Order for Landscape Inspection Services

Recommendation:

1. Approve a task order with Richard Fischer Associates for an amount not to exceed \$63,000 to perform landscape inspection services; and
2. Approve a \$63,000 budget transfer from personnel costs to contract landscape services in the General Fund (\$56,700) and City Central Services Fund (\$6,300).

Item No. 7: Approve Purchase of Police Mobile Data Computers

Recommendation: Approve the purchase and installation of Police Department mobile data computers and associated hardware and software from Dell Marketing LP U.S., under the National Association of State Purchasing Officers Valuepoint Master Price Agreement for \$159,906.90.

Item No. 8: Award Contract for Traffic Camera Upgrades, Project 339

Recommendation: Award a contract for traffic camera upgrades to Macadee Electrical Construction for \$76,022, and authorize a contingency of \$7,600.

Item No. 9: Receive an Update on the Strategic Plan Six-Month Objectives

Recommendation: Receive an update on the Strategic Plan six-month objectives.

Item No. 10: Receive and File the Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2022

Recommendation: Receive and file the Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2022.

Item No. 11: Receive and File the Report on the City's Appropriations Limit for the Fiscal Year Ended June 30, 2022

Recommendation: Receive and file the attached Independent Accountants' Report on Agreed-Upon Procedures Applied to the City's Appropriations Limit Worksheet for the Fiscal Year ended June 30, 2022.

Item No. 12: Receive and File the Independent Accountants' Report on the Cypress Recreation and Park District's Appropriations Limit for the Fiscal Year Ended June 30, 2022

Recommendation: Receive and file the attached Independent Accountants' Report on Agreed-Upon Procedures Applied to the Appropriations Limit Worksheet for the Fiscal Year ended June 30, 2022.

Item No. 13: Receive and File the Cypress Recreation and Park District's Financial Statements and Auditors' Report for the Fiscal Year Ended June 30, 2022

Recommendation: Receive and file the District's Basic Financial Statements and Independent Auditor's Report for the Fiscal Year Ended June 30, 2022.

Item No. 14: Receive and File the Audit Letter to the City Council for the Fiscal Year Ended June 30, 2022

Recommendation: Receive and file the audit letter from Lance, Soll and Lunghard LLP to the City Council for the Fiscal Year ended June 30, 2022.

Item No. 15: Receive and File the Audit Letter to the District Board for the Fiscal Year Ended June 30, 2022

Recommendation: Receive and file the Audit Letter from Lance, Soll and Lunghard LLP to the Cypress Recreation and Park District Board of Directors for the Fiscal Year ended June 30, 2022.

Item No. 16: Receive and File the Investment Report for the Month Ended December 31, 2022

Recommendation: Receive and file the attached investment reports.

Item No. 17: Approve Register of Warrants, Transfers, and Wires Issued for the Period of December 24, 2022 through January 6, 2023

Recommendation: Approve the attached payment register summarized below for the period of December 24, 2022 through January 6, 2023:

- Electronic Funds Transfers 12468 through 12517
- Warrants 61452 through 61508
- Payroll Transfers W1492

NEW BUSINESS

None.

ORAL COMMUNICATIONS (Five minutes per speaker, unless extended by the City Council)

Helen Le, Cypress, spoke regarding Police Department vehicle checkpoint on Lincoln Avenue and City vendor contributions to elections.

COUNCIL MEMBER REPORTS AND REMARKS

Council Member Marquez:

Attended the City Council team-building workshop. Attended a conference for Association of California Cities Orange County. Attended the Snowy Owl presentation by Denver Holt. Attended the swearing-in ceremony for Congresswoman Michelle Steel. Announced office hours at Cypress Arnold Park. Will attend Perseverance Celebration at First Baptist Church Cypress.

Council Member Peat:

Met with Department heads and Commissions. Attended the swearing in ceremony for Congresswoman Michelle Steel. Attended the swearing-in ceremony for U.S. Representative Young Kim. Attended the City Council team-building workshop. Attended the Orange County Mosquito and Vector Control District Board meeting.

Council Member Burke:

Attended the City Council team-building workshop. Met with the Senior Commission. Expressed condolences in honor of former Mayor Otto Lacayo.

Mayor Pro Tem Minikus:

Attended the Orange County Mosquito and Vector Control District Board meeting. Attended the Orange County Sanitation District Board meeting. Attended the swearing-in ceremony for Congresswoman Michelle Steel. Attended the City Council team-building workshop.

Mayor Hertz-Mallari

Thanked her colleges for participating in the City Council team-building workshop. Attended an Orange County Fire Authority Board meeting. Attended the Snowy Owl presentation.

CITY MANAGER REMARKS

The City Attorney reported that the City Council will resume Closed Session discussion regarding Conference with Legal Counsel – Existing Litigation, the matter of Southwest Voter Registration Education Project v. City of Cypress.

Mayor Hertz-Mallari recessed the meeting at 7:34 p.m. to resume Closed Session discussions.

Mayor Hertz-Mallari reconvened the meeting at 9:29 p.m.

The City Attorney reported that the City Council received an update in Closed Session regarding Conference with Legal Counsel – Existing Litigation, the matter of Southwest Voter Registration Education Project v. City of Cypress, he further stated that no reportable action was taken.

ADJOURNMENT – IN MEMORY OF FORMER CYPRESS MAYOR OTTO LACAYO AND RIVERSIDE COUNTY SHERIFF DEPUTY DARNELL CALHOUN

Mayor Hertz-Mallari adjourned the meeting at 9:30 p.m. to an adjourned Regular Meeting, to be held on Monday, January 23, 2033, beginning at 5:30 p.m. in the Executive Board Room.

MAYOR OF THE CITY OF CYPRESS

ATTEST:

CITY CLERK OF THE CITY OF CYPRESS



CITY OF CYPRESS

CITY COUNCIL REPORT

City Council Regular

4.

FROM: Matt Burton, Director of Finance and Administrative Services

DATE: 02/13/2023

SUBJECT: Adopt the FY 2023-24 Budget Calendar

RECOMMENDATION

Adopt the Fiscal Year 2023-24 budget calendar.

DISCUSSION

The City Council is required to adopt a budget for both the City and the Recreation and Park District prior to July 1 of each year. The process of creating and adopting the budget involves all departments and encompasses nearly six months from start to finish. Ongoing budget monitoring, year-end audits and financial statement preparation make budget-related matters a year-round cycle. The annual budget calendar provides a schedule of events and target dates to ensure the City Council adopts the budget before the start of the fiscal year.

The recommended budget calendar is a transparent document informing all parties involved in the budget process of the upcoming schedule. In addition to establishing when the City Council will discuss budget matters, the calendar provides a timeline and overview of the major tasks involved with the creation, monitoring and reporting of the budget.

BUDGET IMPACT

None.

LEGAL REVIEW

None required.

APPROVED BY: Peter Grant, City Manager

Attachments

FY 2023-24 Budget Calendar

CITY OF CYPRESS BUDGET CALENDAR FISCAL YEAR 2023-24

January 2023

- *Annual Comprehensive Financial Report (ACFR) and other audit reports for the Fiscal Year Ended June 30, 2022 presented to the City Council.*
- FY 2022-23 Mid-Year Budget update begins, including revenue and expenditure projections.
- Staff prepares Budget Calendar and Annual Budget process begins.

Monday, February 13, 2023

- *FY 2022-23 Mid-Year Budget Review presented to the City Council.*
- *FY 2023-24 Budget Calendar presented to the City Council.*

Monday, February 27, 2023

- *FY 2022-23 CIP Update presented to the City Council.*

Monday, March 27, 2023

- *City Council Workshop providing Overview and Review of: City Council's Fiscal Strategies for Ensuring Short-Term and Long-Term Fiscal Health, City Reserves, and Pension Liabilities and Pension Trust Assets*

March and April 2023

- City Manager meets with Departments to review budget requests and performance measures.
- Proposed budget compiled.

Thursday, May 4, 2023

- Proposed budget and Decision Packages submitted to City Council prior to workshop.

Monday, May 8, 2023

- *City Council workshop on FY 2023-24 proposed budget, including introduction of Seven Year Capital Improvement Program. (Additional meetings/workshops with the City Council can be scheduled if desired)*

Monday, May 22, 2023

- *City Council considers Technology Master Plan for FY 2023-24 through FY 2027-28.*

Monday, June 12, 2023

- *City Council considers FY 2023-24 City and Park District Budgets incorporating any City Council changes directed at budget workshops.*
- *City Council considers Seven Year Capital Improvement Program.*

Saturday, July 1, 2023

- Start of New Fiscal Year.



CITY OF CYPRESS

CITY COUNCIL REPORT

City Council Regular

5.

FROM: Jeff Draper, Director of Recreation and Community Services

DATE: 02/13/2023

SUBJECT: Approve Changes to the Taxi Voucher Senior Transportation Program

RECOMMENDATION

1. Remove taxi voucher income eligibility requirements for participants; and
2. Increase the number of taxi vouchers participants can request each month from six to ten.

DISCUSSION

The City of Cypress entered into an initial agreement with the Orange County Transportation Authority (OCTA) in 2011 to participate in the Senior Mobility Program (SMP). The SMP provides financial support for community-based senior transportation services through Renewed Measure M (M2) funds. These funds are derived from Orange County's half cent sales tax for transportation improvements as approved by voters in 2006 for a 30-year extension.

Based on Cypress' population for residents age sixty and older, the Recreation District receives approximately \$50,000 of funding annually for two senior transportation programs, the Nutrition Taxi and the Taxi Voucher Program. Funds received for the SMP require a 20% match from the District and must be expended within three years of receipt. When funds are not expended within the three years, OCTA may grant a two-year extension; however, an extension may not exceed five years from the date of the initial funding allocation. In the event the time limits for use of SMP funds are not satisfied, any retained SMP funds that were allocated, including interest, must be returned to OCTA.

OCTA conducted an annual SMP site review in 2022 and informed RCS of expiring SMP funds. RCS filed extension requests with OCTA to carryover a total of \$111,530 with \$64,572 expiring on June 30, 2024 and \$46,958 expiring on June 30, 2025. The extension requests are a result of the impact the COVID-19 pandemic had on the senior transportation programs, which caused eligible SMP expenditures to fall far below pre-pandemic levels.

In 2020, the State of California issued a Stay at Home Order in response to COVID-19. The Stay at Home Order severely impacted senior transportation programs as City facilities and

businesses were closed and programs, including the congregate (in-person) meal program were modified. The Nutrition Taxi was placed on hold and there was a steep decline in the number of taxi vouchers used as shown below.

Transportation Program	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Taxi Vouchers Used	2,844	2,261	1,178	1,330
Nutrition Taxi Trips (one way)	2,642	1,605	0	484

RCS explored various options to expend the SMP funds before they are required to be returned to OCTA and presented options to the Senior Commission. In January 2023, the Senior Commission discussed and recommended improvements to promote, expand, and attract new participants to the senior transportation programs. OCTA has reviewed and determined expenditures related to the recommendations are eligible for SMP funding. Recommendations included:

- Increase marketing and promotion of transportation programs;
- Remove taxi voucher income eligibility requirements for participants;
- Increase the number of taxi vouchers participants can request each month from six to ten; and
- Present a review of implemented recommendations to the Senior Commission after one year.

The Senior Commission's recommendations will assist in expending expiring SMP funds by increasing the number of eligible participants and providing greater transportation flexibility for Cypress residents sixty years of age and older.

BUDGET IMPACT

Eighty percent of Taxi Voucher and Nutrition Taxi program costs will continue to be reimbursed through the Senior Mobility Program (SMP) as provided by Measure M2, with the District will providing the additional 20% funding per OCTA requirements. The District's FY 2022-23 General Fund Budget includes sufficient appropriations to provide the recommended program enhancements through June 30, 2023. Future budgets will incorporate the additional annual costs resulting from the broader program requirements.

LEGAL REVIEW

None required.

APPROVED BY: Peter Grant, City Manager



CITY OF CYPRESS

CITY COUNCIL REPORT

City Council Regular

6.

FROM: Mark Lauderback, Chief of Police

DATE: 02/13/2023

SUBJECT: Approve On-Call Contracts for Police Department Internal Affairs Investigation Services

RECOMMENDATION

Approve on-call contracts for Police Department internal affairs investigation services to Garon Wyatt Investigation Services and Norman A. Traub & Associates Workplace Investigators.

DISCUSSION

The Police department utilizes on-call contracts for internal affairs investigations due to the unknown timing and duration of investigations. Multiple on-call contracts provide the department options when a single vendor may not have the capacity or expertise to undertake an investigation. The department issued a Request for Proposal for internal affairs investigation services in October and received four proposals. Garon Wyatt Investigation Services (Wyatt) and Norman A. Traub & Associates Workplace Investigators (Traub) were identified as the top-rated proposals. Both firms are highly-qualified with recommendations from other Southern California law enforcement agencies. Wyatt has previously provided high-quality investigative services for the Police department. The initial contract term for both contracts is three years with two one-year extensions at the City's option. Both contracts provide fixed rates for the first two years, with the Consumer Price Index based adjustments (maximum of three percent annually) starting in year three.

BUDGET IMPACT

The FY 2022-23 Budget includes \$25,000 for internal affairs investigation services. At the start of each investigation, the department and investigator develop a plan and associated budget. No services are authorized other than those specifically approved in the investigation plan.

LEGAL REVIEW

The City Attorney has approved the agreements as to form.

APPROVED BY:

Peter Grant, City Manager

Attachments

Norm A. Traub and Associates Agreement

Garon Wyatt Investigative Services Agreement

AGREEMENT FOR CONTRACT SERVICES

By and Between

CITY OF CYPRESS

and

NORMAN A. TRAUB & ASSOCIATES

**AGREEMENT FOR CONTRACT SERVICES
BY AND BETWEEN THE CITY OF CYPRESS AND
NORMAN A. TRAUB & ASSOCIATES**

THIS AGREEMENT FOR CONTRACT SERVICES (herein “Agreement”) is made and entered into this ____ day of _____, 20__ by and between the City of Cypress, a California municipal corporation (“City”) and Norman A. Traub & Associates, LLC (“Contractor”). City and Contractor are sometimes hereinafter individually referred to as “Party” and hereinafter collectively referred to as the “Parties.”

RECITALS

A. City has sought, by issuance of a Request for Proposals or Invitation for Bids, the performance of the services defined and described particularly in Article 1 of this Agreement.

B. Contractor, following submission of a proposal or bid for the performance of the services defined and described particularly in Article 1 of this Agreement, was selected by the City to perform those services.

C. Pursuant to the City of Cypress’s Charter and Municipal Code, City has authority to enter into and execute this Agreement.

D. The Parties desire to formalize the selection of Contractor for performance of those services defined and described particularly in Article 1 of this Agreement and desire that the terms of that performance be as particularly defined and described herein.

OPERATIVE PROVISIONS

NOW, THEREFORE, in consideration of the mutual promises and covenants made by the Parties and contained herein and other consideration, the value and adequacy of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1. SERVICES OF CONTRACTOR

1.1 Scope of Services.

In compliance with all terms and conditions of this Agreement, the Contractor shall provide those services specified in the “Scope of Services” attached hereto as Exhibit “A” and incorporated herein by this reference, which may be referred to herein as the “services” or “work” hereunder. As a material inducement to the City entering into this Agreement, Contractor represents and warrants that it has the qualifications, experience, and facilities necessary to properly perform the services required under this Agreement in a thorough, competent, and professional manner, and is experienced in performing the work and services contemplated herein. Contractor shall at all times faithfully, competently and to the best of its ability, experience and talent, perform all services described herein. Contractor covenants that it shall follow the highest professional standards in performing the work and services required hereunder and that all materials will be both of good quality as well as fit for the purpose intended. For purposes of this Agreement, the phrase “highest

professional standards” shall mean those standards of practice recognized by one or more first-class firms performing similar work under similar circumstances.

1.2 Contractor’s Proposal.

The Scope of Service shall include the Contractor’s scope of work or bid which shall be incorporated herein by this reference as though fully set forth herein. In the event of any inconsistency between the terms of such proposal and this Agreement, the terms of this Agreement shall govern.

1.3 Compliance with Law.

Contractor shall keep itself informed concerning, and shall render all services hereunder in accordance with, all ordinances, resolutions, statutes, rules, and regulations of the City and any Federal, State or local governmental entity having jurisdiction in effect at the time service is rendered.

1.4 Licenses, Permits, Fees and Assessments.

Contractor shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement. Contractor shall have the sole obligation to pay for any fees, assessments and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Contractor’s performance of the services required by this Agreement, and shall indemnify, defend and hold harmless City, its officers, employees or agents of City, against any such fees, assessments, taxes, penalties or interest levied, assessed or imposed against City hereunder.

1.5 Familiarity with Work.

By executing this Agreement, Contractor warrants that Contractor (i) has thoroughly investigated and considered the scope of services to be performed, (ii) has carefully considered how the services should be performed, and (iii) fully understands the facilities, difficulties and restrictions attending performance of the services under this Agreement. If the services involve work upon any site, Contractor warrants that Contractor has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of services hereunder. Should the Contractor discover any latent or unknown conditions, which will materially affect the performance of the services hereunder, Contractor shall immediately inform the City of such fact and shall not proceed except at Contractor’s risk until written instructions are received from the Contract Officer.

1.6 Care of Work.

The Contractor shall adopt reasonable methods during the life of the Agreement to furnish continuous protection to the work, and the equipment, materials, papers, documents, plans, studies and/or other components thereof to prevent losses or damages, and shall be responsible for all such damages, to persons or property, until acceptance of the work by City, except such losses or damages as may be caused by City’s own negligence.

1.7 Further Responsibilities of Parties.

Both parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. Both parties agree to act in good faith to execute all instruments, prepare all documents and take all actions as may be reasonably necessary to carry out the purposes of this Agreement. Unless hereafter specified, neither party shall be responsible for the service of the other.

1.8 Additional Services.

City shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is first given by the Contract Officer to the Contractor, incorporating therein any adjustment in (i) the Contract Sum for the actual costs of the extra work, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Contractor. Any increase in compensation of up to ten percent (10%) of the Contract Sum or \$25,000, whichever is less; or, in the time to perform of up to one hundred eighty (180) days, may be approved by the Contract Officer. Any greater increases, taken either separately or cumulatively, must be approved by the City Council. It is expressly understood by Contractor that the provisions of this Section shall not apply to services specifically set forth in the Scope of Services. Contractor hereby acknowledges that it accepts the risk that the services to be provided pursuant to the Scope of Services may be more costly or time consuming than Contractor anticipates and that Contractor shall not be entitled to additional compensation therefor. City may in its sole and absolute discretion have similar work done by other contractors. No claims for an increase in the Contract Sum or time for performance shall be valid unless the procedures established in this Section are followed.

1.9 Special Requirements.

Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the "Special Requirements" attached hereto as Exhibit "B" and incorporated herein by this reference. In the event of a conflict between the provisions of Exhibit "B" and any other provisions of this Agreement, the provisions of Exhibit "B" shall govern.

ARTICLE 2. COMPENSATION AND METHOD OF PAYMENT.

2.1 Contract Sum.

Subject to any limitations set forth in this Agreement, City agrees to pay Contractor the amounts specified in the "Schedule of Compensation" attached hereto as Exhibit "C" and incorporated herein by this reference. The total compensation, including reimbursement for actual

expenses, shall not exceed (see Exhibits “B” and “C”) (the “Contract Sum”), unless additional compensation is approved pursuant to Section 1.8.

2.2 Method of Compensation.

The method of compensation may include: (i) a lump sum payment upon completion; (ii) payment in accordance with specified tasks or the percentage of completion of the services, less contract retention; (iii) payment for time and materials based upon the Contractor’s rates as specified in the Schedule of Compensation, provided that (a) time estimates are provided for the performance of sub tasks, (b) contract retention is maintained, and (c) the Contract Sum is not exceeded; or (iv) such other methods as may be specified in the Schedule of Compensation.

2.3 Reimbursable Expenses.

Compensation may include reimbursement for actual and necessary expenditures for reproduction costs, telephone expenses, and travel expenses approved by the Contract Officer in advance, or actual subcontractor expenses of an approved subcontractor pursuant to Section 4.5, and only if specified in the Schedule of Compensation. The Contract Sum shall include the attendance of Contractor at all project meetings reasonably deemed necessary by the City. Coordination of the performance of the work with City is a critical component of the services. If Contractor is required to attend additional meetings to facilitate such coordination, Contractor shall not be entitled to any additional compensation for attending said meetings.

2.4 Invoices.

Each month Contractor shall furnish to City an original invoice for all work performed and expenses incurred during the preceding month in a form approved by City’s Director of Finance. By submitting an invoice for payment under this Agreement, Contractor is certifying compliance with all provisions of the Agreement. The invoice shall detail charges for all necessary and actual expenses by the following categories: labor (by sub-category), travel, materials, equipment, supplies, and sub-contractor contracts. Sub-contractor charges shall also be detailed by such categories. Contractor shall not invoice City for any duplicate services performed by more than one person.

City shall independently review each invoice submitted by the Contractor to determine whether the work performed and expenses incurred are in compliance with the provisions of this Agreement. Except as to any charges for work performed or expenses incurred by Contractor which are disputed by City, or as provided in Section 7.3, City will use its best efforts to cause Contractor to be paid within forty-five (45) days of receipt of Contractor’s correct and undisputed invoice; however, Contractor acknowledges and agrees that due to City warrant run procedures, the City cannot guarantee that payment will occur within this time period. In the event any charges or expenses are disputed by City, the original invoice shall be returned by City to Contractor for correction and resubmission. Review and payment by City for any invoice provided by the Contractor shall not constitute a waiver of any rights or remedies provided herein or any applicable law.

2.5 Waiver.

Payment to Contractor for work performed pursuant to this Agreement shall not be deemed to waive any defects in work performed by Contractor.

ARTICLE 3. PERFORMANCE SCHEDULE

3.1 Time of Essence.

Time is of the essence in the performance of this Agreement.

3.2 Schedule of Performance.

Contractor shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within the time period(s) established in the "Schedule of Performance" attached hereto as Exhibit "D" and incorporated herein by this reference. When requested by the Contractor, extensions to the time period(s) specified in the Schedule of Performance may be approved in writing by the Contract Officer but not exceeding one hundred eighty (180) days cumulatively.

3.3 Force Majeure.

The time period(s) specified in the Schedule of Performance for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the City, if the Contractor shall within ten (10) days of the commencement of such delay notify the Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Contract Officer such delay is justified. The Contract Officer's determination shall be final and conclusive upon the parties to this Agreement. In no event shall Contractor be entitled to recover damages against the City for any delay in the performance of this Agreement, however caused, Contractor's sole remedy being extension of the Agreement pursuant to this Section.

3.4 Term.

Unless earlier terminated in accordance with Article 7 of this Agreement, this Agreement shall continue in full force and effect until completion of the services but not exceeding one (1) years from the date hereof, except as otherwise provided in the Schedule of Performance (Exhibit "D").

ARTICLE 4. COORDINATION OF WORK

4.1 Representatives and Personnel of Contractor.

The following principals of Contractor ("Principals") are hereby designated as being the principals and representatives of Contractor authorized to act in its behalf with respect to the work specified herein and make all decisions in connection therewith:

<u>Brock Avery</u>	<u>Principal</u>
(Name)	(Title)

It is expressly understood that the experience, knowledge, capability and reputation of the foregoing principals were a substantial inducement for City to enter into this Agreement. Therefore, the foregoing principals shall be responsible during the term of this Agreement for directing all activities of Contractor and devoting sufficient time to personally supervise the services hereunder. All personnel of Contractor, and any authorized agents, shall at all times be under the exclusive direction and control of the Principals. For purposes of this Agreement, the foregoing Principals may not be replaced nor may their responsibilities be substantially reduced by Contractor without the express written approval of City. Additionally, Contractor shall utilize only competent personnel to perform services pursuant to this Agreement. Contractor shall make every reasonable effort to maintain the stability and continuity of Contractor's staff and subcontractors, if any, assigned to perform the services required under this Agreement. Contractor shall notify City of any changes in Contractor's staff and subcontractors, if any, assigned to perform the services required under this Agreement, prior to and during any such performance.

4.2 Status of Contractor.

Contractor shall have no authority to bind City in any manner, or to incur any obligation, debt or liability of any kind on behalf of or against City, whether by contract or otherwise, unless such authority is expressly conferred under this Agreement or is otherwise expressly conferred in writing by City. Contractor shall not at any time or in any manner represent that Contractor or any of Contractor's officers, employees, or agents are in any manner officials, officers, employees or agents of City. Neither Contractor, nor any of Contractor's officers, employees or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to City's employees. Contractor expressly waives any claim Contractor may have to any such rights.

4.3 Contract Officer.

The Contract Officer shall be the Cypress Police Department Investigations Commander or such person as may be designated by the City Manager. It shall be the Contractor's responsibility to assure that the Contract Officer is kept informed of the progress of the performance of the services and the Contractor shall refer any decisions which must be made by City to the Contract Officer. Unless otherwise specified herein, any approval of City required hereunder shall mean the approval of the Contract Officer. The Contract Officer shall have authority, if specified in writing by the City Manager, to sign all documents on behalf of the City required hereunder to carry out the terms of this Agreement.

4.4 Independent Contractor.

Neither the City nor any of its employees shall have any control over the manner, mode or means by which Contractor, its agents or employees, perform the services required herein, except as otherwise set forth herein. City shall have no voice in the selection, discharge, supervision or control of Contractor's employees, servants, representatives or agents, or in fixing their number, compensation or hours of service. Contractor shall perform all services required herein as an independent contractor of City and shall remain at all times as to City a wholly independent contractor with only such obligations as are consistent with that role. Contractor shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City. City shall not in any way or for any purpose become or be deemed to be a partner of Contractor in its business or otherwise or a joint venturer or a member of any joint enterprise with Contractor.

4.5 Prohibition Against Subcontracting or Assignment.

The experience, knowledge, capability and reputation of Contractor, its principals and employees were a substantial inducement for the City to enter into this Agreement. Therefore, Contractor shall not contract with any other entity to perform in whole or in part the services required hereunder without the express written approval of the City. In addition, neither this Agreement nor any interest herein may be transferred, assigned, conveyed, hypothecated or encumbered voluntarily or by operation of law, whether for the benefit of creditors or otherwise, without the prior written approval of City. Transfers restricted hereunder shall include the transfer to any person or group of persons acting in concert of more than twenty five percent (25%) of the present ownership and/or control of Contractor, taking all transfers into account on a cumulative basis. In the event of any such unapproved transfer, including any bankruptcy proceeding, this Agreement shall be void. No approved transfer shall release the Contractor or any surety of Contractor of any liability hereunder without the express consent of City.

ARTICLE 5. INSURANCE AND INDEMNIFICATION

5.1 Insurance Coverages.

The Contractor shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to City, during the entire term of this Agreement including any extension thereof, the following policies of insurance which shall cover all elected and appointed officers, employees and agents of City:

(a) General Liability Insurance (Occurrence Form CG0001 or equivalent). A policy of comprehensive general liability insurance written on a per occurrence basis for bodily injury, personal injury and property damage. The policy of insurance shall be in an amount not less than \$1,000,000.00 per occurrence or if a general aggregate limit is used, then the general aggregate limit shall be twice the occurrence limit.

(b) Worker's Compensation Insurance. A policy of worker's compensation insurance in such amount as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for the Contractor against any loss, claim or damage arising from any injuries or occupational diseases occurring to any worker employed by

or any persons retained by the Contractor in the course of carrying out the work or services contemplated in this Agreement.

(c) Automotive Insurance (Form CA 0001 (Ed 1/87) including “any auto” and endorsement CA 0025 or equivalent). A policy of comprehensive automobile liability insurance written on a per occurrence for bodily injury and property damage in an amount not less than \$1,000,000. Said policy shall include coverage for owned, non-owned, leased, hired cars and any automobile.

(d) Professional Liability. Professional liability insurance appropriate to the Contractor’s profession. This coverage may be written on a “claims made” basis, and must include coverage for contractual liability. The professional liability insurance required by this Agreement must be endorsed to be applicable to claims based upon, arising out of or related to services performed under this Agreement. The insurance must be maintained for at least 5 consecutive years following the completion of Contractor’s services or the termination of this Agreement. During this additional 5-year period, Contractor shall annually and upon request of the City submit written evidence of this continuous coverage.

(e) Subcontractors. Contractor shall include all subcontractors as insureds under its policies or shall furnish separate certificates and certified endorsements for each subcontractor. All coverages for subcontractors shall include all of the requirements stated herein.

(f) Additional Insurance. Policies of such other insurance, as may be required in the Special Requirements in Exhibit “B”.

5.2 General Insurance Requirements.

All of the above policies of insurance shall be primary insurance and shall name the City, its elected and appointed officers, employees and agents as additional insureds and any insurance maintained by City or its officers, employees or agents may apply in excess of, and not contribute with Contractor’s insurance. The insurer is deemed hereof to waive all rights of subrogation and contribution it may have against the City, its officers, employees and agents and their respective insurers. Moreover, the insurance policy must specify that where the primary insured does not satisfy the self-insured retention, any additional insured may satisfy the self-insured retention.

All of said policies of insurance shall provide that said insurance may not be amended or cancelled by the insurer or any party hereto without providing thirty (30) days prior written notice by certified mail return receipt requested to the City. In the event any of said policies of insurance are cancelled, the Contractor shall, prior to the cancellation date, submit new evidence of insurance in conformance with Section 5.1 to the Contract Officer.

No work or services under this Agreement shall commence until the Contractor has provided the City with Certificates of Insurance, additional insured endorsement forms or appropriate insurance binders evidencing the above insurance coverages and said Certificates of Insurance or binders are approved by the City. City reserves the right to inspect complete, certified copies of and endorsements to all required insurance policies at any time. Any failure to comply with the reporting or other provisions of the policies including breaches or warranties shall not affect coverage provided to City.

All certificates shall name the City as additional insured (providing the appropriate endorsement) and shall conform to the following "cancellation" notice:

CANCELLATION:

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATED THEREOF, THE ISSUING COMPANY SHALL MAIL THIRTY (30)-DAY ADVANCE WRITTEN NOTICE TO CERTIFICATE HOLDER NAMED HEREIN.

[to be initialed]

BA
Contractor Initials

City, its respective elected and appointed officers, directors, officials, employees, agents and volunteers are to be covered as additional insureds as respects: liability arising out of activities Contractor performs; products and completed operations of Contractor; premises owned, occupied or used by Contractor; or any automobiles owned, leased, hired or borrowed by Contractor. The coverage shall contain no special limitations on the scope of protection afforded to City, and their respective elected and appointed officers, officials, employees or volunteers. Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

Any deductibles or self-insured retentions must be declared to and approved by City. At the option of City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City or its respective elected or appointed officers, officials, employees and volunteers or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration, defense expenses and claims. The Contractor agrees that the requirement to provide insurance shall not be construed as limiting in any way the extent to which the Contractor may be held responsible for the payment of damages to any persons or property resulting from the Contractor's activities or the activities of any person or persons for which the Contractor is otherwise responsible nor shall it limit the Contractor's indemnification liabilities as provided in Section 5.3.

In the event the Contractor subcontracts any portion of the work in compliance with Section 4.5 of this Agreement, the contract between the Contractor and such subcontractor shall require the subcontractor to maintain the same policies of insurance that the Contractor is required to maintain pursuant to Section 5.1, and such certificates and endorsements shall be provided to City.

5.3 Indemnification.

To the full extent permitted by law, Contractor agrees to indemnify, defend and hold harmless the City, its officers, employees and agents ("Indemnified Parties") against, and will hold and save them and each of them harmless from, any and all actions, either judicial, administrative, arbitration or regulatory claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities whether actual or threatened (herein "claims or liabilities") that may be asserted or claimed by any person, firm or entity arising out of or in connection with the negligent performance of the work, operations or activities provided herein of

Contractor, its officers, employees, agents, subcontractors, or invitees, or any individual or entity for which Contractor is legally liable (“indemnitors”), or arising from Contractor’s or indemnitors’ reckless or willful misconduct, or arising from Contractor’s or indemnitors’ negligent performance of or failure to perform any term, provision, covenant or condition of this Agreement, and in connection therewith:

(a) Contractor will defend any action or actions filed in connection with any of said claims or liabilities and will pay all costs and expenses, including legal costs and attorney’s fees incurred in connection therewith;

(b) Contractor will promptly pay any judgment rendered against the City, its officers, agents or employees for any such claims or liabilities arising out of or in connection with the negligent performance of or failure to perform such work, operations or activities of Contractor hereunder; and Contractor agrees to save and hold the City, its officers, agents, and employees harmless therefrom;

(c) In the event the City, its officers, agents or employees is made a party to any action or proceeding filed or prosecuted against Contractor for such damages or other claims arising out of or in connection with the negligent performance of or failure to perform the work, operation or activities of Contractor hereunder, Contractor agrees to pay to the City, its officers, agents or employees, any and all costs and expenses incurred by the City, its officers, agents or employees in such action or proceeding, including but not limited to, legal costs and attorney’s fees.

Contractor shall incorporate similar indemnity agreements with its subcontractors and if it fails to do so Contractor shall be fully responsible to indemnify City hereunder therefore, and failure of City to monitor compliance with these provisions shall not be a waiver hereof. This indemnification includes claims or liabilities arising from any negligent or wrongful act, error or omission, or reckless or willful misconduct of Contractor in the performance of professional services hereunder. The provisions of this Section do not apply to claims or liabilities occurring as a result of City’s sole negligence or willful acts or omissions, but, to the fullest extent permitted by law, shall apply to claims and liabilities resulting in part from City’s negligence, except that design professionals’ indemnity hereunder shall be limited to claims and liabilities arising out of the negligence, recklessness or willful misconduct of the design professional. The indemnity obligation shall be binding on successors and assigns of Contractor and shall survive termination of this Agreement.

5.4 Sufficiency of Insurer.

Insurance required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated “A” or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the Risk Manager of the City (“Risk Manager”) due to unique circumstances. If this Agreement continues for more than 3 years duration, or in the event the risk manager determines that the work or services to be performed under this Agreement creates an increased or decreased risk of loss to the City, the Contractor

agrees that the minimum limits of the insurance policies may be changed accordingly upon receipt of written notice from the Risk Manager.

ARTICLE 6. RECORDS, REPORTS, AND RELEASE OF INFORMATION

6.1 Records.

Contractor shall keep, and require subcontractors to keep, such ledgers, books of accounts, invoices, vouchers, canceled checks, reports, studies or other documents relating to the disbursements charged to City and services performed hereunder (the “books and records”), as shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services. Any and all such documents shall be maintained in accordance with generally accepted accounting principles and shall be complete and detailed. The Contract Officer shall have full and free access to such books and records at all times during normal business hours of City, including the right to inspect, copy, audit and make records and transcripts from such records. Such records shall be maintained for a period of three (3) years following completion of the services hereunder, and the City shall have access to such records in the event any audit is required. In the event of dissolution of Contractor’s business, custody of the books and records may be given to City, and access shall be provided by Contractor’s successor in interest. Notwithstanding the above, the Contractor shall fully cooperate with the City in providing access to the books and records if a public records request is made and disclosure is required by law including but not limited to the California Public Records Act.

6.2 Reports.

Contractor shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement as the Contract Officer shall require. Contractor hereby acknowledges that the City is greatly concerned about the cost of work and services to be performed pursuant to this Agreement. For this reason, Contractor agrees that if Contractor becomes aware of any facts, circumstances, techniques, or events that may or will materially increase or decrease the cost of the work or services contemplated herein or, if Contractor is providing design services, the cost of the project being designed, Contractor shall promptly notify the Contract Officer of said fact, circumstance, technique or event and the estimated increased or decreased cost related thereto and, if Contractor is providing design services, the estimated increased or decreased cost estimate for the project being designed.

6.3 Ownership of Documents.

All drawings, specifications, maps, designs, photographs, studies, surveys, data, notes, computer files, reports, records, documents and other materials (the “documents and materials”), including any electronic documents and materials, prepared by Contractor, its employees, subcontractors and agents in the performance of this Agreement shall be the property of City and shall be delivered to City in a format of the City’s choice upon request of the Contract Officer or upon the termination of this Agreement, and Contractor shall have no claim for further employment or additional compensation as a result of the exercise by City of its full rights of ownership use, reuse, or assignment of the documents and materials hereunder. Any use, reuse or assignment of such completed documents for other projects and/or use of uncompleted documents

without specific written authorization by the Contractor will be at the City's sole risk and without liability to Contractor, and Contractor's guarantee and warranties shall not extend to such use, reuse or assignment. Contractor may retain copies of such documents for its own use. Contractor shall have the right to use the concepts embodied therein. All subcontractors shall provide for assignment to City of any documents or materials prepared by them, and in the event Contractor fails to secure such assignment, Contractor shall indemnify City for all damages resulting therefrom. Moreover, Contractor with respect to any documents and materials that may qualify as "works made for hire" as defined in 17 U.S.C. § 101, such documents and materials are hereby deemed "works made for hire" for the City.

6.4 Confidentiality and Release of Information.

(a) All information gained or work product produced by Contractor in performance of this Agreement shall be considered confidential, unless such information is in the public domain or already known to Contractor. Contractor shall not release or disclose any such information or work product to persons or entities other than City without prior written authorization from the Contract Officer.

(b) Contractor, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the Contract Officer or unless requested by the City Attorney, voluntarily provide documents, declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement. Response to a subpoena or court order shall not be considered "voluntary" provided Contractor gives City notice of such court order or subpoena.

(c) If Contractor, or any officer, employee, agent or subcontractor of Contractor, provides any information or work product in violation of this Agreement, then City shall have the right to reimbursement and indemnity from Contractor for any damages, costs and fees, including attorney's fees, caused by or incurred as a result of Contractor's conduct.

(d) Contractor shall promptly notify City should Contractor, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed there under. City retains the right, but has no obligation, to represent Contractor or be present at any deposition, hearing or similar proceeding. Contractor agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests provided by Contractor. However, this right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

ARTICLE 7. ENFORCEMENT OF AGREEMENT AND TERMINATION

7.1 California Law.

This Agreement shall be interpreted, construed and governed both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Orange, State of California, or any other

appropriate court in such county, and Contractor covenants and agrees to submit to the personal jurisdiction of such court in the event of such action. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Central District of California, in the County of Orange, State of California.

7.2 Disputes; Default.

In the event that Contractor is in default under the terms of this Agreement, the City shall not have any obligation or duty to continue compensating Contractor for any work performed after the date of default. Instead, the City may give notice to Contractor of the default and the reasons for the default. The notice shall include the timeframe in which Contractor may cure the default. This timeframe is presumptively thirty (30) days, but may be extended, though not reduced, if circumstances warrant. During the period of time that Contractor is in default, the City shall hold all invoices and shall, when the default is cured, proceed with payment on the invoices. In the alternative, the City may, in its sole discretion, elect to pay some or all of the outstanding invoices during the period of default. If Contractor does not cure the default, the City may take necessary steps to terminate this Agreement under this Article. Any failure on the part of the City to give notice of the Contractor's default shall not be deemed to result in a waiver of the City's legal rights or any rights arising out of any provision of this Agreement.

7.3 Retention of Funds.

Contractor hereby authorizes City to deduct from any amount payable to Contractor (whether or not arising out of this Agreement) (i) any amounts the payment of which may be in dispute hereunder or which are necessary to compensate City for any losses, costs, liabilities, or damages suffered by City, and (ii) all amounts for which City may be liable to third parties, by reason of Contractor's acts or omissions in performing or failing to perform Contractor's obligation under this Agreement. In the event that any claim is made by a third party, the amount or validity of which is disputed by Contractor, or any indebtedness shall exist which shall appear to be the basis for a claim of lien, City may withhold from any payment due, without liability for interest because of such withholding, an amount sufficient to cover such claim. The failure of City to exercise such right to deduct or to withhold shall not, however, affect the obligations of the Contractor to insure, indemnify, and protect City as elsewhere provided herein.

7.4 Waiver.

Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision or a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by City of any work or services by Contractor shall not constitute a waiver of any of the provisions of this Agreement. No delay or omission in the exercise of any right or remedy by a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

7.5 Rights and Remedies are Cumulative.

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

7.6 Legal Action.

In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement. Notwithstanding any contrary provision herein, Contractor shall file a statutory claim pursuant to Government Code Sections 905 et. seq. and 910 et. seq., in order to pursue a legal action under this Agreement.

7.7 Termination Prior to Expiration of Term.

This Section shall govern any termination of this Contract except as specifically provided in the following Section for termination for cause. The City reserves the right to terminate this Contract at any time, with or without cause, upon written notice to Contractor. In addition, the Contractor may terminate this Contract for cause, upon sixty (60) days' advance written notice to City. Upon receipt of any notice of termination, Contractor shall immediately cease all services hereunder except such as may be specifically approved by the Contract Officer. Except where the Contractor has initiated termination, the Contractor shall be entitled to compensation for all services rendered prior to the effective date of the notice of termination and for any services authorized by the Contract Officer thereafter in accordance with the Schedule of Compensation or such as may be approved by the Contract Officer, except as provided in Section 7.3. In the event the Contractor has initiated termination, the Contractor shall be entitled to compensation only for the reasonable value of the work product actually produced hereunder. In the event of termination without cause pursuant to this Section, the terminating party need not provide the non-terminating party with the opportunity to cure pursuant to Section 7.2.

7.8 Termination for Default of Contractor.

If termination is due to the failure of the Contractor to fulfill its obligations under this Agreement, City may, after compliance with the provisions of Section 7.2, take over the work and prosecute the same to completion by contract or otherwise, and the Contractor shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the City shall use reasonable efforts to mitigate such damages), and City may withhold any payments to the Contractor for the purpose of set-off or partial payment of the amounts owed the City as previously stated.

7.9 Attorney's Fees.

If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action

or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees. Attorney's fees shall include attorney's fees on any appeal, and in addition a party entitled to attorney's fees shall be entitled to all other reasonable costs for investigating such action, taking depositions and discovery and all other necessary costs the court allows which are incurred in such litigation. All such fees shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

ARTICLE 8. CITY OFFICERS AND EMPLOYEES: NON-DISCRIMINATION

8.1 Non-liability of City Officers and Employees.

No officer or employee of the City shall be personally liable to the Contractor, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Contractor or to its successor, or for breach of any obligation of the terms of this Agreement.

8.2 Conflict of Interest.

Contractor covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of City or which would in any way hinder Contractor's performance of services under this Agreement. Contractor further covenants that in the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor without the express written consent of the Contract Officer. Contractor agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of City in the performance of this Agreement.

8.3 Covenant Against Discrimination.

Contractor covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry or other protected class in the performance of this Agreement. Contractor shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry or other protected class.

8.4 Unauthorized Aliens.

Contractor hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act, 8 U.S.C.A. §§ 1101, *et seq.*, as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Contractor so employ such unauthorized aliens for the performance of work and/or services covered by this Agreement, and should any liability or sanctions be imposed against City for such use of unauthorized aliens, Contractor hereby agrees to and shall reimburse City for the cost of all such liabilities or sanctions imposed, together with any and all costs, including attorney's fees, incurred by City.

ARTICLE 9. MISCELLANEOUS PROVISIONS

9.1 Notices.

Any notice, demand, request, document, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail, in the case of the City, to the City Manager and to the attention of the Contract Officer (with her/his name and City title), City of Cypress, 5275 Orange Avenue, Cypress, California 90630 and in the case of the Contractor, to the person(s) at the address designated on the execution page of this Agreement. Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated at the time personally delivered or in seventy-two (72) hours from the time of mailing if mailed as provided in this Section.

9.2 Interpretation.

The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

9.3 Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

9.4 Integration; Amendment.

This Agreement including the attachments hereto is the entire, complete and exclusive expression of the understanding of the parties. It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. No amendment to or modification of this Agreement shall be valid unless made in writing and approved by the Contractor and by the City Council. The parties agree that this requirement for written modifications cannot be waived and that any attempted waiver shall be void.

9.5 Severability.

In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

9.6 Warranty & Representation of Non-Collusion.

No official, officer, or employee of City has any financial interest, direct or indirect, in this Agreement, nor shall any official, officer, or employee of City participate in any decision relating to this Agreement which may affect his/her financial interest or the financial interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any State or municipal statute or regulation. The determination of "financial interest" shall be consistent with State law and shall not include interests found to be "remote" or "noninterests" pursuant to Government Code Sections 1091 or 1091.5.

Nor shall any such officer or employee participate in any decision relating to the Agreement which affects her/his financial interest or the financial interest of any corporation, partnership or association in which (s)he is, directly or indirectly, interested, in violation of any State statute or regulation, including but not limited to the Political Reform Act (Government Code Sections 81000, *et seq.*)

Contractor warrants and represents that it has not paid or given, and will not pay or give, to any third party including, but not limited to, any City official, officer, or employee, any money, consideration, or other thing of value as a result or consequence of obtaining or being awarded any agreement. Contractor further warrants and represents that (s)he/it has not engaged in any act(s), omission(s), or other conduct or collusion that would result in the payment of any money, consideration, or other thing of value to any third party including, but not limited to, any City official, officer, or employee, as a result of consequence of obtaining or being awarded any agreement. Contractor is aware of and understands that any such act(s), omission(s) or other conduct resulting in such payment of money, consideration, or other thing of value will render this Agreement void and of no force or effect.

Contractor's Authorized Initials 

9.7 Corporate Authority.

The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound. This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the parties.

[SIGNATURES ON FOLLOWING PAGE]

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

CITY:

City of Cypress, a municipal corporation

Ann Hertz - Mallari, Mayor

ATTEST:

Alisha Farnell, City Clerk

APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP

Fred Galante, City Attorney

CONTRACTOR:

Norman A. Traub & Associates, LLC

By:



Name: T. Brock Avery

Title: Principal/General Manager

By:

Name:

Title:

Address: 2625 Townsgate Road

Suite 330

Westlake Village, CA. 91361

Two corporate officer signatures required when Contractor ~~is~~ a corporation, with one signature required from each of the following groups: 1) Chairman of the Board, President or any Vice President; and 2) Secretary, any Assistant Secretary, Chief Financial Officer or any Assistant Treasurer.

EXHIBIT "A"
SCOPE OF SERVICES

- I. On an on-call and as-needed basis, Contractor shall provide investigation and related services, including Internal Affairs Investigations, generally described in this Scope of Services, which are assigned in writing at the direction of the Contract Officer. **This Agreement retains Contractor's on-call and as-needed availability, but does not guarantee that the Contractor shall be selected to provide services for a specific investigation.** Contractor must obtain written approval from the Contract Officer to investigate additional allegations that may arise from assigned investigations.
- II. Contractor acknowledges and agrees that City has no obligation to request any Services from Contractor under this Agreement.
- III. Agreement does not provide for Contractor's compensation except for Contractor's services rendered pursuant to a written approval from the Contract Officer to commence an investigation.
- IV. Contractor shall develop an investigation plan and budget upon request by the Contract Officer, including an estimate of the time required to perform the investigation. Investigation or related services are not to commence until authorization from the Contract Officer is granted. The Contractor is responsible for completing the investigation in full within the approved investigation plan and budget. The investigation plan and budget shall only be amended if the original scope of the investigation changes and is approved by the Contract Officer. There shall be no changes to the investigation plan or budget without a corresponding change to the scope of the investigation which is approved in writing by the Contract Officer.
- V. In addition to any other requirement to keep the City updated under this Agreement, within thirty (30) days of commencement of the investigation, Contractor shall provide City with a status update of the investigation, including any factual allegations substantiated by that date, and a copy of any documentary evidence supporting such allegations.
- VI. Contractor's on-call and as-needed investigation and related services, including Internal Affairs Investigations, may include, but are not limited to, the following:
 1. Contractor shall investigate the facts regarding allegations regarding Police Department personnel, including for Internal Affairs Investigations, by:
 - a. Reviewing pertinent allegations;
 - b. Interviewing participants and witnesses;
 - c. Reviewing documentary evidence, including email correspondence and text messages;
 - d. Following up on evidentiary leads;
 - e. Providing other services as may be requested by Contract Officer

2. Contractor shall participate in teleconferences and meetings with City staff and City's labor and employment legal counsel as needed, including weekly progress updates.
3. Within thirty (30) days of the conclusion of the investigation, or such other date as agreed to in writing by the parties, Contractor shall prepare and deliver to City's labor and employment legal counsel a written report summarizing the relevant information collected and detailing the conclusion of the investigation.
4. Contractor shall participate in administrative and/or other civil proceedings related to the investigation or disciplinary actions or civil litigation resulting therefrom, including but not limited to depositions, hearings and/or courtroom testimony.

EXHIBIT "B"
SPECIAL REQUIREMENTS
(Superseding Contract Boilerplate)

I. Section 1.8 shall be amended to read as follows:

1.8 Additional Services. City shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is first given by the Contract Officer to the Contractor, incorporating therein any adjustment in (i) the Contract Sum for the actual costs of the extra work, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Contractor. ~~Any increase in compensation of up to ten percent (10%) of the Contract Sum or \$25,000, whichever is less; or, in the time to perform of up to one hundred eighty (180) days, may be approved by the Contract Officer. Any greater increases taken either separately or cumulatively, must be approved by the City Council.~~ It is expressly understood by Contractor that the provisions of this Section shall not apply to services specifically set forth in the Scope of Services. Contractor hereby acknowledges that it accepts the risk that the services to be provided pursuant to the Scope of Services may be more costly or time consuming than Contractor anticipates and that Contractor shall not be entitled to additional compensation therefor. City may in its sole and absolute discretion have similar work done by other contractors. No claims for an increase in the Contract Sum or time for performance shall be valid unless the procedures established in this Section are followed.

II. Section 2.1 shall be amended to read as follows:

2.1 Contract Sum. For on-call services rendered pursuant to this Agreement, the Contractor shall be compensated in accordance with the "Schedule of Compensation" attached hereto as Exhibit "C" and "C-1" and incorporated herein by this reference. Contractor shall provide an investigation plan and budget pursuant to Exhibit "A" for approval by the Contract Officer prior to the commencement of the investigation or related services.

III. Section 3.2 shall be amended to read as follows:

3.2 Schedule of Performance. Contractor shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within the time period(s) established in the "Schedule of Performance" attached hereto as Exhibit "D" and incorporated herein by this reference. When requested by the Contractor, extensions to the time period(s) specified in the Schedule of Performance may be approved in writing by the Contract Officer ~~but not exceeding one hundred eighty (180) days cumulatively.~~

IV. Section 3.4 shall be amended to read as follows:

3.4 Term. Unless earlier terminated in accordance with Article 7 of this Agreement, this Agreement shall continue in full force and effect from and after _____, and for thirty (36) consecutive calendar months thereafter. City reserves the right, in its sole and unfettered discretion, to extend the Term of this Agreement, upon the same terms and conditions set forth herein, for up to a maximum of two (2) one-year extended terms (an "Extended Term"). City shall exercise its right to extend the Term of the Agreement by providing Contractor with written notice of its intent to extend the Term or any Extended Term of this Agreement not less

than forty-five (45) calendar days prior to the expiration of the Term or any Extended Term of this Agreement.

V. **Section 5.1 (b) Workers Compensation Insurance shall be eliminated:**

VII. **Section 5.5 shall be added as follows:**

5.5 Contractor Indemnification. City agrees to indemnify, defend and hold harmless the Contractor and its employees (“Indemnified Parties”) against, and will hold and save them and each of them harmless from, any and all actions, either judicial, administrative, arbitration or regulatory claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities whether actual or threatened (herein “claims or liabilities”) that may be asserted or claimed by any person, firm or entity arising from City’s willful misconduct in the performance of any term, provision, covenant, or condition of this Agreement, or arising from City’s sole negligent performance of any term, provision, covenant or condition of this Agreement. Contractor shall promptly notify the City of the pendency of such claims or liabilities for which City is responsible under this Section, and request that City defend the same. If Contractor fails to promptly notify City of any such claims or liabilities or fails to cooperate fully in the defense thereof, City shall not, thereafter, be responsible to defend, indemnify, or hold harmless Contractor. City may utilize the City Attorney’s office or use legal counsel of City’s choosing, but shall reimburse Contractor for any necessary reasonable legal cost incurred by Contractor.

EXHIBIT "C"
SCHEDULE OF COMPENSATION

- I. This Schedule of Compensation governs Contractor's compensation in the event the Contractor performs services pursuant to a written approval from the Contract Officer to commence an investigation as provided in Exhibit "A".
- II. Contractor's proposals on investigation plan and budget shall be based on the rates attached as Exhibit "C-1".
- III. City will compensate Contractor for the Services performed upon submission of a valid invoice which is consistent with the approved investigation plan and budget described in Exhibit "A". Invoices shall be submitted monthly. Each invoice is to include:
 - A. Invoice Number
 - B. Invoice Date
 - C. Purchase Order Number
 - D. Payment Terms
 - E. Payment Due Date
 - F. City Contact Person
 - G. Date(s) of service
 - H. Line items for all personnel describing the work performed, the number of hours worked, and the hourly rate.
 - I. Line items for all materials and equipment properly charged to the Services.
 - J. Line items for all other approved reimbursable expenses claimed, with supporting documentation.
 - K. Line items for all approved subcontractor labor, supplies, equipment, materials, and travel properly charged to the Services.
 - L. Payment Instructions
 - a. Make check payable to Norman A. Traub & Associates
 - b. Remit to address
- IV. The total compensation for Services per investigation shall not exceed the investigation plan and budget as described in Exhibit "A".

EXHIBIT “C-1”
HOURLY RATE SCHEDULE

Investigative Services: \$160/hour

Senior Investigator Services: \$170/hour to \$200/hour

Attorney Investigator Services: \$220/hour

Senior Attorney Investigator Services: \$250/hour to \$320/hour

- Meetings, review of organization policies and procedures, examination and/or analysis of evidence, case analysis and interview preparation, interviews, report preparation.
- Commute (portal to portal)

Testimony: \$250/hour

- Testimony at post-investigation hearing, preparation, deposition, trial or other legal proceeding: (4-hour minimum)

“On-call”: \$130/hour

- “On call” for trial, deposition or hearing: (4-hour minimum)

Other:

Documented expenses include mileage (IRS rate), Portal to Portal travel time, postage, copy services, transcriptions services, report proof service (Approx. \$75.00 an hour for normal turnaround and \$180 per hour for rush processing), auto rental, and lodging.

All Other expenses will be approved in advance by Contract Officer. All expenses will be invoiced at direct cost with no mark-up. Invoices will include supporting document(s) reflecting the cost.

Rate Adjustment

This Hourly Rate Schedule is in effect for 24 months, at which time it may be adjusted annually based on the Los Angeles-Long Beach-Anaheim Consumer Price Index (CPI), not to exceed 3% annually. Hourly rates are to be adjusted to the nearest dollar.

EXHIBIT "D"
SCHEDULE OF PERFORMANCE

- I. For the term of this Agreement, Contractor shall provide Services on an on-call and as-needed basis pursuant to the investigation plan as set forth in Exhibit "A".
- II. Prior to any investigation, Contractor shall prepare an investigation plan and budget pursuant to Exhibit "A". Investigation plan and budget shall be approved by the Contract Officer. Investigation or related services are not to commence until authorization from the Contract Officer is granted.
- III. The Contractor is responsible for completing the investigation in full within the approved investigation plan and budget. The investigation plan and budget shall only be amended if the original scope of the investigation changes and is approved in writing by the Contract Officer. There shall be no changes to the investigation plan or budget without a corresponding change to the scope of the investigation which is approved by the Contract Officer. The Contract Officer may approve extension for performance of the services in accordance with Section 3.2.
- IV. Contractor agrees to provide all services in a timely and professional manner, and in compliance with applicable federal, state, and local laws, as well as in a workmanlike manner according to the standards and ethics in the industry as established by the California Secretary of State, Department of Consumer Affairs, and Bureau of Investigative Services.

AGREEMENT FOR CONTRACT SERVICES

By and Between

CITY OF CYPRESS

and

GARON WYATT INVESTIGATIVE SERVICES

**AGREEMENT FOR CONTRACT SERVICES
BY AND BETWEEN THE CITY OF CYPRESS AND
GARON WYATT INVESTIGATIVE SERVICES**

THIS AGREEMENT FOR CONTRACT SERVICES (herein “Agreement”) is made and entered into this ____ day of _____, 20__ by and between the City of Cypress, a California municipal corporation (“City”) and Garon Wyatt Investigative Services, a Sole Proprietor (“Contractor”). City and Contractor are sometimes hereinafter individually referred to as “Party” and hereinafter collectively referred to as the “Parties.”

RECITALS

A. City has sought, by issuance of a Request for Proposals or Invitation for Bids, the performance of the services defined and described particularly in Article 1 of this Agreement.

B. Contractor, following submission of a proposal or bid for the performance of the services defined and described particularly in Article 1 of this Agreement, was selected by the City to perform those services.

C. Pursuant to the City of Cypress’s Charter and Municipal Code, City has authority to enter into and execute this Agreement.

D. The Parties desire to formalize the selection of Contractor for performance of those services defined and described particularly in Article 1 of this Agreement and desire that the terms of that performance be as particularly defined and described herein.

OPERATIVE PROVISIONS

NOW, THEREFORE, in consideration of the mutual promises and covenants made by the Parties and contained herein and other consideration, the value and adequacy of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1. SERVICES OF CONTRACTOR

1.1 Scope of Services.

In compliance with all terms and conditions of this Agreement, the Contractor shall provide those services specified in the “Scope of Services” attached hereto as Exhibit “A” and incorporated herein by this reference, which may be referred to herein as the “services” or “work” hereunder. As a material inducement to the City entering into this Agreement, Contractor represents and warrants that it has the qualifications, experience, and facilities necessary to properly perform the services required under this Agreement in a thorough, competent, and professional manner, and is experienced in performing the work and services contemplated herein. Contractor shall at all times faithfully, competently and to the best of its ability, experience and talent, perform all services described herein. Contractor covenants that it shall follow the highest professional standards in performing the work and services required hereunder and that all materials will be both of good quality as well as fit for the purpose intended. For purposes of this Agreement, the phrase “highest

professional standards” shall mean those standards of practice recognized by one or more first-class firms performing similar work under similar circumstances.

1.2 Contractor’s Proposal.

The Scope of Service shall include the Contractor’s scope of work or bid which shall be incorporated herein by this reference as though fully set forth herein. In the event of any inconsistency between the terms of such proposal and this Agreement, the terms of this Agreement shall govern.

1.3 Compliance with Law.

Contractor shall keep itself informed concerning, and shall render all services hereunder in accordance with, all ordinances, resolutions, statutes, rules, and regulations of the City and any Federal, State or local governmental entity having jurisdiction in effect at the time service is rendered.

1.4 Licenses, Permits, Fees and Assessments.

Contractor shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement. Contractor shall have the sole obligation to pay for any fees, assessments and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Contractor’s performance of the services required by this Agreement, and shall indemnify, defend and hold harmless City, its officers, employees or agents of City, against any such fees, assessments, taxes, penalties or interest levied, assessed or imposed against City hereunder.

1.5 Familiarity with Work.

By executing this Agreement, Contractor warrants that Contractor (i) has thoroughly investigated and considered the scope of services to be performed, (ii) has carefully considered how the services should be performed, and (iii) fully understands the facilities, difficulties and restrictions attending performance of the services under this Agreement. If the services involve work upon any site, Contractor warrants that Contractor has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of services hereunder. Should the Contractor discover any latent or unknown conditions, which will materially affect the performance of the services hereunder, Contractor shall immediately inform the City of such fact and shall not proceed except at Contractor’s risk until written instructions are received from the Contract Officer.

1.6 Care of Work.

The Contractor shall adopt reasonable methods during the life of the Agreement to furnish continuous protection to the work, and the equipment, materials, papers, documents, plans, studies and/or other components thereof to prevent losses or damages, and shall be responsible for all such damages, to persons or property, until acceptance of the work by City, except such losses or damages as may be caused by City’s own negligence.

1.7 Further Responsibilities of Parties.

Both parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. Both parties agree to act in good faith to execute all instruments, prepare all documents and take all actions as may be reasonably necessary to carry out the purposes of this Agreement. Unless hereafter specified, neither party shall be responsible for the service of the other.

1.8 Additional Services.

City shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is first given by the Contract Officer to the Contractor, incorporating therein any adjustment in (i) the Contract Sum for the actual costs of the extra work, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Contractor. Any increase in compensation of up to ten percent (10%) of the Contract Sum or \$25,000, whichever is less; or, in the time to perform of up to one hundred eighty (180) days, may be approved by the Contract Officer. Any greater increases, taken either separately or cumulatively, must be approved by the City Council. It is expressly understood by Contractor that the provisions of this Section shall not apply to services specifically set forth in the Scope of Services. Contractor hereby acknowledges that it accepts the risk that the services to be provided pursuant to the Scope of Services may be more costly or time consuming than Contractor anticipates and that Contractor shall not be entitled to additional compensation therefor. City may in its sole and absolute discretion have similar work done by other contractors. No claims for an increase in the Contract Sum or time for performance shall be valid unless the procedures established in this Section are followed.

1.9 Special Requirements.

Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the "Special Requirements" attached hereto as Exhibit "B" and incorporated herein by this reference. In the event of a conflict between the provisions of Exhibit "B" and any other provisions of this Agreement, the provisions of Exhibit "B" shall govern.

ARTICLE 2. COMPENSATION AND METHOD OF PAYMENT.

2.1 Contract Sum.

Subject to any limitations set forth in this Agreement, City agrees to pay Contractor the amounts specified in the "Schedule of Compensation" attached hereto as Exhibit "C" and incorporated herein by this reference. The total compensation, including reimbursement for actual

expenses, shall not exceed (see Exhibits “B” and “C”) (the “Contract Sum”), unless additional compensation is approved pursuant to Section 1.8.

2.2 Method of Compensation.

The method of compensation may include: (i) a lump sum payment upon completion; (ii) payment in accordance with specified tasks or the percentage of completion of the services, less contract retention; (iii) payment for time and materials based upon the Contractor’s rates as specified in the Schedule of Compensation, provided that (a) time estimates are provided for the performance of sub tasks, (b) contract retention is maintained, and (c) the Contract Sum is not exceeded; or (iv) such other methods as may be specified in the Schedule of Compensation.

2.3 Reimbursable Expenses.

Compensation may include reimbursement for actual and necessary expenditures for reproduction costs, telephone expenses, and travel expenses approved by the Contract Officer in advance, or actual subcontractor expenses of an approved subcontractor pursuant to Section 4.5, and only if specified in the Schedule of Compensation. The Contract Sum shall include the attendance of Contractor at all project meetings reasonably deemed necessary by the City. Coordination of the performance of the work with City is a critical component of the services. If Contractor is required to attend additional meetings to facilitate such coordination, Contractor shall not be entitled to any additional compensation for attending said meetings.

2.4 Invoices.

Each month Contractor shall furnish to City an original invoice for all work performed and expenses incurred during the preceding month in a form approved by City’s Director of Finance. By submitting an invoice for payment under this Agreement, Contractor is certifying compliance with all provisions of the Agreement. The invoice shall detail charges for all necessary and actual expenses by the following categories: labor (by sub-category), travel, materials, equipment, supplies, and sub-contractor contracts. Sub-contractor charges shall also be detailed by such categories. Contractor shall not invoice City for any duplicate services performed by more than one person.

City shall independently review each invoice submitted by the Contractor to determine whether the work performed and expenses incurred are in compliance with the provisions of this Agreement. Except as to any charges for work performed or expenses incurred by Contractor which are disputed by City, or as provided in Section 7.3, City will use its best efforts to cause Contractor to be paid within forty-five (45) days of receipt of Contractor’s correct and undisputed invoice; however, Contractor acknowledges and agrees that due to City warrant run procedures, the City cannot guarantee that payment will occur within this time period. In the event any charges or expenses are disputed by City, the original invoice shall be returned by City to Contractor for correction and resubmission. Review and payment by City for any invoice provided by the Contractor shall not constitute a waiver of any rights or remedies provided herein or any applicable law.

2.5 Waiver.

Payment to Contractor for work performed pursuant to this Agreement shall not be deemed to waive any defects in work performed by Contractor.

ARTICLE 3. PERFORMANCE SCHEDULE

3.1 Time of Essence.

Time is of the essence in the performance of this Agreement.

3.2 Schedule of Performance.

Contractor shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within the time period(s) established in the "Schedule of Performance" attached hereto as Exhibit "D" and incorporated herein by this reference. When requested by the Contractor, extensions to the time period(s) specified in the Schedule of Performance may be approved in writing by the Contract Officer but not exceeding one hundred eighty (180) days cumulatively.

3.3 Force Majeure.

The time period(s) specified in the Schedule of Performance for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the City, if the Contractor shall within ten (10) days of the commencement of such delay notify the Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Contract Officer such delay is justified. The Contract Officer's determination shall be final and conclusive upon the parties to this Agreement. In no event shall Contractor be entitled to recover damages against the City for any delay in the performance of this Agreement, however caused, Contractor's sole remedy being extension of the Agreement pursuant to this Section.

3.4 Term.

Unless earlier terminated in accordance with Article 7 of this Agreement, this Agreement shall continue in full force and effect until completion of the services but not exceeding one (1) years from the date hereof, except as otherwise provided in the Schedule of Performance (Exhibit "D").

ARTICLE 4. COORDINATION OF WORK

4.1 Representatives and Personnel of Contractor.

The following principals of Contractor ("Principals") are hereby designated as being the principals and representatives of Contractor authorized to act in its behalf with respect to the work specified herein and make all decisions in connection therewith:

<u>Garon Wyatt</u>	<u>Principal</u>
(Name)	(Title)

It is expressly understood that the experience, knowledge, capability and reputation of the foregoing principals were a substantial inducement for City to enter into this Agreement. Therefore, the foregoing principals shall be responsible during the term of this Agreement for directing all activities of Contractor and devoting sufficient time to personally supervise the services hereunder. All personnel of Contractor, and any authorized agents, shall at all times be under the exclusive direction and control of the Principals. For purposes of this Agreement, the foregoing Principals may not be replaced nor may their responsibilities be substantially reduced by Contractor without the express written approval of City. Additionally, Contractor shall utilize only competent personnel to perform services pursuant to this Agreement. Contractor shall make every reasonable effort to maintain the stability and continuity of Contractor's staff and subcontractors, if any, assigned to perform the services required under this Agreement. Contractor shall notify City of any changes in Contractor's staff and subcontractors, if any, assigned to perform the services required under this Agreement, prior to and during any such performance.

4.2 Status of Contractor.

Contractor shall have no authority to bind City in any manner, or to incur any obligation, debt or liability of any kind on behalf of or against City, whether by contract or otherwise, unless such authority is expressly conferred under this Agreement or is otherwise expressly conferred in writing by City. Contractor shall not at any time or in any manner represent that Contractor or any of Contractor's officers, employees, or agents are in any manner officials, officers, employees or agents of City. Neither Contractor, nor any of Contractor's officers, employees or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to City's employees. Contractor expressly waives any claim Contractor may have to any such rights.

4.3 Contract Officer.

The Contract Officer shall be the Cypress Police Department Investigations Commander or such person as may be designated by the City Manager. It shall be the Contractor's responsibility to assure that the Contract Officer is kept informed of the progress of the performance of the services and the Contractor shall refer any decisions which must be made by City to the Contract Officer. Unless otherwise specified herein, any approval of City required hereunder shall mean the approval of the Contract Officer. The Contract Officer shall have authority, if specified in writing by the City Manager, to sign all documents on behalf of the City required hereunder to carry out the terms of this Agreement.

4.4 Independent Contractor.

Neither the City nor any of its employees shall have any control over the manner, mode or means by which Contractor, its agents or employees, perform the services required herein, except as otherwise set forth herein. City shall have no voice in the selection, discharge, supervision or control of Contractor's employees, servants, representatives or agents, or in fixing their number, compensation or hours of service. Contractor shall perform all services required herein as an independent contractor of City and shall remain at all times as to City a wholly independent contractor with only such obligations as are consistent with that role. Contractor shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City. City shall not in any way or for any purpose become or be deemed to be a partner of Contractor in its business or otherwise or a joint venturer or a member of any joint enterprise with Contractor.

4.5 Prohibition Against Subcontracting or Assignment.

The experience, knowledge, capability and reputation of Contractor, its principals and employees were a substantial inducement for the City to enter into this Agreement. Therefore, Contractor shall not contract with any other entity to perform in whole or in part the services required hereunder without the express written approval of the City. In addition, neither this Agreement nor any interest herein may be transferred, assigned, conveyed, hypothecated or encumbered voluntarily or by operation of law, whether for the benefit of creditors or otherwise, without the prior written approval of City. Transfers restricted hereunder shall include the transfer to any person or group of persons acting in concert of more than twenty five percent (25%) of the present ownership and/or control of Contractor, taking all transfers into account on a cumulative basis. In the event of any such unapproved transfer, including any bankruptcy proceeding, this Agreement shall be void. No approved transfer shall release the Contractor or any surety of Contractor of any liability hereunder without the express consent of City.

ARTICLE 5. INSURANCE AND INDEMNIFICATION

5.1 Insurance Coverages.

The Contractor shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to City, during the entire term of this Agreement including any extension thereof, the following policies of insurance which shall cover all elected and appointed officers, employees and agents of City:

(a) General Liability Insurance (Occurrence Form CG0001 or equivalent). A policy of comprehensive general liability insurance written on a per occurrence basis for bodily injury, personal injury and property damage. The policy of insurance shall be in an amount not less than \$1,000,000.00 per occurrence or if a general aggregate limit is used, then the general aggregate limit shall be twice the occurrence limit.

(b) Worker's Compensation Insurance. A policy of worker's compensation insurance in such amount as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for the Contractor against any loss, claim or damage arising from any injuries or occupational diseases occurring to any worker employed by

or any persons retained by the Contractor in the course of carrying out the work or services contemplated in this Agreement.

(c) Automotive Insurance (Form CA 0001 (Ed 1/87) including “any auto” and endorsement CA 0025 or equivalent). A policy of comprehensive automobile liability insurance written on a per occurrence for bodily injury and property damage in an amount not less than \$1,000,000. Said policy shall include coverage for owned, non-owned, leased, hired cars and any automobile.

(d) Professional Liability. Professional liability insurance appropriate to the Contractor’s profession. This coverage may be written on a “claims made” basis, and must include coverage for contractual liability. The professional liability insurance required by this Agreement must be endorsed to be applicable to claims based upon, arising out of or related to services performed under this Agreement. The insurance must be maintained for at least 5 consecutive years following the completion of Contractor’s services or the termination of this Agreement. During this additional 5-year period, Contractor shall annually and upon request of the City submit written evidence of this continuous coverage.

(e) Subcontractors. Contractor shall include all subcontractors as insureds under its policies or shall furnish separate certificates and certified endorsements for each subcontractor. All coverages for subcontractors shall include all of the requirements stated herein.

(f) Additional Insurance. Policies of such other insurance, as may be required in the Special Requirements in Exhibit “B”.

5.2 General Insurance Requirements.

All of the above policies of insurance shall be primary insurance and shall name the City, its elected and appointed officers, employees and agents as additional insureds and any insurance maintained by City or its officers, employees or agents may apply in excess of, and not contribute with Contractor’s insurance. The insurer is deemed hereof to waive all rights of subrogation and contribution it may have against the City, its officers, employees and agents and their respective insurers. Moreover, the insurance policy must specify that where the primary insured does not satisfy the self-insured retention, any additional insured may satisfy the self-insured retention.

All of said policies of insurance shall provide that said insurance may not be amended or cancelled by the insurer or any party hereto without providing thirty (30) days prior written notice by certified mail return receipt requested to the City. In the event any of said policies of insurance are cancelled, the Contractor shall, prior to the cancellation date, submit new evidence of insurance in conformance with Section 5.1 to the Contract Officer.

No work or services under this Agreement shall commence until the Contractor has provided the City with Certificates of Insurance, additional insured endorsement forms or appropriate insurance binders evidencing the above insurance coverages and said Certificates of Insurance or binders are approved by the City. City reserves the right to inspect complete, certified copies of and endorsements to all required insurance policies at any time. Any failure to comply with the reporting or other provisions of the policies including breaches or warranties shall not affect coverage provided to City.

All certificates shall name the City as additional insured (providing the appropriate endorsement) and shall conform to the following "cancellation" notice:

CANCELLATION:

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATED THEREOF, THE ISSUING COMPANY SHALL MAIL THIRTY (30)-DAY ADVANCE WRITTEN NOTICE TO CERTIFICATE HOLDER NAMED HEREIN.

[to be initialed]

GDW
Contractor Initials

City, its respective elected and appointed officers, directors, officials, employees, agents and volunteers are to be covered as additional insureds as respects: liability arising out of activities Contractor performs; products and completed operations of Contractor; premises owned, occupied or used by Contractor; or any automobiles owned, leased, hired or borrowed by Contractor. The coverage shall contain no special limitations on the scope of protection afforded to City, and their respective elected and appointed officers, officials, employees or volunteers. Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

Any deductibles or self-insured retentions must be declared to and approved by City. At the option of City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City or its respective elected or appointed officers, officials, employees and volunteers or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration, defense expenses and claims. The Contractor agrees that the requirement to provide insurance shall not be construed as limiting in any way the extent to which the Contractor may be held responsible for the payment of damages to any persons or property resulting from the Contractor's activities or the activities of any person or persons for which the Contractor is otherwise responsible nor shall it limit the Contractor's indemnification liabilities as provided in Section 5.3.

In the event the Contractor subcontracts any portion of the work in compliance with Section 4.5 of this Agreement, the contract between the Contractor and such subcontractor shall require the subcontractor to maintain the same policies of insurance that the Contractor is required to maintain pursuant to Section 5.1, and such certificates and endorsements shall be provided to City.

5.3 Indemnification.

To the full extent permitted by law, Contractor agrees to indemnify, defend and hold harmless the City, its officers, employees and agents ("Indemnified Parties") against, and will hold and save them and each of them harmless from, any and all actions, either judicial, administrative, arbitration or regulatory claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities whether actual or threatened (herein "claims or liabilities") that may be asserted or claimed by any person, firm or entity arising out of or in connection with the negligent performance of the work, operations or activities provided herein of

Contractor, its officers, employees, agents, subcontractors, or invitees, or any individual or entity for which Contractor is legally liable (“indemnitors”), or arising from Contractor’s or indemnitors’ reckless or willful misconduct, or arising from Contractor’s or indemnitors’ negligent performance of or failure to perform any term, provision, covenant or condition of this Agreement, and in connection therewith:

(a) Contractor will defend any action or actions filed in connection with any of said claims or liabilities and will pay all costs and expenses, including legal costs and attorney’s fees incurred in connection therewith;

(b) Contractor will promptly pay any judgment rendered against the City, its officers, agents or employees for any such claims or liabilities arising out of or in connection with the negligent performance of or failure to perform such work, operations or activities of Contractor hereunder; and Contractor agrees to save and hold the City, its officers, agents, and employees harmless therefrom;

(c) In the event the City, its officers, agents or employees is made a party to any action or proceeding filed or prosecuted against Contractor for such damages or other claims arising out of or in connection with the negligent performance of or failure to perform the work, operation or activities of Contractor hereunder, Contractor agrees to pay to the City, its officers, agents or employees, any and all costs and expenses incurred by the City, its officers, agents or employees in such action or proceeding, including but not limited to, legal costs and attorney’s fees.

Contractor shall incorporate similar indemnity agreements with its subcontractors and if it fails to do so Contractor shall be fully responsible to indemnify City hereunder therefore, and failure of City to monitor compliance with these provisions shall not be a waiver hereof. This indemnification includes claims or liabilities arising from any negligent or wrongful act, error or omission, or reckless or willful misconduct of Contractor in the performance of professional services hereunder. The provisions of this Section do not apply to claims or liabilities occurring as a result of City’s sole negligence or willful acts or omissions, but, to the fullest extent permitted by law, shall apply to claims and liabilities resulting in part from City’s negligence, except that design professionals’ indemnity hereunder shall be limited to claims and liabilities arising out of the negligence, recklessness or willful misconduct of the design professional. The indemnity obligation shall be binding on successors and assigns of Contractor and shall survive termination of this Agreement.

5.4 Sufficiency of Insurer.

Insurance required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated “A” or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the Risk Manager of the City (“Risk Manager”) due to unique circumstances. If this Agreement continues for more than 3 years duration, or in the event the risk manager determines that the work or services to be performed under this Agreement creates an increased or decreased risk of loss to the City, the Contractor

agrees that the minimum limits of the insurance policies may be changed accordingly upon receipt of written notice from the Risk Manager.

ARTICLE 6. RECORDS, REPORTS, AND RELEASE OF INFORMATION

6.1 Records.

Contractor shall keep, and require subcontractors to keep, such ledgers, books of accounts, invoices, vouchers, canceled checks, reports, studies or other documents relating to the disbursements charged to City and services performed hereunder (the “books and records”), as shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services. Any and all such documents shall be maintained in accordance with generally accepted accounting principles and shall be complete and detailed. The Contract Officer shall have full and free access to such books and records at all times during normal business hours of City, including the right to inspect, copy, audit and make records and transcripts from such records. Such records shall be maintained for a period of three (3) years following completion of the services hereunder, and the City shall have access to such records in the event any audit is required. In the event of dissolution of Contractor’s business, custody of the books and records may be given to City, and access shall be provided by Contractor’s successor in interest. Notwithstanding the above, the Contractor shall fully cooperate with the City in providing access to the books and records if a public records request is made and disclosure is required by law including but not limited to the California Public Records Act.

6.2 Reports.

Contractor shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement as the Contract Officer shall require. Contractor hereby acknowledges that the City is greatly concerned about the cost of work and services to be performed pursuant to this Agreement. For this reason, Contractor agrees that if Contractor becomes aware of any facts, circumstances, techniques, or events that may or will materially increase or decrease the cost of the work or services contemplated herein or, if Contractor is providing design services, the cost of the project being designed, Contractor shall promptly notify the Contract Officer of said fact, circumstance, technique or event and the estimated increased or decreased cost related thereto and, if Contractor is providing design services, the estimated increased or decreased cost estimate for the project being designed.

6.3 Ownership of Documents.

All drawings, specifications, maps, designs, photographs, studies, surveys, data, notes, computer files, reports, records, documents and other materials (the “documents and materials”), including any electronic documents and materials, prepared by Contractor, its employees, subcontractors and agents in the performance of this Agreement shall be the property of City and shall be delivered to City in a format of the City’s choice upon request of the Contract Officer or upon the termination of this Agreement, and Contractor shall have no claim for further employment or additional compensation as a result of the exercise by City of its full rights of ownership use, reuse, or assignment of the documents and materials hereunder. Any use, reuse or assignment of such completed documents for other projects and/or use of uncompleted documents

without specific written authorization by the Contractor will be at the City's sole risk and without liability to Contractor, and Contractor's guarantee and warranties shall not extend to such use, reuse or assignment. Contractor may retain copies of such documents for its own use. Contractor shall have the right to use the concepts embodied therein. All subcontractors shall provide for assignment to City of any documents or materials prepared by them, and in the event Contractor fails to secure such assignment, Contractor shall indemnify City for all damages resulting therefrom. Moreover, Contractor with respect to any documents and materials that may qualify as "works made for hire" as defined in 17 U.S.C. § 101, such documents and materials are hereby deemed "works made for hire" for the City.

6.4 Confidentiality and Release of Information.

(a) All information gained or work product produced by Contractor in performance of this Agreement shall be considered confidential, unless such information is in the public domain or already known to Contractor. Contractor shall not release or disclose any such information or work product to persons or entities other than City without prior written authorization from the Contract Officer.

(b) Contractor, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the Contract Officer or unless requested by the City Attorney, voluntarily provide documents, declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement. Response to a subpoena or court order shall not be considered "voluntary" provided Contractor gives City notice of such court order or subpoena.

(c) If Contractor, or any officer, employee, agent or subcontractor of Contractor, provides any information or work product in violation of this Agreement, then City shall have the right to reimbursement and indemnity from Contractor for any damages, costs and fees, including attorney's fees, caused by or incurred as a result of Contractor's conduct.

(d) Contractor shall promptly notify City should Contractor, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed there under. City retains the right, but has no obligation, to represent Contractor or be present at any deposition, hearing or similar proceeding. Contractor agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests provided by Contractor. However, this right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

ARTICLE 7. ENFORCEMENT OF AGREEMENT AND TERMINATION

7.1 California Law.

This Agreement shall be interpreted, construed and governed both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Orange, State of California, or any other

appropriate court in such county, and Contractor covenants and agrees to submit to the personal jurisdiction of such court in the event of such action. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Central District of California, in the County of Orange, State of California.

7.2 Disputes; Default.

In the event that Contractor is in default under the terms of this Agreement, the City shall not have any obligation or duty to continue compensating Contractor for any work performed after the date of default. Instead, the City may give notice to Contractor of the default and the reasons for the default. The notice shall include the timeframe in which Contractor may cure the default. This timeframe is presumptively thirty (30) days, but may be extended, though not reduced, if circumstances warrant. During the period of time that Contractor is in default, the City shall hold all invoices and shall, when the default is cured, proceed with payment on the invoices. In the alternative, the City may, in its sole discretion, elect to pay some or all of the outstanding invoices during the period of default. If Contractor does not cure the default, the City may take necessary steps to terminate this Agreement under this Article. Any failure on the part of the City to give notice of the Contractor's default shall not be deemed to result in a waiver of the City's legal rights or any rights arising out of any provision of this Agreement.

7.3 Retention of Funds.

Contractor hereby authorizes City to deduct from any amount payable to Contractor (whether or not arising out of this Agreement) (i) any amounts the payment of which may be in dispute hereunder or which are necessary to compensate City for any losses, costs, liabilities, or damages suffered by City, and (ii) all amounts for which City may be liable to third parties, by reason of Contractor's acts or omissions in performing or failing to perform Contractor's obligation under this Agreement. In the event that any claim is made by a third party, the amount or validity of which is disputed by Contractor, or any indebtedness shall exist which shall appear to be the basis for a claim of lien, City may withhold from any payment due, without liability for interest because of such withholding, an amount sufficient to cover such claim. The failure of City to exercise such right to deduct or to withhold shall not, however, affect the obligations of the Contractor to insure, indemnify, and protect City as elsewhere provided herein.

7.4 Waiver.

Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision or a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by City of any work or services by Contractor shall not constitute a waiver of any of the provisions of this Agreement. No delay or omission in the exercise of any right or remedy by a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

7.5 Rights and Remedies are Cumulative.

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

7.6 Legal Action.

In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement. Notwithstanding any contrary provision herein, Contractor shall file a statutory claim pursuant to Government Code Sections 905 et. seq. and 910 et. seq., in order to pursue a legal action under this Agreement.

7.7 Termination Prior to Expiration of Term.

This Section shall govern any termination of this Contract except as specifically provided in the following Section for termination for cause. The City reserves the right to terminate this Contract at any time, with or without cause, upon written notice to Contractor. In addition, the Contractor may terminate this Contract for cause, upon sixty (60) days' advance written notice to City. Upon receipt of any notice of termination, Contractor shall immediately cease all services hereunder except such as may be specifically approved by the Contract Officer. Except where the Contractor has initiated termination, the Contractor shall be entitled to compensation for all services rendered prior to the effective date of the notice of termination and for any services authorized by the Contract Officer thereafter in accordance with the Schedule of Compensation or such as may be approved by the Contract Officer, except as provided in Section 7.3. In the event the Contractor has initiated termination, the Contractor shall be entitled to compensation only for the reasonable value of the work product actually produced hereunder. In the event of termination without cause pursuant to this Section, the terminating party need not provide the non-terminating party with the opportunity to cure pursuant to Section 7.2.

7.8 Termination for Default of Contractor.

If termination is due to the failure of the Contractor to fulfill its obligations under this Agreement, City may, after compliance with the provisions of Section 7.2, take over the work and prosecute the same to completion by contract or otherwise, and the Contractor shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the City shall use reasonable efforts to mitigate such damages), and City may withhold any payments to the Contractor for the purpose of set-off or partial payment of the amounts owed the City as previously stated.

7.9 Attorney's Fees.

If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action

or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees. Attorney's fees shall include attorney's fees on any appeal, and in addition a party entitled to attorney's fees shall be entitled to all other reasonable costs for investigating such action, taking depositions and discovery and all other necessary costs the court allows which are incurred in such litigation. All such fees shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

ARTICLE 8. CITY OFFICERS AND EMPLOYEES: NON-DISCRIMINATION

8.1 Non-liability of City Officers and Employees.

No officer or employee of the City shall be personally liable to the Contractor, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Contractor or to its successor, or for breach of any obligation of the terms of this Agreement.

8.2 Conflict of Interest.

Contractor covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of City or which would in any way hinder Contractor's performance of services under this Agreement. Contractor further covenants that in the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor without the express written consent of the Contract Officer. Contractor agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of City in the performance of this Agreement.

8.3 Covenant Against Discrimination.

Contractor covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry or other protected class in the performance of this Agreement. Contractor shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry or other protected class.

8.4 Unauthorized Aliens.

Contractor hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act, 8 U.S.C.A. §§ 1101, *et seq.*, as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Contractor so employ such unauthorized aliens for the performance of work and/or services covered by this Agreement, and should any liability or sanctions be imposed against City for such use of unauthorized aliens, Contractor hereby agrees to and shall reimburse City for the cost of all such liabilities or sanctions imposed, together with any and all costs, including attorney's fees, incurred by City.

ARTICLE 9. MISCELLANEOUS PROVISIONS

9.1 Notices.

Any notice, demand, request, document, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail, in the case of the City, to the City Manager and to the attention of the Contract Officer (with her/his name and City title), City of Cypress, 5275 Orange Avenue, Cypress, California 90630 and in the case of the Contractor, to the person(s) at the address designated on the execution page of this Agreement. Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated at the time personally delivered or in seventy-two (72) hours from the time of mailing if mailed as provided in this Section.

9.2 Interpretation.

The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

9.3 Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

9.4 Integration; Amendment.

This Agreement including the attachments hereto is the entire, complete and exclusive expression of the understanding of the parties. It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. No amendment to or modification of this Agreement shall be valid unless made in writing and approved by the Contractor and by the City Council. The parties agree that this requirement for written modifications cannot be waived and that any attempted waiver shall be void.

9.5 Severability.

In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

9.6 Warranty & Representation of Non-Collusion.

No official, officer, or employee of City has any financial interest, direct or indirect, in this Agreement, nor shall any official, officer, or employee of City participate in any decision relating to this Agreement which may affect his/her financial interest or the financial interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any State or municipal statute or regulation. The determination of "financial interest" shall be consistent with State law and shall not include interests found to be "remote" or "noninterests" pursuant to Government Code Sections 1091 or 1091.5.

Nor shall any such officer or employee participate in any decision relating to the Agreement which affects her/his financial interest or the financial interest of any corporation, partnership or association in which (s)he is, directly or indirectly, interested, in violation of any State statute or regulation, including but not limited to the Political Reform Act (Government Code Sections 81000, *et seq.*)

Contractor warrants and represents that it has not paid or given, and will not pay or give, to any third party including, but not limited to, any City official, officer, or employee, any money, consideration, or other thing of value as a result or consequence of obtaining or being awarded any agreement. Contractor further warrants and represents that (s)he/it has not engaged in any act(s), omission(s), or other conduct or collusion that would result in the payment of any money, consideration, or other thing of value to any third party including, but not limited to, any City official, officer, or employee, as a result of consequence of obtaining or being awarded any agreement. Contractor is aware of and understands that any such act(s), omission(s) or other conduct resulting in such payment of money, consideration, or other thing of value will render this Agreement void and of no force or effect.

Contractor's Authorized Initials GAW

9.7 Corporate Authority.

The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound. This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the parties.

[SIGNATURES ON FOLLOWING PAGE]

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

CITY:

City of Cypress, a municipal corporation

Ann Hertz - Mallari, Mayor

ATTEST:

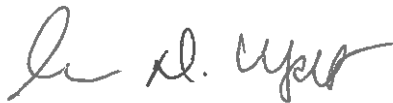
Alisha Farnell, City Clerk

APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP

Fred Galante, City Attorney

CONTRACTOR:

Garon Wyatt Investigative Services., a Sole Proprietor

By: 

Name: GARON WYATT
Title: owner

By:

Name:
Title:

Address: P.O. Box 7521
DUNSMIRE, CA 92513

Two corporate officer signatures required when Contractor is a corporation, with one signature required from each of the following groups: 1) Chairman of the Board, President or any Vice President; and 2) Secretary, any Assistant Secretary, Chief Financial Officer or any Assistant Treasurer.

EXHIBIT "A"
SCOPE OF SERVICES

- I. On an on-call and as-needed basis, Contractor shall provide investigation and related services, including Internal Affairs Investigations, generally described in this Scope of Services, which are assigned in writing at the direction of the Contract Officer. **This Agreement retains Contractor's on-call and as-needed availability, but does not guarantee that the Contractor shall be selected to provide services for a specific investigation.** Contractor must obtain written approval from the Contract Officer to investigate additional allegations that may arise from assigned investigations.
- II. Contractor acknowledges and agrees that City has no obligation to request any Services from Contractor under this Agreement.
- III. Agreement does not provide for Contractor's compensation except for Contractor's services rendered pursuant to a written approval from the Contract Officer to commence an investigation.
- IV. Contractor shall develop an investigation plan and budget upon request by the Contract Officer, including an estimate of the time required to perform the investigation. Investigation or related services are not to commence until authorization from the Contract Officer is granted. The Contractor is responsible for completing the investigation in full within the approved investigation plan and budget. The investigation plan and budget shall only be amended if the original scope of the investigation changes and is approved by the Contract Officer. There shall be no changes to the investigation plan or budget without a corresponding change to the scope of the investigation which is approved in writing by the Contract Officer.
- V. In addition to any other requirement to keep the City updated under this Agreement, within thirty (30) days of commencement of the investigation, Contractor shall provide City with a status update of the investigation, including any factual allegations substantiated by that date, and a copy of any documentary evidence supporting such allegations.
- VI. Contractor's on-call and as-needed investigation and related services, including Internal Affairs Investigations, may include, but are not limited to, the following:
 1. Contractor shall investigate the facts regarding allegations regarding Police Department personnel, including for Internal Affairs Investigations, by:
 - a. Reviewing pertinent allegations;
 - b. Interviewing participants and witnesses;
 - c. Reviewing documentary evidence, including email correspondence and text messages;
 - d. Following up on evidentiary leads;
 - e. Providing other services as may be requested by Contract Officer

2. Contractor shall participate in teleconferences and meetings with City staff and City's labor and employment legal counsel as needed, including weekly progress updates.
3. Within thirty (30) days of the conclusion of the investigation, or such other date as agreed to in writing by the parties, Contractor shall prepare and deliver to City's labor and employment legal counsel a written report summarizing the relevant information collected and detailing the conclusion of the investigation.
4. Contractor shall participate in administrative and/or other civil proceedings related to the investigation or disciplinary actions or civil litigation resulting therefrom, including but not limited to depositions, hearings and/or courtroom testimony.

EXHIBIT "B"
SPECIAL REQUIREMENTS
(Superseding Contract Boilerplate)

I. Section 1.8 shall be amended to read as follows:

1.8 Additional Services. City shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is first given by the Contract Officer to the Contractor, incorporating therein any adjustment in (i) the Contract Sum for the actual costs of the extra work, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Contractor. ~~Any increase in compensation of up to ten percent (10%) of the Contract Sum or \$25,000, whichever is less; or, in the time to perform of up to one hundred eighty (180) days, may be approved by the Contract Officer. Any greater increases taken either separately or cumulatively, must be approved by the City Council.~~ It is expressly understood by Contractor that the provisions of this Section shall not apply to services specifically set forth in the Scope of Services. Contractor hereby acknowledges that it accepts the risk that the services to be provided pursuant to the Scope of Services may be more costly or time consuming than Contractor anticipates and that Contractor shall not be entitled to additional compensation therefor. City may in its sole and absolute discretion have similar work done by other contractors. No claims for an increase in the Contract Sum or time for performance shall be valid unless the procedures established in this Section are followed.

II. Section 2.1 shall be amended to read as follows:

2.1 Contract Sum. For on-call services rendered pursuant to this Agreement, the Contractor shall be compensated in accordance with the "Schedule of Compensation" attached hereto as Exhibit "C" and "C-1" and incorporated herein by this reference. Contractor shall provide an investigation plan and budget pursuant to Exhibit "A" for approval by the Contract Officer prior to the commencement of the investigation or related services.

III. Section 3.2 shall be amended to read as follows:

3.2 Schedule of Performance. Contractor shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within the time period(s) established in the "Schedule of Performance" attached hereto as Exhibit "D" and incorporated herein by this reference. When requested by the Contractor, extensions to the time period(s) specified in the Schedule of Performance may be approved in writing by the Contract Officer ~~but not exceeding one hundred eighty (180) days cumulatively.~~

IV. Section 3.4 shall be amended to read as follows:

3.4 Term. Unless earlier terminated in accordance with Article 7 of this Agreement, this Agreement shall continue in full force and effect from and after _____, and for thirty (36) consecutive calendar months thereafter. City reserves the right, in its sole and unfettered discretion, to extend the Term of this Agreement, upon the same terms and conditions set forth herein, for up to a maximum of two (2) one-year extended terms (an "Extended Term"). City shall exercise its right to extend the Term of the Agreement by providing Contractor with written notice of its intent to extend the Term or any Extended Term of this Agreement not less

than forty-five (45) calendar days prior to the expiration of the Term or any Extended Term of this Agreement.

V. **Section 5.1 (b) Workers Compensation Insurance shall be eliminated:**

VI. **Section 5.1 (c) Automotive Insurance shall be amended to read as follows:**

Automotive Insurance (Form CA 0001 (Ed 1/87) including “any auto” and endorsement CA 0025 or equivalent). A policy of comprehensive automobile liability insurance written on a per occurrence for bodily injury and property damage in an amount not less than ~~\$1,000,000~~ \$500,000. Said policy shall include coverage for owned, non-owned, leased, hired cars and any automobile.

VII. **Section 5.5 shall be added as follows:**

5.5 Contractor Indemnification. City agrees to indemnify, defend and hold harmless the Contractor and its employees (“Indemnified Parties”) against, and will hold and save them and each of them harmless from, any and all actions, either judicial, administrative, arbitration or regulatory claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities whether actual or threatened (herein “claims or liabilities”) that may be asserted or claimed by any person, firm or entity arising from City’s willful misconduct in the performance of any term, provision, covenant, or condition of this Agreement, or arising from City’s sole negligent performance of any term, provision, covenant or condition of this Agreement. Contractor shall promptly notify the City of the pendency of such claims or liabilities for which City is responsible under this Section, and request that City defend the same. If Contractor fails to promptly notify City of any such claims or liabilities or fails to cooperate fully in the defense thereof, City shall not, thereafter, be responsible to defend, indemnify, or hold harmless Contractor. City may utilize the City Attorney’s office or use legal counsel of City’s choosing, but shall reimburse Contractor for any necessary reasonable legal cost incurred by Contractor.

EXHIBIT "C"
SCHEDULE OF COMPENSATION

- I. This Schedule of Compensation governs Contractor's compensation in the event the Contractor performs services pursuant to a written approval from the Contract Officer to commence an investigation as provided in Exhibit "A".
- II. Contractor's proposals on investigation plan and budget shall be based on the rates attached as Exhibit "C-1".
- III. City will compensate Contractor for the Services performed upon submission of a valid invoice which is consistent with the approved investigation plan and budget described in Exhibit "A". Invoices shall be submitted monthly. Each invoice is to include:
 - A. Invoice Number
 - B. Invoice Date
 - C. Purchase Order Number
 - D. Payment Terms
 - E. Payment Due Date
 - F. City Contact Person
 - G. Date(s) of service
 - H. Line items for all personnel describing the work performed, the number of hours worked, and the hourly rate.
 - I. Line items for all materials and equipment properly charged to the Services.
 - J. Line items for all other approved reimbursable expenses claimed, with supporting documentation.
 - K. Line items for all approved subcontractor labor, supplies, equipment, materials, and travel properly charged to the Services.
 - L. Payment Instructions
 - a. Make check payable to Garon Wyatt Investigative Services
 - b. Remit to address
- IV. The total compensation for Services per investigation shall not exceed the investigation plan and budget as described in Exhibit "A".

EXHIBIT “C-1”
HOURLY RATE SCHEDULE

Investigative Services: \$175/hour

- Meetings, review of organization policies and procedures, examination and/or analysis of evidence, case analysis and interview preparation, interviews, report preparation.
- Commute (portal to portal)

Testimony: \$245/hour

- Testimony at post-investigation hearing, preparation, deposition, trial or other legal proceeding: (4-hour minimum)

“On-call”: \$175/hour

- “On call” for trial, deposition or hearing: (4-hour minimum)

Transcription Services: Billed per word

- \$.02/word

Other:

- Report Supplies: At cost, typically less than \$50 per investigation

Rate Adjustment

This Hourly Rate Schedule is in effect for 24 months, at which time it may be adjusted annually based on the Los Angeles-Long Beach-Anaheim Consumer Price Index (CPI), not to exceed 3% annually. Hourly rates are to be adjusted to the nearest dollar.

EXHIBIT "D"
SCHEDULE OF PERFORMANCE

- I. For the term of this Agreement, Contractor shall provide Services on an on-call and as-needed basis pursuant to the investigation plan as set forth in Exhibit "A".
- II. Prior to any investigation, Contractor shall prepare an investigation plan and budget pursuant to Exhibit "A". Investigation plan and budget shall be approved by the Contract Officer. Investigation or related services are not to commence until authorization from the Contract Officer is granted.
- III. The Contractor is responsible for completing the investigation in full within the approved investigation plan and budget. The investigation plan and budget shall only be amended if the original scope of the investigation changes and is approved in writing by the Contract Officer. There shall be no changes to the investigation plan or budget without a corresponding change to the scope of the investigation which is approved by the Contract Officer. The Contract Officer may approve extension for performance of the services in accordance with Section 3.2.
- IV. Contractor agrees to provide all services in a timely and professional manner, and in compliance with applicable federal, state, and local laws, as well as in a workmanlike manner according to the standards and ethics in the industry as established by the California Secretary of State, Department of Consumer Affairs, and Bureau of Investigative Services.



CITY OF CYPRESS

CITY COUNCIL REPORT

City Council Regular

7.

FROM: Douglas Dancs, Director of Public Works

DATE: 02/13/2023

SUBJECT: Approve the Acquisition of Real Property at 5121 Myra Avenue

RECOMMENDATION

1. Approve the purchase of the real property at 5121 Myra Avenue in the amount of \$830,000, and authorize a contingency for closing costs not to exceed \$15,000; and
2. Authorize the City Manager to sign and finalize all documents associated with the purchase; and
3. Authorize a \$845,000 appropriation increase in the City Capital Projects Fund for the purchase; and
4. Approve a \$845,000 transfer from the Infrastructure Fund to the City Capital Projects Fund to pay for the purchase.

DISCUSSION

The Myra Avenue Stormwater Pump Station No. 1 provides flood protection for the drainage area bounded by Moody Street, Walker Street, and Cerritos Avenue (see attached Tributary Map). The tract is built below the Carbon Creek Channel so storm water needs to be pumped into the channel and the area has a history of flooding. The existing pump station is more than 60 years old and needs to be replaced due to its condition and because it does not meet current flood protection standards. Earlier this year, the City Council initiated an evaluation of the existing pump station to provide replacement cost estimates. Pump station replacement design is scheduled for FY 2024-25, with construction in FY 2025-26.

Due to existing site constraints, the ideal pump station replacement design requires the acquisition of 5121 Myra Avenue, which enables the new pump station to efficiently meet current flood protection standards. Public Works has communicated with the homeowner at 5121 Myra Avenue and in late 2022, the homeowner expressed interest in selling their property. Acquiring 5121 Myra Avenue provides the space necessary to build the new pump station and will save the City more than \$1.5 million. Accounting for the cost of buying 5121 Myra Avenue, the City's net savings will exceed \$650,000. The City will also avoid

construction impacts to 5121 Myra Avenue that will be unavoidable if the property is not acquired. Acquisition also protects other nearby residences, by providing more space in which to buffer the pump station (which will be housed inside a building; example photos attached). Without acquiring 5121 Myra Ave, replacing the pump station becomes a significantly more complicated project, which could require the installation of an underground retention basin similar to Myra Avenue Pump Station No. 2, where construction was very challenging, expensive, and long.

If the City Council approves acquiring 5121 Myra Avenue, the seller will be allowed to occupy the property until March 20. Public Works has reached out to the adjacent eastern neighbor about 5121 Myra Avenue and the project, and will engage with the surrounding neighborhood in the coming months. With construction at least two years away, 5121 Myra Avenue may be rented until it is demolished as part of the project to further reduce costs.

BUDGET IMPACT

Acquisition of 5121 Myra Avenue, including all closing costs, will not exceed \$845,000, and sufficient amounts are available in the Infrastructure Fund.

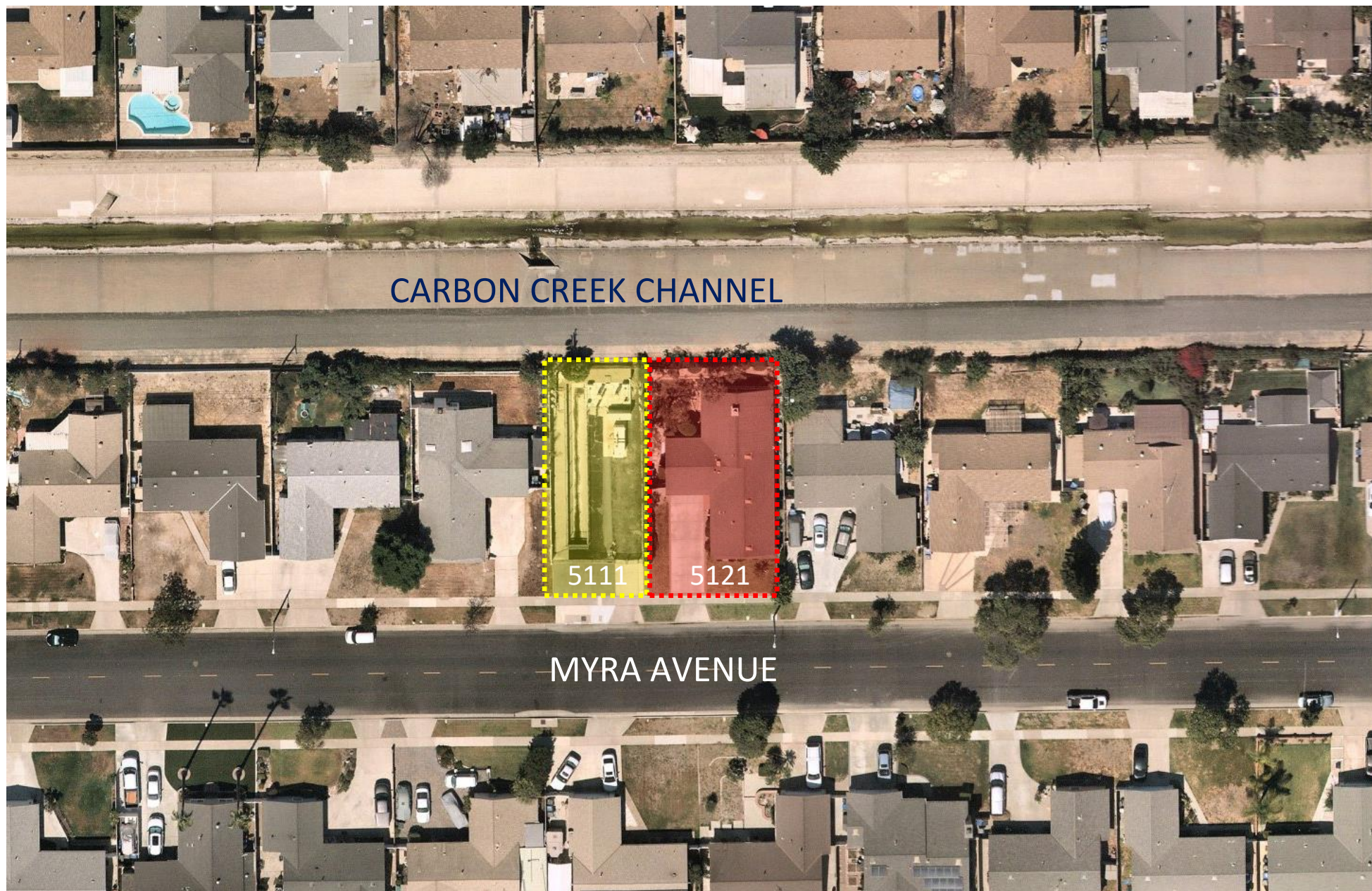
LEGAL REVIEW

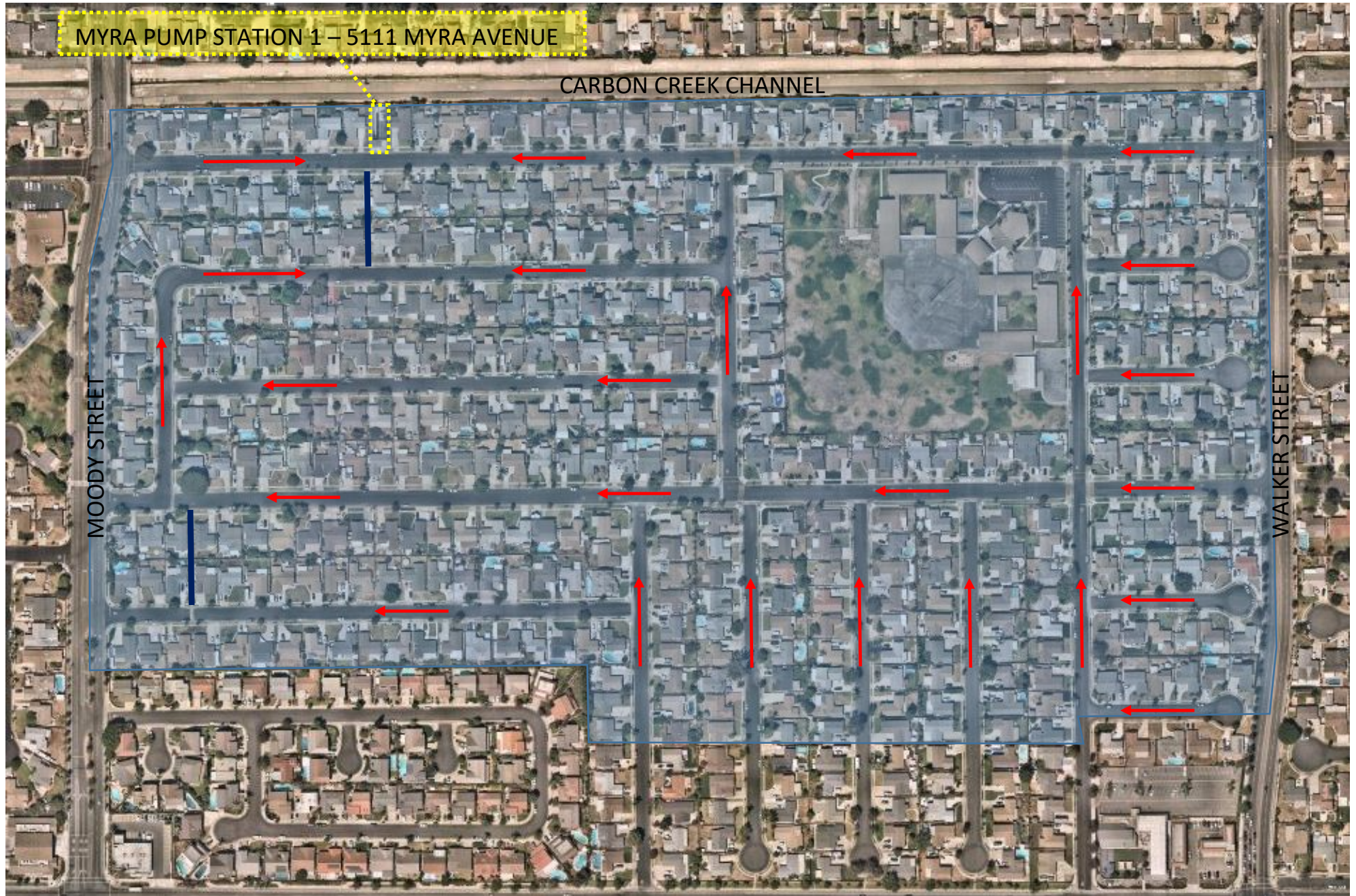
The purchase and sale agreement was drafted by the seller's broker as a condition of the sale.

APPROVED BY: Peter Grant, City Manager

Attachments

Location Map
Tributary Area
Pump Station Photos
Purchase Agreement





TRIBUTARY AREA

SURFACE FLOW DIRECTION

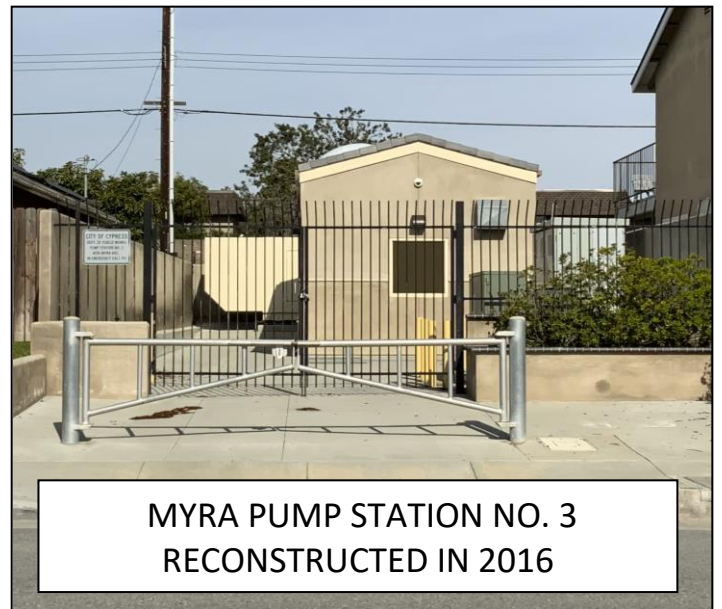
EXISTING STORM DRAIN



EXISTING MYRA PUMP STATION NO. 1
BUILT IN 1961



MYRA PUMP STATION NO. 2
RECONSTRUCTED IN 2012



MYRA PUMP STATION NO. 3
RECONSTRUCTED IN 2016



CALIFORNIA
ASSOCIATION
OF REALTORS®

ADDENDUM No. 1
(C.A.R. Form ADM, Revised 12/21)

The following terms and conditions are hereby incorporated in and made a part of the Purchase Agreement, OR ☐ Residential Lease or Month-to-Month Rental Agreement, ☐ Transfer Disclosure Statement (Note: An amendment to the TDS may give the Buyer a right to rescind), ☐ Other **RPA**

dated **February 1, 2023**, on property known as **5121 Myra Ave.**
Cypress, CA 90630 ("Property/Premises"),
in which **City of Cypress** is referred to as ("Buyer/Tenant")
and **Robert S Ferrier, Trustee, Allison K Ferrier, Trustee** is referred to as ("Seller/Landlord").
Buyer/Tenant and Seller/Landlord are referred to as the "Parties."

1. Seller to pay for title report.

2. Agent will pay for standard home warranty up to \$550

3. Buyers to stay at the property at close of escrow at no charge till 3/20/2023. After 3/21/2023 if seller still at property there will be \$100 a day charge untill they vacate the property.

The foregoing terms and conditions are hereby agreed to, and the undersigned acknowledge receipt of a copy of this Addendum.

Buyer/Tenant _____ Date _____

City of Cypress

Buyer/Tenant _____ Date _____

DocuSigned by:

Seller/Landlord **Robert S Ferrier, Trustee** Date **2/9/2023**

Robert S Ferrier, Trustee

Seller/Landlord **Allison K Ferrier, Trustee** Date **2/9/2023**

Allison K Ferrier, Trustee

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ADM REVISED 12/21 (PAGE 1 OF 1)

ADDENDUM (ADM PAGE 1 OF 1)



CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

(C.A.R. FORM RPA, Revised 12/22)

Date Prepared: January 31, 2023**1. OFFER:**

- A. THIS IS AN OFFER FROM** City of Cypress ("Buyer").
- B. THE PROPERTY** to be acquired is 5121 Myra Ave., situated in Cypress (City), Orange County (County), California, 90630 (Zip Code), Assessor's Parcel No(s). 241-044-01 ("Property").
(Postal/Mailing address may be different from city jurisdiction. Buyer is advised to investigate.)
- C. THE TERMS OF THE PURCHASE ARE SPECIFIED BELOW AND ON THE FOLLOWING PAGES.**
- D. Buyer and Seller are referred to herein as the "Parties." Brokers and Agents are not Parties to this Agreement.**

2. AGENCY:

- A. DISCLOSURE:** The Parties each acknowledge receipt of a "Disclosure Regarding Real Estate Agency Relationships" (C.A.R. Form AD) if represented by a real estate licensee. Buyer's Agent is not legally required to give to Seller's Agent the AD form Signed by Buyer. Seller's Agent is not legally obligated to give to Buyer's Agent the AD form Signed by Seller.
- B. CONFIRMATION:** The following agency relationships are hereby confirmed for this transaction.
- Seller's Brokerage Firm** RE/MAX Tiffany Real Estate License Number 01195996
Is the broker of (check one): ☐ the Seller; or ☒ both the Buyer and Seller (Dual Agent).
- Seller's Agent** Rita Gamil License Number 01801375
Is (check one): ☐ the Seller's Agent. (Salesperson or broker associate); or ☒ both the Buyer's and Seller's Agent (Dual Agent).
- Buyer's Brokerage Firm** RE/MAX Tiffany Real Estate License Number 01195996
Is the broker of (check one): ☐ the Buyer; or ☒ both the Buyer and Seller (Dual Agent).
- Buyer's Agent** Rita Gamil License Number 01801375
Is (check one): ☐ the Buyer's Agent. (Salesperson or broker associate); or ☒ both the Buyer's and Seller's Agent (Dual Agent).
- C. ☐ More than one Brokerage represents ☐ Seller, ☐ Buyer. See, Additional Broker Acknowledgement (C.A.R. Form ABA).**
- D. POTENTIALLY COMPETING BUYERS AND SELLERS:** The Parties each acknowledge receipt of a ☒ "Possible Representation of More than One Buyer or Seller - Disclosure and Consent" (C.A.R. Form PRBS).
- 3. TERMS OF PURCHASE AND ALLOCATION OF COSTS:** The items in this paragraph are contractual terms of the Agreement. Referenced paragraphs provide further explanation. This form is 16 pages. The Parties are advised to read all 16 pages.

	Paragraph #	Paragraph Title or Contract Term	Terms and Conditions	Additional Terms
A	5, 5B (cash)	Purchase Price	\$ <u>830,000.00</u>	☒ All Cash
B		Close of Escrow (COE)	☐ Days after Acceptance OR on ☒ <u>02/23/2023</u> (date)	
C	32A	Expiration of Offer	3 calendar days after all Buyer Signature(s) or _____ (date), at 5PM or ☐ AM/ ☐ PM	
D(1)	5A(1)	Initial Deposit Amount	\$ <u>24,900.00</u> (<u>3.00</u> % of purchase price) (% number above is for calculation purposes and is not a contractual term)	within 3 (or _____) business days after Acceptance by wire transfer OR ☒ check
D(2)	5A(2)	☐ Increased Deposit (Money placed into escrow after the initial deposit. Use form DID at time increased deposit is made.)	\$ _____ (_____ % of purchase price) (% number above is for calculation purposes and is not a contractual term)	Upon removal of all contingencies OR ☐ _____ (date) OR ☐ _____
E(1)	5C(1)	Loan Amount(s): First Interest Rate Points If FHA or VA checked, Deliver list of lender required repairs	\$ _____ (_____ % of purchase price) Fixed rate or ☐ Initial adjustable rate • not to exceed _____ % • Buyer to pay up to _____ points to obtain the rate above 17 (or _____) Days after Acceptance	Conventional or, if checked, ☐ FHA (Forms FVAC/HID attached) ☐ VA (Form FVAC attached) ☐ Seller Financing ☐ Other: _____
E(2)	5C(2)	Additional Financed Amount Interest Rate Points	\$ _____ (_____ % of purchase price) Fixed rate or ☐ Initial adjustable rate • not to exceed _____ % • Buyer to pay up to _____ points to obtain rate above	Conventional or, if checked, ☐ Seller Financing ☐ Other: _____
E(3)	7A	Occupancy Type	Primary, or if checked, ☐ Secondary ☐ Investment	
F	5D	Balance of Down Payment	\$ <u>805,100.00</u>	
		PURCHASE PRICE TOTAL	\$ <u>830,000.00</u>	

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RPA REVISED 12/22 (PAGE 1 OF 16)

Buyer's Initials RSeller's Initials RSP

CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (RPA PAGE 1 OF 16)

Re/Max Tiffany, 5925 Ball Rd, Cypress CA 90630
Rita GamilPhone: 714-350-3653 Fax: 714-995-5625
Produced with Lone Wolf Transactions (zipForm Edition) 717 N Harwood St, Suite 2200, Dallas, TX 75201 www.lwolf.com

Robert S &

Property Address: 5121 Myra Ave., Cypress, CA 90630

Date: January 31, 2023

	Paragraph #	Paragraph Title or Contract Term	Terms and Conditions	Additional Terms
G(1)	5E	Seller Credit, if any, to Buyer	☐ \$ _____ (% of purchase price) (% number above is for calculation purposes and is not a contractual term)	Seller credit to be applied to closing costs OR ☐ Other: _____
G(2)	ADDITIONAL FINANCE TERMS: _____			
G(3)	18	☐ Seller agrees to pay the obligation of Buyer to compensate Buyer's Broker under a separate agreement (C.A.R. Form SPBB attached). Seller's Broker's offer, if any, to compensate Buyer's Broker is unaffected unless Otherwise Agreed.		
H(1)	5B	Verification of All Cash (sufficient funds)	Attached to the offer or ☐ 3 (or _____) Days after Acceptance	
H(2)	6A	Verification of Down Payment and Closing Costs	Attached to the offer or ☐ 3 (or _____) Days after Acceptance	
H(3)	6B	Verification of Loan Application	Attached to the offer or ☐ 3 (or _____) Days after Acceptance	
I	Intentionally Left Blank			
J	16	Final Verification of Condition	5 (or _____) Days prior to COE	
K	23	Assignment Request	17 (or 5) Days after Acceptance	
L	8	CONTINGENCIES	TIME TO REMOVE CONTINGENCIES	
L(1)	8A	Loan(s)	17 (or _____) Days after Acceptance	☒ No loan contingency
L(2)	8B	Appraisal: Appraisal contingency based upon appraised value at a minimum of purchase price or ☐ \$ _____	17 (or _____) Days after Acceptance	☒ No appraisal contingency Removal of appraisal contingency does not eliminate appraisal cancellation rights in FVAC.
L(3)	8C, 12	Investigation of Property Informational Access to Property Buyer's right to access the Property for informational purposes is NOT a contingency, does NOT create cancellation rights, and applies even if contingencies are removed.	17 (or 5) Days after Acceptance 17 (or 5) Days after Acceptance	REMOVAL OR WAIVER OF CONTINGENCY: Any contingency in L(1)-L(7) may be removed or waived by checking the applicable box above or attaching a Contingency Removal (C.A.R. Form CR) and checking the applicable box therein. Removal or Waiver at time of offer is against Agent advice. See paragraph 8H. ☐ CR attached
L(4)	8D, 14A	Review of Seller Documents	17 (or _____) Days after Acceptance, or 5 Days after Delivery, whichever is later	
L(5)	8E, 13A	Preliminary ("Title") Report	17 (or _____) Days after Acceptance, or 5 Days after Delivery, whichever is later	
L(6)	8F, 11L	Common Interest Disclosures required by Civil Code § 4525 or this Agreement	17 (or _____) Days after Acceptance, or 5 Days after Delivery, whichever is later	
L(7)	8G, 9B(6)	Review of leased or lien items (Such as for solar panels or propane tanks or HERO liens)	17 (or _____) Days after Acceptance, or 5 Days after Delivery, whichever is later	
L(8)	8J	Sale of Buyer's Property Sale of Buyer's property is not a contingency, UNLESS checked here: ☐ C.A.R. Form COP attached		
M		Possession	Time for Performance	Additional Terms
M(1)		Time of Possession	Upon notice of recordation, OR ☐ 6 PM or ☐ AM/ ☐ PM on date specified, as applicable, in 3M(2) or attached TOPA.	
M(2)	7C	Seller Occupied or Vacant units	COE date or, if checked below, ☒ 25 days after COE (29 or fewer days) ☐ _____ days after COE (30 or more days)	C.A.R. Form SIP attached if 29 or fewer days. C.A.R. Form RLAS attached if 30 or more days.
M(3)	4A, 7A	Occupied units by tenants or anyone other than the Seller	☐ Tenant Occupied Property Addendum (C.A.R. Form TOPA) attached	Seller shall disclose to Buyer if occupied by tenants or persons other than the Seller, and attach TOPA in a counter offer if not part of Buyer's offer.
N		Documents/Fees/Compliance	Time for Performance	
N(1)	14A	Seller Delivery of Documents	7 (or _____) Days after Acceptance	
N(2)	19B	Sign and return Escrow Holder Provisions and Instructions	5 (or _____) Days after Delivery	
N(3)	11L(2)	Time to pay fees for ordering HOA Documents	3 (or _____) Days after Acceptance	
N(4)	10B(1)	Install smoke alarm(s), CO detector(s), water heater bracing	7 (or _____) Days after Acceptance	
N(5)	28	Evidence of representative authority	3 Days after Acceptance	

RPA REVISED 12/22 (PAGE 2 OF 16)

Buyer's Initials

Seller's Initials

CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (RPA PAGE 2 OF 16)

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Robert S &



Property Address: 5121 Myra Ave., Cypress, CA 90630

Date: January 31, 2023

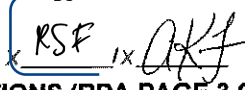
O	Intentionally Left Blank			
P	Items Included and Excluded			
P(1)	9	Items Included - All items specified in Paragraph 9B are included and the following, if checked: ☐ Stove(s), oven(s), stove/oven combo(s); ☐ Refrigerator(s); ☐ Wine Refrigerator(s); ☐ Washer(s); ☐ Dryer(s); ☐ Dishwasher(s); ☐ Microwave(s); Additional Items Included: ☐ _____ ☐ Video doorbell(s); ☐ Security camera equipment; ☐ Security system(s)/alarm(s), other than separate video doorbell and camera equipment; ☐ Smart home control devices; ☐ Wall mounted brackets for video or audio equipment; ☐ _____ ☐ Above-ground pool(s) / ☐ spa(s); ☒ Bathroom mirrors, unless excluded below; ☐ Electric car charging systems and stations; ☐ Potted trees/shrubs; ☐ _____		
P(2)	9	Excluded Items: ☐ _____; ☐ _____; ☐ _____		
Q	Allocation of Costs			
	Paragraph #	Item Description	Who Pays (if Both is checked, cost to be split equally unless Otherwise Agreed)	Additional Terms
Q(1)	10A, 11A	Natural Hazard Zone Disclosure Report, including tax information	☒ Buyer ☐ Seller ☐ Both _____ ☐ Provided by: _____	☒ Environmental ☐ Other _____
Q(2)		_____ Report	☐ Buyer ☐ Seller ☐ Both _____	
Q(3)		_____ Report	☐ Buyer ☐ Seller ☐ Both _____	
Q(4)	10B(1)	Smoke alarms, CO detectors, water heater bracing	☐ Buyer ☐ Seller ☐ Both _____	
Q(5)	10A 10B(2)	Government Required Point of Sale inspections, reports	☐ Buyer ☐ Seller ☐ Both _____	
Q(6)	10B(2)	Government Required Point of Sale corrective/remedial actions	☐ Buyer ☐ Seller ☐ Both _____	
Q(7)	19B	Escrow Fee	☒ Buyer ☐ Seller ☐ Both _____ ☐ Each to pay their own fees	Escrow Holder: <u>seller's choice</u>
Q(8)	13	Owner's title insurance policy	☒ Buyer ☐ Seller ☐ Both _____	Title Company (if different from Escrow Holder): <u>seller's choice</u>
Q(9)		Buyer's Lender title insurance policy	Buyer	Unless Otherwise Agreed, Buyer shall purchase any title insurance policy insuring Buyer's lender.
Q(10)		County transfer tax, fees	☐ Buyer ☒ Seller ☐ Both _____	
Q(11)		City transfer tax, fees	☐ Buyer ☒ Seller ☐ Both _____	
Q(12)	11L(2)	HOA fee for preparing disclosures	Seller	
Q(13)		HOA certification fee	Buyer	
Q(14)		HOA transfer fees	☐ Buyer ☐ Seller ☐ Both _____	Unless Otherwise Agreed, Seller shall pay for separate HOA move-out fee and Buyer shall pay for separate move-in fee. Applies if separately billed or itemized with cost in transfer fee.
Q(15)		Private transfer fees	Seller, or if checked, ☐ Buyer ☐ Both _____	
Q(16)		_____ fees or costs	☐ Buyer ☐ Seller ☐ Both _____	
Q(17)		_____ fees or costs	☐ Buyer ☐ Seller ☐ Both _____	
Q(18)	10C	Home warranty plan chosen by Buyer. Coverage includes, but is not limited to: _____ _____	☐ Buyer ☐ Seller ☐ Both _____ Issued by: _____ ☒ Buyer waives home warranty plan	If Seller or Both checked, Seller's cost not to exceed \$ _____.
R	OTHER TERMS: <i>This is AS-IS sale, no repairs, or credit to the buyers. Sellers choice of all serives, buyers to pay for title, escrow, natural hazard and any other costs and not to exceed \$15,000.</i>			

RPA REVISED 12/22 (PAGE 3 OF 16)

Buyer's Initials



Seller's Initials




CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (RPA PAGE 3 OF 16)

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Robert S &

Property Address: 5121 Myra Ave., Cypress, CA 90630

Date: January 31, 2023

4. PROPERTY ADDENDA AND ADVISORIES: (check all that apply)**A. PROPERTY TYPE ADDENDA:** This Agreement is subject to the terms contained in the Addenda checked below:

- ☐ Tenant Occupied Property Addendum (C.A.R. Form TOPA) (Should be checked whether current tenants will remain or not.)
☐ Probate Agreement Purchase Addendum (C.A.R. Form PA-PA)
☐ Manufactured Home Purchase Addendum (C.A.R. Form MH-PA)
☐ Tenancy in Common Purchase Addendum (C.A.R. Form TIC-PA)
☐ Stock Cooperative Purchase Addendum (C.A.R. Form COOP-PA)
☐ Mixed Use Purchase Addendum (C.A.R. Form MU-PA) ☐ Other _____

B. OTHER ADDENDA: This Agreement is subject to the terms contained in the Addenda checked below:

- ☐ Addendum # _____ (C.A.R. Form ADM) ☐ Short Sale Addendum (C.A.R. Form SSA)
☐ Back Up Offer Addendum (C.A.R. Form BUO) ☐ Court Confirmation Addendum (C.A.R. Form CCA)
☐ Septic, Well, Property Monument and Propane Addendum (C.A.R. Form SWPI)
☐ Buyer Intent to Exchange Addendum (C.A.R. Form BXA) ☐ Seller Intent to Exchange Addendum (C.A.R. Form SXA)
☐ Other _____ ☐ Other _____

C. BUYER AND SELLER ADVISORIES: (Note: All Advisories below are provided for reference purposes only and are not intended to be incorporated into this Agreement.)

- ☒ Buyer's Investigation Advisory (C.A.R. Form BIA) ☒ Fair Housing and Discrimination Advisory (C.A.R. Form FHDA)
☒ Wire Fraud Advisory (C.A.R. Form WFA) ☒ Cal. Consumer Privacy Act Advisory (C.A.R. Form CCPA)
 (Parties may also receive a privacy disclosure from their own Agent.)
☐ Wildfire Disaster Advisory (C.A.R. Form WFDA) ☐ Statewide Buyer and Seller Advisory (C.A.R. Form SBSA)
☐ Trust Advisory (C.A.R. Form TA) ☐ Short Sale Information and Advisory (C.A.R. Form SSIA)
☐ REO Advisory (C.A.R. Form REO) ☐ Probate Advisory (C.A.R. Form PA)
☐ Other _____ ☐ Other _____

5. ADDITIONAL TERMS AFFECTING PURCHASE PRICE: Buyer represents that funds will be good when deposited with Escrow Holder.**A. DEPOSIT:**

- (1) **INITIAL DEPOSIT:** Buyer shall deliver deposit directly to Escrow Holder. If a method other than wire transfer is specified in **paragraph 3D(1)** and such method is unacceptable to Escrow Holder, then upon notice from Escrow Holder, delivery shall be by wire transfer.
 (2) **INCREASED DEPOSIT:** Increased deposit specified in **paragraph 3D(2)** is to be delivered to Escrow Holder in the same manner as the Initial Deposit. If the Parties agree to liquidated damages in this Agreement, they also agree to incorporate the increased deposit into the liquidated damages amount by signing a new liquidated damages clause (C.A.R. Form DID) at the time the increased deposit is delivered to Escrow Holder.
 (3) **RETENTION OF DEPOSIT:** Paragraph 29, if initialed by all Parties or otherwise incorporated into this Agreement, specifies a remedy for Buyer's default. Buyer and Seller are advised to consult with a qualified California real estate attorney: (i) Before adding any other clause specifying a remedy (such as release or forfeiture of deposit or making a deposit non-refundable) for failure of Buyer to complete the purchase. Any such clause shall be deemed invalid unless the clause independently satisfies the statutory liquidated damages requirements set forth in the Civil Code; and (ii) Regarding possible liability and remedies if Buyer fails to deliver the deposit.

B. ALL CASH OFFER: If an all cash offer is specified in **paragraph 3A**, no loan is needed to purchase the Property. This Agreement is NOT contingent on Buyer obtaining a loan. Buyer shall, within the time specified in **paragraph 3H(1)**, Deliver written verification of funds sufficient for the purchase price and closing costs.**C. LOAN(S):**

- (1) **FIRST LOAN:** This loan will provide for conventional financing **UNLESS** FHA, VA, Seller Financing (C.A.R. Form SFA), or Other is checked in **paragraph 3E(1)**.
 (2) **ADDITIONAL FINANCED AMOUNT:** If an additional financed amount is specified in **paragraph 3E(2)**, that amount will provide for conventional financing **UNLESS** Seller Financing (C.A.R. Form SFA), or Other is checked in **paragraph 3E(2)**.
 (3) **BUYER'S LOAN STATUS:** Buyer authorizes Seller and Seller's Authorized Agent to contact Buyer's lender(s) to determine the status of any Buyer's loan specified in **paragraph 3E**, or any alternate loan Buyer pursues, whether or not a contingency of this Agreement. If the contact information for Buyer's lender(s) is different from that provided under the terms of **paragraph 6B**, Buyer shall Deliver the updated contact information within 1 Day of Seller's request.
 (4) **FHA/VA:** If FHA or VA is checked in **paragraph 3E(1)**, a FHA/VA mandatory clause (C.A.R. Form FVAC) shall be incorporated and Signed by all Parties. Buyer shall, within the time specified in **paragraph 3E(1)**, Deliver to Seller written notice (C.A.R. Form RR or AEA) (i) of any lender requirements that Buyer requests Seller to pay for or otherwise correct or (ii) that there are no lender requirements. Notwithstanding Seller's agreement that Buyer may obtain FHA or VA financing, Seller has no obligation to pay or satisfy any or all lender requirements unless agreed in writing.

D. BALANCE OF PURCHASE PRICE (DOWN PAYMENT, paragraph 3F) (including all-cash funds) to be deposited with Escrow Holder pursuant to Escrow Holder instructions.**E. LIMITS ON CREDITS TO BUYER:** Any credit to Buyer as specified in **paragraph 3G(1)** or Otherwise Agreed, from any source, for closing or other costs that is agreed to by the Parties ("Contractual Credit") shall be disclosed to Buyer's lender, if any, and made at Close Of Escrow. If the total credit allowed by Buyer's lender ("Lender Allowable Credit") is less than the Contractual Credit, then (i) the Contractual Credit from Seller shall be reduced to the Lender Allowable Credit, and (ii) in the absence of a separate written agreement between the Parties, there shall be no automatic adjustment to the purchase price to make up for the difference between the Contractual Credit and the Lender Allowable Credit.**6. ADDITIONAL FINANCING TERMS:**

- A. VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS:** Written verification of Buyer's down payment and closing costs, within the time specified in **paragraph 3H(2)** may be made by Buyer or Buyer's lender or loan broker pursuant to **paragraph 6B**.
B. VERIFICATION OF LOAN APPLICATIONS: Buyer shall Deliver to Seller, within the time specified in **paragraph 3H(3)** a letter from Buyer's lender or loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for any NEW loan specified in **paragraph 3E**. If any loan specified in **paragraph 3E** is an adjustable rate loan, the prequalification or preapproval letter shall be based on the qualifying rate, not the initial loan rate.

RSE ix



Property Address: 5121 Myra Ave., Cypress, CA 90630

Date: January 31, 2023

- C. BUYER STATED FINANCING:** Seller is relying on Buyer's representation of the type of financing specified (including, but not limited to, as applicable, all cash, amount of down payment, or contingent or non-contingent loan). Seller has agreed to a specific closing date, purchase price, and to sell to Buyer in reliance on Buyer's specified financing. Buyer shall pursue the financing specified in this Agreement, even if Buyer also elects to pursue an alternative form of financing. Seller has no obligation to cooperate with Buyer's efforts to obtain any financing other than that specified in this Agreement but shall not interfere with closing at the purchase price on the COE date (**paragraph 3B**) even if based upon alternate financing. Buyer's inability to obtain alternate financing does not excuse Buyer from the obligation to purchase the Property and close escrow as specified in this Agreement.
- 7. CLOSING AND POSSESSION:**
- A. OCCUPANCY:** If Buyer intends to occupy as a primary or secondary residence (see **paragraph 3E(3)**), and unless Otherwise Agreed, such as in C.A.R. Form TOPA: (i) the unit Buyer intends to occupy shall be vacant at the time possession is delivered to Buyer, and (ii) if the Property contains more than one unit, within **3 Days** after Acceptance Buyer shall give Seller written notice of which unit Buyer intends to occupy. Occupancy may impact available financing. **Seller shall disclose to Buyer if occupied by tenants or persons other than Seller, and attach C.A.R. Form TOPA in a counter offer if not part of Buyer's offer.**
- B. CONDITION OF PROPERTY ON CLOSING:**
- (1) Unless Otherwise Agreed: (i) the Property shall be delivered "**As-Is**" in its PRESENT physical condition as of the date of Acceptance; (ii) the Property, including pool, spa, landscaping and grounds, is to be maintained in substantially the same condition as on the date of Acceptance; and (iii) all debris and personal property not included in the sale shall be removed by Close Of Escrow or at the time possession is delivered to Buyer, if not on the same date. If items are not removed when possession is delivered to Buyer, all items shall be deemed abandoned. Buyer, after first Delivering to Seller written notice to remove the items within **3 Days**, may pay to have such items removed or disposed of and may bring legal action, as per this Agreement, to receive reasonable costs from Seller.
- (2) **Buyer is strongly advised to conduct investigations of the entire Property in order to determine its present condition. Seller and Agents may not be aware of all defects affecting the Property or other factors that Buyer considers important. Property improvements may not be built according to code, in compliance with current Law, or have had all required permits issued and/or finalized.**
- C. SELLER REMAINING IN POSSESSION AFTER CLOSE OF ESCROW:** If Seller has the right to remain in possession after Close Of Escrow pursuant to **paragraph 3M(2)** or as Otherwise Agreed: The Parties are advised to (i) consult with their insurance and legal advisors for information about liability and damage or injury to persons and personal and real property; and (ii) consult with a qualified California real estate attorney where the Property is located to determine the ongoing rights and responsibilities of both Buyer and Seller with regard to each other, including possible tenant rights, and what type of written agreement to use to document the relationship between the Parties. Buyer is advised to consult with Buyer's lender about the impact of Seller's occupancy on Buyer's loan.
- D. At Close Of Escrow:** (i) Seller assigns to Buyer any assignable warranty rights for items included in the sale; and (ii) Seller shall Deliver to Buyer available Copies of any such warranties. Agents cannot and will not determine the assignability of any warranties.
- E. Seller shall, on Close Of Escrow unless Otherwise Agreed and even if Seller remains in possession, provide keys, passwords, codes and/or means to operate all locks, mailboxes, security systems, alarms, home automation systems, intranet and Internet-connected devices included in the purchase price, garage door openers, and all items included in either **paragraph 3P** or **paragraph 9**. If the Property is a condominium or located in a common interest development, Seller shall be responsible for securing or providing any such items for Association amenities, facilities, and access. Buyer may be required to pay a deposit to the Homeowners' Association ("HOA") to obtain keys to accessible HOA facilities.**
- 8. CONTINGENCIES AND REMOVAL OF CONTINGENCIES:**
- A. LOAN(S):**
- (1) This Agreement is, **unless otherwise specified in paragraph 3L(1) or an attached CR form**, contingent upon Buyer obtaining the loan(s) specified. If contingent, Buyer shall act diligently and in good faith to obtain the designated loan(s). **If there is no appraisal contingency or the appraisal contingency has been waived or removed, then failure of the Property to appraise at the purchase price does not entitle Buyer to exercise the cancellation right pursuant to the loan contingency if Buyer is otherwise qualified for the specified loan and Buyer is able to satisfy lender's non-appraisal conditions for closing the loan.**
- (2) Buyer is advised to investigate the insurability of the Property as early as possible, as this may be a requirement for lending. Buyer's ability to obtain insurance for the Property, including fire insurance, is part of Buyer's Investigation of Property contingency. Failure of Buyer to obtain insurance may justify cancellation based on the Investigation contingency but not the loan contingency.
- (3) Buyer's contractual obligations regarding deposit, balance of down payment and closing costs **are not contingencies** of this Agreement, unless Otherwise Agreed.
- (4) If there is an appraisal contingency, removal of the loan contingency shall not be deemed removal of the appraisal contingency.
- (5) **NO LOAN CONTINGENCY:** If "No loan contingency" is checked in **paragraph 3L(1)**, obtaining any loan specified is NOT a contingency of this Agreement. If Buyer does not obtain the loan specified, and as a result is unable to purchase the Property, Seller may be entitled to Buyer's deposit or other legal remedies.
- B. APPRAISAL:**
- (1) This Agreement is, **unless otherwise specified in paragraph 3L(2) or an attached CR form**, contingent upon a written appraisal of the Property by a licensed or certified appraiser at no less than the amount specified in **paragraph 3L(2)**, without requiring repairs or improvements to the Property. Appraisals are often a reliable source to verify square footage of the subject Property. However, the ability to cancel based on the measurements provided in an appraisal falls within the Investigation of Property contingency. The appraisal contingency is solely limited to the value determined by the appraisal. For any cancellation based upon this appraisal contingency, Buyer shall Deliver a Copy of the written appraisal to Seller, upon request by Seller.
- (2) **NO APPRAISAL CONTINGENCY:** If "No appraisal contingency" is checked in **paragraph 3L(2)**, then Buyer may not use the loan contingency specified in **paragraph 3L(1)** to cancel this Agreement if the sole reason for not obtaining the loan is that the appraisal relied upon by Buyer's lender values the property at an amount less than that specified in **paragraph 3L(2)**. If Buyer is unable to obtain the loan specified solely for this reason, Seller may be entitled to Buyer's deposit or other legal remedies.
- (3) ☒ Fair Appraisal Act: The Parties acknowledge receipt of the attached Fair Appraisal Act Addendum (C.A.R. Form FAAA).
- C. INVESTIGATION OF PROPERTY:** This Agreement is, as specified in **paragraph 3L(3)**, contingent upon Buyer's acceptance of the condition of, and any other matter affecting, the Property. See **paragraph 12**.
- D. REVIEW OF SELLER DOCUMENTS:** This Agreement is, as specified in **paragraph 3L(4)**, contingent upon Buyer's review and approval of Seller's documents required in **paragraph 14A**.



Property Address: 5121 Myra Ave., Cypress, CA 90630

Date: January 31, 2023

E. TITLE:

- (1) This Agreement is, as specified in **paragraph 3L(5)**, contingent upon Buyer's ability to obtain the title policy provided for in **paragraph 13G** and on Buyer's review of a current Preliminary Report and items that are disclosed or observable even if not on record or not specified in the Preliminary Report, and satisfying Buyer regarding the current status of title. Buyer is advised to review all underlying documents and other matters affecting title, including, but not limited to, any documents or deeds referenced in the Preliminary Report and any plotted easements.
- (2) Buyer has **5 Days** after receipt to review a revised Preliminary Report, if any, furnished by the Title Company and cancel the transaction if the revised Preliminary Report reveals material or substantial deviations from a previously provided Preliminary Report.

F. CONDOMINIUM/PLANNED DEVELOPMENT DISCLOSURES (IF APPLICABLE): This Agreement is, as specified in **paragraph 3L(6)**, contingent upon Buyer's review and approval of Common Interest Disclosures required by Civil Code § 4525 and under **paragraph 11L** ("CI Disclosures").**G. BUYER REVIEW OF LEASED OR LIENED ITEMS CONTINGENCY:** Buyer's review of and ability and willingness to assume any lease, maintenance agreement or other ongoing financial obligation, or to accept the Property subject to any lien, disclosed pursuant to **paragraph 9B(6)**, is, as specified in **paragraph 3L(7)**, a contingency of this Agreement. Any assumption of the lease shall not require any financial obligation or contribution by Seller. Seller, after first Delivering a Notice to Buyer to Perform, may cancel this Agreement if Buyer, by the time specified in **paragraph 3L(7)**, refuses to enter into any necessary written agreements to accept responsibility for all obligations of Seller-disclosed leased or lienied items.**H. REMOVAL OR WAIVER OF CONTINGENCIES WITH OFFER:** Buyer shall have no obligation to remove a contractual contingency unless Seller has provided all required documents, reports, disclosures, and information pertaining to that contingency. If Buyer does remove a contingency without first receiving all required information from Seller, Buyer is relinquishing any contractual rights that apply to that contingency. If Buyer removes or waives any contingencies without an adequate understanding of the Property's condition or Buyer's ability to purchase, Buyer is acting against the advice of Agent.**I. REMOVAL OF CONTINGENCY OR CANCELLATION:**

- (1) For any contingency specified in **paragraph 3L, 8, or elsewhere**, Buyer shall, within the applicable period specified, remove the contingency or cancel this Agreement.
- (2) For the contingencies for review of Seller Documents, Preliminary Report, and Condominium/Planned Development Disclosures, Buyer shall, within the time specified in **paragraph 3L** or **5 Days** after Delivery of Seller Documents or CI Disclosures, whichever occurs later, remove the applicable contingency in writing or cancel this Agreement.
- (3) If Buyer does not remove a contingency within the time specified, Seller, after first giving Buyer a Notice to Buyer to Perform (C.A.R. Form NBP), shall have the right to cancel this Agreement.

J. SALE OF BUYER'S PROPERTY: This Agreement and Buyer's ability to obtain financing are NOT contingent upon the sale of any property owned by Buyer unless the Sale of Buyer's Property (C.A.R. Form COP) is checked as a contingency of this Agreement in **paragraph 3L(8)**.**9. ITEMS INCLUDED IN AND EXCLUDED FROM SALE:****A. NOTE TO BUYER AND SELLER:** Items listed as included or excluded in the Multiple Listing Service (MLS), flyers, marketing materials, or disclosures are NOT included in the purchase price or excluded from the sale unless specified in this paragraph or **paragraph 3P** or as Otherwise Agreed. Any items included herein are components of the home and are not intended to affect the price. All items are transferred without Seller warranty.**B. ITEMS INCLUDED IN SALE:**

- (1) All EXISTING fixtures and fittings that are attached to the Property;
- (2) EXISTING electrical, mechanical, lighting, plumbing and heating fixtures, ceiling fans, fireplace inserts, gas logs and grates, solar power systems, built-in appliances and appliances for which special openings or encasements have been made (whether or not checked in **paragraph 3P**), window and door screens, awnings, shutters, window coverings (which includes blinds, curtains, drapery, shutters or any other materials that cover any portion of the window) and any associated hardware and rods, attached floor coverings, television antennas, satellite dishes, air coolers/conditioners, pool/spa equipment (including, but not limited to, any cleaning equipment such as motorized/automatic pool cleaners, pool heaters, pool nets, pool covers), garage door openers/remote controls, mailbox, in-ground landscaping, water features and fountains, water softeners, water purifiers, light bulbs (including smart bulbs) and all items specified as included in **paragraph 3P**, if currently existing at the time of Acceptance.

Note: If Seller does not intend to include any item specified as being included above because it is not owned by Seller, whether placed on the Property by Agent, stager or other third party, the item should be listed as being excluded in **paragraph 3P** or excluded by Seller in a counter offer.

- (3) Security System includes any devices, hardware, software, or control units used to monitor and secure the Property, including but not limited to, any motion detectors, door or window alarms, and any other equipment utilized for such purpose. If checked in **paragraph 3P**, all such items are included in the sale, whether hard wired or not.
- (4) Home Automation (Smart Home Features) includes any electronic devices and features including, but not limited to, thermostat controls, kitchen appliances not otherwise excluded, and lighting systems, that are connected (hard wired or wirelessly) to a control unit, computer, tablet, phone, or other "smart" device. Any Smart Home devices and features that are physically affixed to the real property, and also existing light bulbs, are included in the sale. Buyer is advised to use **paragraph 3P(1)** or an addendum to address more directly specific items to be included. Seller is advised to use a counter offer to address more directly any items to be excluded.
- (5) Non-Dedicated Devices: If checked in **paragraph 3P**, all smart home and security system control devices are included in the sale, except for any non-dedicated personal computer, tablet, or phone used to control such features. Buyer acknowledges that a separate device and access to wifi or Internet may be required to operate some smart home features and Buyer may have to obtain such device after Close Of Escrow. Seller shall de-list any devices from any personal accounts and shall cooperate with any transfer of services to Buyer. Buyer is advised to change all passwords and ensure the security of any smart home features.
- (6) **LEASED OR LIENED ITEMS AND SYSTEMS:** Seller, within the time specified in **paragraph 3N(1)**, shall (i) disclose to Buyer if any item or system specified in **paragraph 3P** or **9B** or otherwise included in the sale is leased, or not owned by Seller, or is subject to any maintenance or other ongoing financial obligation, or specifically subject to a lien or other encumbrance or loan, and (ii) Deliver to Buyer all written materials (such as lease, warranty, financing, etc.) concerning any such item.



Property Address: 5121 Myra Ave., Cypress, CA 90630

Date: January 31, 2023

(7) Seller represents that all items included in the purchase price, unless Otherwise Agreed, (i) are owned by Seller and shall be transferred free and clear of liens and encumbrances, except the items and systems identified pursuant to **paragraph 9B(6)**, and (ii) are transferred without Seller warranty regardless of value. Seller shall cooperate with the identification of any software or applications and Buyer's efforts to transfer any services needed to operate any Smart Home Features or other items included in this Agreement, including, but not limited to, utilities or security systems.

C. ITEMS EXCLUDED FROM SALE: Unless Otherwise Agreed, the following items are excluded from sale: (i) All items specified in **paragraph 3P(2)**; (ii) audio and video components (such as flat screen TVs, speakers and other items) if any such item is not itself attached to the Property, even if a bracket or other mechanism attached to the component or item is attached to the Property; (iii) furniture and other items secured to the Property for earthquake or safety purposes. **Unless otherwise specified in paragraph 3P(1), brackets attached to walls, floors or ceilings for any such component, furniture or item will be removed and holes or other damage shall be repaired, but not painted.**

10. ALLOCATION OF COSTS:

A. INSPECTIONS, REPORTS, TESTS AND CERTIFICATES: Paragraphs 3Q(1), (2), (3), and (5) only determines who is to pay for the inspection, report, test, certificate or service mentioned; it does not determine who is to pay for any work recommended or identified in any such document. Agreements for payment of required work should be specified elsewhere in paragraph 3Q, or 3R, or in a separate agreement (such as C.A.R. Forms RR, RRRR, ADM or AEA). Any reports in these paragraphs shall be Delivered in the time specified in **paragraph 3N(1)**.

B. GOVERNMENT REQUIREMENTS AND CORRECTIVE OR REMEDIAL ACTIONS:

(1) **LEGALLY REQUIRED INSTALLATIONS AND PROPERTY IMPROVEMENTS:** Any required installation of smoke alarm or carbon monoxide device(s) or securing of water heater shall be completed within the time specified in **paragraph 3N(4)** and paid by the Party specified in **paragraph 3Q(4)**. If Buyer is to pay for these items, Buyer, as instructed by Escrow Holder, shall deposit funds into escrow or directly to the vendor completing the repair or installation. Prior to Close Of Escrow, Seller shall Deliver to Buyer written statement(s) of compliance in accordance with any Law, unless Seller is exempt. If Seller is to pay for these items and does not fulfill Seller's obligation in the time specified, and Buyer incurs costs to comply with lender requirements concerning those items, Seller shall be responsible for Buyer's costs.

(2) **POINT OF SALE REQUIREMENTS:**

(A) Point of sale inspections, reports and repairs refer to any such actions required to be completed before or after Close Of Escrow that are required in order to close under any Law and paid by Party specified in **paragraphs 3Q(5) and 3Q(6)**. Unless Parties Otherwise Agree to another time period, any such repair, shall be completed prior to final verification of Property. If Buyer agrees to pay for any portion of such repair, Buyer, shall (i) directly pay to the vendor completing the repair or (ii) provide an invoice to Escrow Holder, deposit funds into escrow sufficient to pay for Buyer's portion of such repair and request Escrow Holder pay the vendor completing the repair.

(B) Buyer shall be provided, within the time specified in **paragraph 3N(1)**, unless Parties Otherwise Agree to another time period, a Copy of any required government-conducted or point-of-sale inspection report prepared pursuant to this Agreement or in anticipation of this sale of the Property.

(3) **REINSPECTION FEES:** If any repair in **paragraph 10B(1)** is not completed within the time specified and the lender requires an additional inspection to be made, Seller shall be responsible for any corresponding reinspection fee. If Buyer incurs costs to comply with lender requirements concerning those items, Seller shall be responsible for those costs.

(4) **INFORMATION AND ADVICE ON REQUIREMENTS:** Buyer and Seller are advised to seek information from a knowledgeable source regarding local and State mandates and whether they are point of sale requirements or requirements of ownership. Agents do not have expertise in this area and cannot ascertain all of the requirements or costs of compliance.

C. HOME WARRANTY:

(1) Buyer shall choose the home warranty plan and any optional coverages. Buyer shall pay any cost of that plan, chosen by Buyer, that exceeds the amount allocated to Seller in **paragraph 3Q(18)**. Buyer is informed that home warranty plans have many optional coverages, including but not limited to, coverages for Air Conditioner and Pool/Spa. Buyer is advised to investigate these coverages to determine those that may be suitable for Buyer and their cost.

(2) If Buyer waives the purchase of a home warranty plan in **paragraph 3Q(18)**, Buyer may still purchase a home warranty plan, at Buyer's expense, prior to Close Of Escrow.

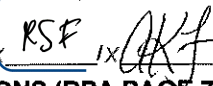
11. STATUTORY AND OTHER DISCLOSURES (INCLUDING LEAD-BASED PAINT HAZARD DISCLOSURES) AND CANCELLATION RIGHTS:

A. TDS, NHD, AND OTHER STATUTORY AND SUPPLEMENTAL DISCLOSURES:

(1) Seller shall, within the time specified in **paragraph 3N(1)**, Deliver to Buyer: unless exempt, fully completed disclosures or notices required by §§ 1102 et. seq. and 1103 et. seq. of the Civil Code ("Statutory Disclosures"). Statutory Disclosures include, but are not limited to, a Real Estate Transfer Disclosure Statement (C.A.R. Form TDS), Natural Hazard Disclosure Statement ("NHD"), notice or actual knowledge of release of illegal controlled substance, notice of special tax and/or assessments (or, if allowed, substantially equivalent notice regarding the Mello-Roos Community Facilities Act of 1982 and Improvement Bond Act of 1915) and, if Seller has actual knowledge, of industrial use and military ordnance location (C.A.R. Form SPQ or ESD), and, if the Property is in a high or very high fire hazard severity area, the information, notices, documentation, and agreements required by §§ 1102.6(f) and 1102.19 of the Civil Code (C.A.R. Form FHDS).

(2) The Real Estate Transfer Disclosure Statement required by this paragraph is considered fully completed if Seller has completed the section titled Coordination with Other Disclosure Forms by checking a box (Section I), and Seller has completed and answered all questions and Signed the Seller's Information section (Section II) and the Seller's Agent, if any, has completed and Signed the Seller's Agent's section (Section III), or, if applicable, an Agent Visual Inspection Disclosure (C.A.R. Form AVID). Section V acknowledgment of receipt of a Copy of the TDS shall be Signed after all previous sections, if applicable, have been completed. Nothing stated herein relieves a Buyer's Agent, if any, from the obligation to (i) conduct a reasonably competent and diligent visual inspection of the accessible areas of the Property and disclose, on Section IV of the TDS, or an AVID, material facts affecting the value or desirability of the Property that were or should have been revealed by such an inspection or (ii) complete any sections on all disclosures required to be completed by Buyer's Agent.

(3) Seller shall, within the time specified in **paragraph 3N(1)**, provide "Supplemental Disclosures" as follows: (i) unless exempt from the obligation to provide a TDS, complete a Seller Property Questionnaire (C.A.R. Form SPQ) by answering all questions and Signing and Delivering a Copy to Buyer; (ii) if exempt from the obligation to provide a TDS, complete an Exempt Seller Disclosure (C.A.R. Form ESD) by answering all questions and Signing and Delivering a Copy to Buyer.


Property Address: 5121 Myra Ave., Cypress, CA 90630

Date: January 31, 2023

- (4) In the event Seller or Seller's Agent, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer under this paragraph, Seller shall, in writing, promptly provide a subsequent or amended TDS, Seller Property Questionnaire or other document, in writing, covering those items. Any such document shall be deemed an amendment to the TDS or SPQ. **However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies of which Buyer is otherwise aware, or which are discovered by Buyer or disclosed in reports or documents provided to or ordered and paid for by Buyer.**
- B. LEAD DISCLOSURES:**
- (1) Seller shall, within the time specified in **paragraph 3N(1)**, for any residential property built before January 1, 1978, unless exempted by Law, Deliver to Buyer a fully completed Federal Lead-Based Paint Disclosures (C.A.R. Form LPD) and pamphlet ("Lead Disclosures").
- (2) Buyer shall, within the time specified in **paragraph 3L(3)**, have the opportunity to conduct a risk assessment or to inspect for the presence of lead-based paint hazards.
- C. HOME FIRE HARDENING DISCLOSURE AND ADVISORY:** For any transaction where a TDS is required, the property is located in a high or very high fire hazard severity zone, and the home was constructed before January 1, 2010, Seller shall, within the time specified in **paragraph 3N(1)**, Deliver to Buyer: (i) a home hardening disclosure required by law; and (ii) a statement of features of which the Seller is aware that may make the home vulnerable to wildfire and flying embers; and (iii) a final inspection report regarding compliance with defensible space requirements if one was prepared pursuant to Government Code § 51182 (C.A.R. Form FHDS).
- D. DEFENSIBLE SPACE DISCLOSURE AND ADDENDUM:** For any transaction in which a TDS is required and the property is located in a high or very high fire hazard severity zone, Seller shall, within the time specified in **paragraph 3N(1)**, Deliver to Buyer (i) a disclosure of whether the Property is in compliance with any applicable defensible space laws designed to protect a structure on the Property from fire; and (ii) an addendum allocating responsibility for compliance with any such defensible space law (C.A.R. Form FHDS).
- E. WAIVER PROHIBITED:** Waiver of Statutory, Lead, and other Disclosures in **paragraphs 11A(1), 11B, 11C, and 11D** are prohibited by Law.
- F. RETURN OF SIGNED COPIES:** Buyer shall, within the time specified in **paragraph 3L(4) OR 5 Days** after Delivery of any disclosures specified in paragraphs **11 A, B, C or D**, and defensible space addendum in **paragraph 11D**, whichever is later, return Signed Copies of the disclosures, and if applicable, addendum, to Seller.
- G. TERMINATION RIGHTS:**
- (1) **Statutory and Other Disclosures:** If any disclosure specified in paragraphs **11A, B, C, or D**, or subsequent or amended disclosure to those just specified, is Delivered to Buyer after the offer is Signed, Buyer shall have the right to terminate this Agreement within **3 Days** after Delivery in person, or **5 Days** after Delivery by deposit in the mail, or by an electronic record or email satisfying the Uniform Electronic Transactions Act (UETA), by giving written notice of rescission to Seller or Seller's Authorized Agent. If Buyer does not rescind within this time period, Buyer has been deemed to have approved the disclosure and shall not have the right to cancel.
- (2) **Defensible Space Compliance:** If, by the time specified in **paragraph 11F**, Buyer does not agree to the terms regarding defensible space compliance Delivered by Seller, as indicated by mutual signatures on the FHDS, then Seller, after first Delivering a Notice to Buyer to Perform, may cancel this Agreement.
- H. WITHHOLDING TAXES:** Buyer and Seller hereby instruct Escrow Holder to withhold the applicable required amounts to comply with federal and California withholding Laws and forward such amounts to the Internal Revenue Service and Franchise Tax Board, respectively. However, no federal withholding is required if, prior to Close Of Escrow, Seller Delivers (i) to Buyer and Escrow Holder a fully completed affidavit (C.A.R. Form AS) sufficient to avoid withholding pursuant to federal withholding Law (FIRPTA); OR (ii) to a qualified substitute (usually a title company or an independent escrow company) a fully completed affidavit (C.A.R. Form AS) sufficient to avoid withholding pursuant to federal withholding Law AND the qualified substitute Delivers to Buyer and Escrow Holder an affidavit signed under penalty of perjury (C.A.R. Form QS) that the qualified substitute has received the fully completed Seller's affidavit and the Seller states that no federal withholding is required; OR (iii) to Buyer other documentation satisfying the requirements under Internal Revenue Code § 1445 (FIRPTA). No withholding is required under California Law if, prior to Close Of Escrow, Escrow Holder has received sufficient documentation from Seller that no withholding is required, and Buyer has been informed by Escrow Holder.
- I. MEGAN'S LAW DATABASE DISCLOSURE:** Notice: Pursuant to § 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides. (Neither Seller nor Agent are required to check this website. If Buyer wants further information, Agent recommends that Buyer obtain information from this website during Buyer's investigation contingency period. Agents do not have expertise in this area.)
- J. NOTICE REGARDING GAS AND HAZARDOUS LIQUID TRANSMISSION PIPELINES:** This notice is being provided simply to inform you that information about the general location of gas and hazardous liquid transmission pipelines is available to the public via the National Pipeline Mapping System (NPMS) Internet Web site maintained by the United States Department of Transportation at <http://www.npms.phmsa.dot.gov/>. To seek further information about possible transmission pipelines near the Property, you may contact your local gas utility or other pipeline operators in the area. Contact information for pipeline operators is searchable by ZIP Code and county on the NPMS Internet Website. (Neither Seller nor Agent are required to check this website. If Buyer wants further information, Agent recommends that Buyer obtain information from this website during Buyer's investigation contingency period. Agents do not have expertise in this area.)
- K. NATURAL AND ENVIRONMENTAL HAZARDS:** Seller shall, within the time specified in **paragraph 3N(1)**, if required by Law: (i) Deliver to Buyer the earthquake guide and environmental hazards booklet, and for all residential property with 1-4 units and any manufactured or mobile home built before January 1, 1960, fully complete and Deliver the Residential Earthquake Risk Disclosure Statement; and (ii) even if exempt from the obligation to provide a NHD, disclose if the Property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; Seismic Hazard Zone; and (iii) disclose any other zone as required by Law and provide any other information required for those zones.
- L. CONDOMINIUM/PLANNED DEVELOPMENT DISCLOSURES:**
- (1) Seller shall, within the time specified in **paragraph 3N(1)**, disclose to Buyer whether the Property is a condominium or is located in a planned development, other common interest development, or otherwise subject to covenants, conditions, and restrictions (C.A.R. Form SPQ or ESD).

RPA REVISED 12/22 (PAGE 8 OF 16)

Buyer's Initials

Seller's Initials



CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (RPA PAGE 8 OF 16)

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Robert S &

Property Address: 5121 Myra Ave., Cypress, CA 90630

Date: January 31, 2023

- (2) If the Property is a condominium or is located in a planned development or other common interest development with a HOA, Seller shall, within the time specified in **paragraph 3N(3)**, order from, and pay any required fee as specified in **paragraph 3Q(12)** for the following items to the HOA (C.A.R. Form HOA-IR): (i) Copies of any documents required by Law (C.A.R. Form HOA-RS); (ii) disclosure of any pending or anticipated claim or litigation by or against the HOA; (iii) a statement containing the location and number of designated parking and storage spaces; (iv) Copies of the most recent 12 months of HOA minutes for regular and special meetings; (v) the names and contact information of all HOAs governing the Property; (vi) pet restrictions; and (vii) smoking restrictions ("CI Disclosures"). Seller shall itemize and Deliver to Buyer all CI Disclosures received from the HOA and any CI Disclosures in Seller's possession. Seller shall, as directed by Escrow Holder, deposit funds into escrow or direct to HOA or management company to pay for any of the above.
- M. SOLAR SYSTEMS:** For properties with any solar panels or solar power systems, Seller shall, within the time specified in **paragraph 3N(1)**, Deliver to Buyer all known information about the solar panels or solar system. Seller may use the Solar Advisory and Questionnaire (C.A.R. Form SOLAR).
- N. KNOWN MATERIAL FACTS:** Seller shall, within the time specified in **paragraph 3N(1)**, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including, but not limited to, known insurance claims within the past five years, or provide Buyer with permission to contact insurer to get such information (C.A.R. Form ARC), and make any and all other disclosures required by Law.
- 12. BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:**
- A.** Buyer shall, within the time specified in **paragraph 3L(3)**, have the right, at Buyer's expense unless Otherwise Agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations").
- B.** Buyer Investigations include, but are not limited to:
- (1) Inspections regarding any physical attributes of the Property or items connected to the Property, such as:
 - (A) A general home inspection.
 - (B) An inspection for lead-based paint and other lead-based paint hazards.
 - (C) An inspection specifically for wood destroying pests and organisms. Any inspection for wood destroying pests and organisms shall be prepared by a registered Structural Pest Control company; shall cover the main building and attached structures; may cover detached structures; shall NOT include water tests of shower pans on upper level units unless the owners of property below the shower consent; shall NOT include roof coverings; and, if the Property is a unit in a condominium or other common interest subdivision, the inspection shall include only the separate interest and any exclusive-use areas being transferred, and shall NOT include common areas; and shall include a report ("Pest Control Report") showing the findings of the company which shall be separated into sections for evident infestation or infections (Section 1) and for conditions likely to lead to infestation or infection (Section 2).
 - (D) Any other specific inspections of the physical condition of the land and improvements.
 - (2) Investigation of any other matter affecting the Property, other than those that are specified as separate contingencies. Buyer Investigations include, but are not limited to, an investigation of the availability and cost of general homeowner's insurance, flood insurance and fire insurance. See, Buyer's Investigation Advisory (C.A.R. Form BIA) for more.
- C.** Without Seller's prior written consent, Buyer shall neither make nor cause to be made: (i) invasive or destructive Buyer Investigations, except for minimally invasive testing required to prepare a Pest Control Report, which shall not include any holes or drilling through stucco or similar material; or (ii) inspections by any governmental building or zoning inspector or government employee, unless required by Law.
- D.** Seller shall make the Property available for all Buyer Investigations. Seller is not obligated to move any existing personal property. Seller shall have water, gas, electricity and all operable pilot lights on for Buyer's Investigations and through the date possession is delivered to Buyer. Buyer shall, (i) by the time specified in **paragraph 3L(3)**, complete Buyer Investigations and satisfy themselves as to the condition of the Property, and either remove the contingency or cancel this Agreement, and (ii) by the time specified in **paragraph 3L(3)** or 3 Days after receipt of any Investigation report, whichever is later, give Seller at no cost, complete Copies of all such reports obtained by Buyer, which obligation shall survive the termination of this Agreement. This Delivery of Investigation reports shall not include any appraisal, except an appraisal received in connection with an FHA or VA loan.
- E. Buyer indemnity and Seller protection for entry upon the Property:** Buyer shall: (i) keep the Property free and clear of liens; (ii) repair all damage arising from Buyer Investigations; and (iii) indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer Investigations or work done on the Property at Buyer's direction prior to Close Of Escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Non-Responsibility" (C.A.R. Form NNR) for Buyer Investigations and work done on the Property at Buyer's direction. Buyer's obligations under this paragraph shall survive the termination of this Agreement.
- 13. TITLE AND VESTING:**
- A.** Buyer shall, within the time specified in **paragraph 3N(1)**, be provided a current Preliminary Report by the person responsible for paying for the title report in **paragraph 3Q(8)**. If Buyer is responsible for paying, Buyer shall act diligently and in good faith to obtain such Preliminary Report within the time specified. The Preliminary Report is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. The company providing the Preliminary Report shall, prior to issuing a Preliminary Report, conduct a search of the General Index for all Sellers except banks or other institutional lenders selling properties they acquired through foreclosure (REOs), corporations, and government entities.
- B.** Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of Acceptance except for: (i) monetary liens of record unless Buyer is assuming those obligations or taking the Property subject to those obligations; and (ii) those matters which Seller has agreed to remove in writing. For any lien or matter not being transferred upon sale, Seller will take necessary action to deliver title free and clear of such lien or matter.
- C.** Seller shall within 7 Days after request, give Escrow Holder necessary information to clear title.
- D.** Seller shall, within the time specified in **paragraph 3N(1)**, disclose to Buyer all matters known to Seller affecting title, whether of record or not.
- E.** If Buyer is a legal entity and the Property purchase price is at least \$300,000 and the purchase price is made without a bank loan or similar form of external financing, a Geographic Targeting Order (GTO) issued by the Financial Crimes Enforcement Network, U.S. Department of the Treasury, requires title companies to collect and report certain information about the Buyer, depending on where the Property is located. Buyer agrees to cooperate with the title company's effort to comply with the GTO.

RPA REVISED 12/22 (PAGE 9 OF 16)

Buyer's Initials

Seller's Initials



CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (RPA PAGE 9 OF 16)

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Robert S &

Property Address: 5121 Myra Ave., Cypress, CA 90630

Date: January 31, 2023

- F. Buyer shall, after Close Of Escrow, receive a recorded grant deed or any other conveyance document required to convey title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's vesting instructions. The recording document shall contain Buyer's post-closing mailing address to enable Buyer's receipt of the recorded conveyance document from the County Recorder. THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.
- G. Buyer shall receive a "ALTA/CLTA Homeowner's Policy of Title Insurance" or equivalent policy of title insurance, if applicable to the type of property and buyer. Escrow Holder shall request this policy. If a ALTA/CLTA Homeowner's Policy of Title Insurance is not offered, Buyer shall receive a CLTA Standard Coverage policy unless Buyer has chosen another policy and instructed Escrow Holder in writing of the policy chosen and agreed to pay any increase in cost. Buyer should consult with the Title Company about the availability, and difference in coverage, and cost, if any, between a ALTA/CLTA Homeowner's Policy and a CLTA Standard Coverage policy and other title policies and endorsements. Buyer should receive notice from the Title Company on its Preliminary (Title) Report of the type of coverage offered. If Buyer is not notified on the Preliminary (Title) Report or is not satisfied with the policy offered, and Buyer nonetheless removes the contingency for Review of the Preliminary Report, Buyer will receive the policy as specified in this paragraph.
- 14. TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS:** The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph by either Buyer or Seller must be exercised in good faith and in writing (C.A.R. Form CR or CC).
- A. SELLER DELIVERY OF DOCUMENTS:** Seller shall, within the time specified in paragraph 3N(1), Deliver to Buyer all reports, disclosures and information ("Reports") for which Seller is responsible as specified in paragraphs 7A, 9B(6), 10, 11A, 11B, 11C, 11D, 11H, 11K, 11L, 11M, 11N, 13A, 13C, and 28.
- B. BUYER REVIEW OF DOCUMENTS; REPAIR REQUEST; CONTINGENCY REMOVAL OR CANCELLATION**
- (1) Buyer has the time specified in paragraph 3 to: (i) perform Buyer Investigations; review all disclosures, Reports, lease documents to be assumed by Buyer pursuant to paragraph 9B(6), and other applicable information, which Buyer receives from Seller; and approve all matters affecting the Property; and (ii) Deliver to Seller Signed Copies of Statutory and Other Disclosures Delivered by Seller in accordance with paragraph 11.
 - (2) Buyer may, within the time specified in paragraph 3L(3), request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to Buyer's requests (C.A.R. Form RR or RRRR). If Seller does not agree or does not respond, Buyer is not contractually entitled to have the repairs or other requests made and may only cancel based on contingencies in this Agreement.
 - (3) Buyer shall, by the end of the times specified in paragraph 3L (or as Otherwise Agreed), Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement (C.A.R. Form CR or CC). However, if any report, disclosure, or information for which Seller is responsible, other than those in paragraph 11A or 11B, is not Delivered within the time specified in paragraph 3N(1), then Buyer has 5 Days after Delivery of any such items, or the times specified in paragraph 3L, whichever is later, to Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement. If Delivery of any Report occurs after a contractual contingency pertaining to that Report has already been waived or removed, the Delivery of the Report does not revive the contingency but there may be a right to terminate for a subsequent or amended disclosure under paragraph 11G.
 - (4) **Continuation of Contingency:** Even after the end of the time specified in paragraph 3L and before Seller cancels, if at all, pursuant to paragraph 14C, Buyer retains the right, in writing, to either (i) remove remaining contingencies, or (ii) cancel this Agreement based on a remaining contingency. Once Buyer's written removal of all contingencies is Delivered to Seller, Seller may not cancel this Agreement pursuant to paragraph 14C(1).
- C. SELLER RIGHT TO CANCEL:**
- (1) **SELLER RIGHT TO CANCEL; BUYER CONTINGENCIES:** If, by the time specified in this Agreement, Buyer does not Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement, then Seller, after first Delivering to Buyer a Notice to Buyer to Perform (C.A.R. Form NBP), may cancel this Agreement. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.
 - (2) **SELLER RIGHT TO CANCEL; BUYER CONTRACT OBLIGATIONS:** Seller, after first Delivering to Buyer a Notice to Buyer to Perform, may cancel this Agreement if, by the time specified in this Agreement, Buyer does not take the following action(s): (i) Deposit funds as required by paragraph 3D(1) or 3D(2) or if the funds deposited pursuant to paragraph 3D(1) or 3D(2) are not good when deposited; (ii) Deliver updated contact information for Buyer's lender(s) as required by paragraph 5C(3); (iii) Deliver a notice of FHA or VA costs or terms, if any, as specified by paragraph 5C(4) (C.A.R. Form RR); (iv) Deliver verification, or a satisfactory verification if Seller reasonably disapproves of the verification already provided, as required by paragraph 5B or 6A; (v) Deliver a letter as required by paragraph 6B; (vi) In writing assume or accept leases or liens specified in paragraph 8G; (vii) Return Statutory and Other Disclosures as required by paragraph 11F; (viii) Cooperate with the title company's effort to comply with the GTO as required by paragraph 13E; (ix) Sign or initial a separate liquidated damages form for an increased deposit as required by paragraphs 5A(2) and 29; (x) Provide evidence of authority to Sign in a representative capacity as specified in paragraph 28; or (xi) Perform any additional Buyer contractual obligation(s) included in this Agreement. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer and other expenses already paid by Escrow Holder pursuant to this Agreement prior to Seller's cancellation.
 - (3) **SELLER RIGHT TO CANCEL; SELLER CONTINGENCIES:** Seller may cancel this Agreement by good faith exercise of any Seller contingency included in this Agreement, or Otherwise Agreed, so long as that contingency has not already been removed or waived in writing.
- D. BUYER RIGHT TO CANCEL:**
- (1) **BUYER RIGHT TO CANCEL; SELLER CONTINGENCIES:** If, by the time specified in this Agreement, Seller does not Deliver to Buyer a removal of the applicable contingency or cancellation of this Agreement, then Buyer, after first Delivering to Seller a Notice to Seller to Perform (C.A.R. Form NSP), may cancel this Agreement. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer and other expenses already paid by Escrow Holder pursuant to this Agreement prior to Buyer's cancellation.
 - (2) **BUYER RIGHT TO CANCEL; SELLER CONTRACT OBLIGATIONS:** If, by the time specified, Seller has not Delivered any item specified in paragraph 3N(1) or Seller has not performed any Seller contractual obligation included in this Agreement by the time specified, Buyer, after first Delivering to Seller a Notice to Seller to Perform, may cancel this Agreement.
 - (3) **BUYER RIGHT TO CANCEL; BUYER CONTINGENCIES:** Buyer may cancel this Agreement by good faith exercise of any Buyer contingency included in paragraph 8, or Otherwise Agreed, so long as that contingency has not already been removed in writing.



Property Address: 5121 Myra Ave., Cypress, CA 90630

Date: January 31, 2023

- E. NOTICE TO BUYER OR SELLER TO PERFORM:** The Notice to Buyer to Perform or Notice to Seller to Perform shall: (i) be in writing; (ii) be Signed by the applicable Buyer or Seller; and (iii) give the other Party at least **2 Days** after Delivery (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A Notice to Buyer to Perform or Notice to Seller to Perform may not be Delivered any earlier than **2 Days** prior to the Scheduled Performance Day to remove a contingency or cancel this Agreement or meet an obligation specified in **paragraph 14**, whether or not the Scheduled Performance Day falls on a Saturday, Sunday or legal holiday. If a Notice to Buyer to Perform or Notice to Seller to Perform is incorrectly Delivered or specifies a time less than the agreed time, the notice shall be deemed invalid and void, and Seller or Buyer shall be required to Deliver a new Notice to Buyer to Perform or Notice to Seller to Perform with the specified timeframe.
- F. EFFECT OF REMOVAL OF CONTINGENCIES:**
- (1) **REMOVAL OF BUYER CONTINGENCIES:** If Buyer removes any contingency or cancellation rights, unless Otherwise Agreed, Buyer shall conclusively be deemed to have: (i) completed all Buyer Investigations, and review of Reports and other applicable information and disclosures pertaining to that contingency or cancellation right; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and expense for the non-delivery of any Reports, disclosures or information outside of Seller's control and for any Repairs or corrections pertaining to that contingency or cancellation right, or for the inability to obtain financing.
 - (2) **REMOVAL OF SELLER CONTINGENCIES:** If Seller removes any contingency or cancellation rights, unless Otherwise Agreed, Seller shall conclusively be deemed to have: (i) satisfied themselves regarding such contingency, (ii) elected to proceed with the transaction; and (iii) given up any right to cancel this Agreement based on such contingency.
- G. DEMAND TO CLOSE ESCROW:** Before Buyer or Seller may cancel this Agreement for failure of the other Party to close escrow pursuant to this Agreement, Buyer or Seller must first Deliver to the other Party a Demand to Close Escrow (C.A.R. Form DCE). The DCE shall: (i) be Signed by the applicable Buyer or Seller; and (ii) give the other Party at least **3 Days** after Delivery to close escrow. A DCE may not be Delivered any earlier than **3 Days** prior to the Scheduled Performance Day for the Close Of Escrow. If a DCE is incorrectly Delivered or specifies a time less than the above timeframe, the DCE shall be deemed invalid and void, and Seller or Buyer shall be required to Deliver a new DCE.
- H. EFFECT OF CANCELLATION ON DEPOSITS:** If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, the Parties agree to Sign and Deliver mutual instructions to cancel the sale and escrow and release deposits, if any, to the Party entitled to the funds, less (i) fees and costs paid by Escrow Holder on behalf of that Party, if required by this Agreement; and (ii) any escrow fee charged to that party. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. A release of funds will require mutual Signed release instructions from the Parties, judicial decision or arbitration award. **A Party may be subject to a civil penalty of up to \$1,000 for refusal to Sign cancellation instructions if no good faith dispute exists as to which Party is entitled to the deposited funds (Civil Code § 1057.3). Note: Neither Agents nor Escrow Holder are qualified to provide any opinion on whether either Party has acted in good faith or which Party is entitled to the deposited funds. Buyer and Seller are advised to seek the advice of a qualified California real estate attorney regarding this matter.**
- 15. REPAIRS:** Repairs shall be completed prior to final verification of condition unless Otherwise Agreed. Repairs to be performed at Seller's expense may be performed by Seller or through others, provided that the work complies with applicable Law, including governmental permit, inspection and approval requirements. Repairs shall be performed in a good, skillful manner with materials of quality and appearance comparable to existing materials. Buyer acknowledges that exact restoration of appearance or cosmetic items following all Repairs may not be possible. Seller shall: (i) obtain invoices and paid receipts for Repairs performed by others; (ii) prepare a written statement indicating the Repairs performed by Seller and the date of such Repairs; and (iii) provide Copies of invoices and paid receipts and statements to Buyer prior to final verification of condition.
- 16. FINAL VERIFICATION OF CONDITION:** Buyer shall have the right to make a final verification of the Property condition within the time specified in **paragraph 3J**, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: (i) the Property is maintained pursuant to **paragraph 7B**; (ii) Repairs have been completed as agreed; and (iii) Seller has complied with Seller's other obligations under this Agreement (C.A.R. Form VP).
- 17. PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS:** Unless Otherwise Agreed, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close Of Escrow: real property taxes and assessments, interest, Seller rental payments, HOA regular assessments due prior to Close Of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Roos and other Special Assessment District bonds and assessments that are now a lien. Seller shall pay any HOA special or emergency assessments due prior to Close Of Escrow. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Roos and other Special Assessment District bonds and assessments and HOA special or emergency assessments that are due after Close Of Escrow. Property will be reassessed upon change of ownership. Any supplemental tax bills delivered to Escrow Holder prior to closing shall be prorated and paid as follows: (i) for periods after Close Of Escrow, by Buyer; and (ii) for periods prior to Close Of Escrow, by Seller (see C.A.R. Form SPT or SBSA for further information). Seller agrees all service fees, maintenance costs and utility bills will be paid current up and through the date of Close Of Escrow. **TAX BILLS AND UTILITY BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER. Prorations shall be made based on a 30-day month.**
- 18. BROKERS AND AGENTS:**
- A. COMPENSATION:** Seller or Buyer, or both, as applicable, agree to pay compensation to Broker as specified in a separate written agreement between Broker and that Seller or Buyer. Compensation is payable upon Close Of Escrow, or if escrow does not close, as otherwise specified in the agreement between Broker and that Seller or Buyer. If Seller agrees to pay Buyer's Broker (see **paragraph 3G(3)**), Seller shall be entitled to a copy of the written portion of the compensation agreement between Buyer and Buyer's Broker identifying the compensation to be paid. See C.A.R. Form SPBB for further information.
 - B. SCOPE OF DUTY:** Buyer and Seller acknowledge and agree that Agent: (i) Does not decide what price Buyer should pay or Seller should accept; (ii) Does not guarantee the condition of the Property; (iii) Does not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; (iv) Does not have an obligation to conduct an inspection of common areas or areas off the site of the Property; (v) Shall not be responsible for identifying defects on the Property, in common areas, or offsite unless such defects are visually observable by an inspection of reasonably accessible areas of the Property or are known to Agent; (vi) Shall not be responsible for inspecting public records or permits concerning the title or use of Property; (vii) Shall not be responsible for identifying the location of boundary lines or other items affecting title; (viii) Shall not be responsible for verifying square footage, representations of others or information contained in Investigation reports, Multiple Listing Service, advertisements, flyers or other promotional material; (ix) Shall not be responsible for determining the fair market value of the Property or any personal property included in the sale; (x) Shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and (xi) Shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.



Property Address: 5121 Myra Ave., Cypress, CA 90630

Date: January 31, 2023

19. JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:

- A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: paragraphs 1, 3A, 3B, 3D-G, 3N(2), 3Q, 3R, 4A, 4B, 5A(1-2) 5D, 5E, 10B(2)(A), 10B(3), 10C, 11H, 11L(2), 13 (except 13D), 14H, 17, 18A, 19, 23, 25, 27, 28, 32, 33, and paragraph 3 of the Real Estate Brokers Section. If a Copy of the separate compensation agreement(s) provided for in paragraph 18A or paragraph 3 of the Real Estate Brokers Section is deposited with Escrow Holder by Agent, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not set forth in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned.
- B. Buyer and Seller will receive Escrow Holder's general provisions, if any, directly from Escrow Holder. To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller shall Sign and return Escrow Holder's general provisions or supplemental instructions within the time specified in paragraph 3N(2). Buyer and Seller shall execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow and, as directed by Escrow Holder, within 3 Days, shall pay to Escrow Holder or HOA or HOA management company or others any fee required by paragraphs 3, 8, 10, 11, or elsewhere in this Agreement.
- C. A Copy of this Agreement including any counter offer(s) and addenda shall be delivered to Escrow Holder within 3 Days after Acceptance. Buyer and Seller authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs this Agreement. Escrow Holder shall provide Seller's Statement of Information to Title Company when received from Seller, if a separate company is providing title insurance. If Seller delivers an affidavit to Escrow Holder to satisfy Seller's FIRPTA obligation under paragraph 11H, Escrow Holder shall deliver to Buyer, Buyer's Agent, and Seller's Agent a Qualified Substitute statement that complies with federal Law. If Escrow Holder's Qualified Substitute statement does not comply with federal law, the Parties instruct escrow to withhold all applicable required amounts under paragraph 11H.
- D. Agents are not a party to the escrow, except for Brokers for the sole purpose of compensation pursuant to paragraph 18A and paragraph 3 of the Real Estate Brokers Section. If a Copy of the separate compensation agreement(s) provided for in either of those paragraphs is deposited with Escrow Holder by Agent, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). Buyer and Seller irrevocably assign to Brokers compensation specified in paragraph 18A, and irrevocably instruct Escrow Holder to disburse those funds to Brokers at Close Of Escrow or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Buyer and Seller shall release and hold harmless Escrow Holder from any liability resulting from Escrow Holder's payment to Broker(s) of compensation pursuant to this Agreement.
- E. Buyer and Seller acknowledge that Escrow Holder may require invoices for expenses under this Agreement. Buyer and Seller, upon request by Escrow Holder, within 3 Days or within a sufficient time to close escrow, whichever is sooner, shall provide any such invoices to Escrow Holder.
- F. Upon receipt, Escrow Holder shall provide Buyer, Seller, and each Agent verification of Buyer's deposit of funds pursuant to paragraphs 5A(1) and 5A(2). Once Escrow Holder becomes aware of any of the following, Escrow Holder shall immediately notify each Agent: (i) if Buyer's initial or any additional deposit or down payment is not made pursuant to this Agreement, or is not good at time of deposit with Escrow Holder; or (ii) if Buyer and Seller instruct Escrow Holder to cancel escrow.
- G. A Copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within 3 Days after mutual execution of the amendment.
20. **SELECTION OF SERVICE PROVIDERS:** Agents do not guarantee the performance of any vendors, service or product providers ("Providers"), whether referred by Agent or selected by Buyer, Seller or other person. Buyer and Seller may select ANY Providers of their own choosing.
21. **MULTIPLE LISTING SERVICE ("MLS"):** Agents are authorized to report to the MLS that an offer has been accepted and, upon Close Of Escrow, the sales price and other terms of this transaction shall be provided to the MLS to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS. Buyer acknowledges that: (i) any pictures, videos, floor plans (collectively, "Images") or other information about the Property that has been or will be inputted into the MLS or internet portals, or both, at the instruction of Seller or in compliance with MLS rules, will not be removed after Close Of Escrow; (ii) California Civil Code § 1088(c) requires the MLS to maintain such Images and information for at least three years and as a result they may be displayed or circulated on the Internet, which cannot be controlled or removed by Seller or Agents; and (iii) Seller, Seller's Agent, Buyer's Agent, and MLS have no obligation or ability to remove such Images or information from the Internet.
22. **ATTORNEY FEES AND COSTS:** In any action, proceeding, or arbitration between Buyer and Seller arising out of this Agreement, the prevailing Buyer or Seller shall be entitled to reasonable attorney fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 30A.
23. **ASSIGNMENT/NOMINATION:** Buyer shall have the right to assign all of Buyer's interest in this Agreement to Buyer's own trust or to any wholly owned entity of Buyer that is in existence at the time of such assignment. Otherwise, Buyer shall not assign all or any part of Buyer's interest in this Agreement without first having obtained the separate written consent of Seller to a specified assignee. Such consent shall not be unreasonably withheld. Prior to any assignment, Buyer shall disclose to Seller the name of the assignee and the amount of any monetary consideration between Buyer and assignee. Buyer shall provide assignee with all documents related to this Agreement including, but not limited to, the Agreement and any disclosures. If assignee is a wholly owned entity or trust of Buyer, that assignee does not need to re-sign or initial all documents provided. Whether or not an assignment requires seller's consent, at the time of assignment, assignee shall deliver a letter from assignee's lender that assignee is prequalified or preapproved as specified in paragraph 6B. Should assignee fail to deliver such a letter, Seller, after first giving Assignee an Notice to Buyer to Perform, shall have the right to terminate the assignment. Buyer shall, within the time specified in paragraph 3K, Deliver any request to assign this Agreement for Seller's consent. If Buyer fails to provide the required information within this time frame, Seller's withholding of consent shall be deemed reasonable. Any total or partial assignment shall not relieve Buyer of Buyer's obligations pursuant to this Agreement unless Otherwise Agreed by Seller (C.A.R. Form AOAA). Parties shall provide any assignment agreement to Escrow Holder within 1 Day after the assignment. Any nomination by Buyer shall be subject to the same procedures, requirements, and terms as an assignment as specified in this paragraph.
24. **EQUAL HOUSING OPPORTUNITY:** The Property is sold in compliance with federal, state and local anti-discrimination Laws.



Property Address: 5121 Myra Ave., Cypress, CA 90630

Date: January 31, 2023

25. **DEFINITIONS and INSTRUCTIONS:** The following words are defined terms in this Agreement, shall be indicated by initial capital letters throughout this Agreement, and have the following meaning whenever used:

- A. **"Acceptance"** means the time the offer or final counter offer is fully executed, in writing, by the recipient Party and is Delivered to the offering Party or that Party's Authorized Agent.
 - B. **"Agent"** means the Broker, salesperson, broker-associate or any other real estate licensee licensed under the brokerage firm identified in **paragraph 2B**.
 - C. **"Agreement"** means this document and any counter offers and any incorporated addenda or amendments, collectively forming the binding agreement between the Parties. Addenda and amendments are incorporated only when Signed and Delivered by all Parties.
 - D. **"As-Is"** condition: Seller shall disclose known material facts and defects as specified in this Agreement. Buyer has the right to inspect the Property and, within the time specified, request that Seller make repairs or take other corrective action, or exercise any contingency cancellation rights in this Agreement. Seller is only required to make repairs specified in this Agreement or as Otherwise Agreed.
 - E. **"Authorized Agent"** means an individual real estate licensee specified in the Real Estate Broker Section.
 - F. **"C.A.R. Form"** means the most current version of the specific form referenced or another comparable form agreed to by the Parties.
 - G. **"Close Of Escrow"**, including "COE", means the date the grant deed, or other evidence of transfer of title, is recorded for any real property, or the date of Delivery of a document evidencing the transfer of title for any non-real property transaction.
 - H. **"Copy"** means copy by any means including photocopy, facsimile and electronic.
 - I. **"Counting Days"** is done as follows unless Otherwise Agreed: (1) The first Day after an event is the first full calendar date following the event, and ending at 11:59 pm. For example, if a Notice to Buyer to Perform (C.A.R. form NBP) is Delivered at 3 pm on the 7th calendar day of the month, or Acceptance of a counter offer is personally received at 12 noon on the 7th calendar day of the month, then the 7th is Day "0" for purposes of counting days to respond to the NBP or calculating the Close Of Escrow date or contingency removal dates and the 8th of the month is Day 1 for those same purposes. (2) All calendar days are counted in establishing the first Day after an event. (3) All calendar days are counted in determining the date upon which performance must be completed, ending at 11:59 pm on the last day for performance ("Scheduled Performance Day"). (4) After Acceptance, if the Scheduled Performance Day for any act required by this Agreement, including Close Of Escrow, lands on a Saturday, Sunday, or Legal Holiday, the performing party shall be allowed to perform on the next day that is not a Saturday, Sunday or Legal Holiday ("Allowable Performance Day"), and ending at 11:59 pm. "Legal Holiday" shall mean any holiday or optional bank holiday under Civil Code §§ 7 and 7.1, any holiday under Government Code § 6700. (5) For the purposes of COE, any day that the Recorder's office in the County where the Property is located is closed or any day that the lender or Escrow Holder under this Agreement is closed, the COE shall occur on the next day the Recorder's office in that County, the lender, and the Escrow Holder is open. (6) COE is considered Day 0 for purposes of counting days Seller is allowed to remain in possession, if permitted by this Agreement.
 - J. **"Day" or "Days"** means calendar day or days. However, delivery of deposit to escrow is based on business days.
 - K. **"Deliver", "Delivered" or "Delivery"** of documents, unless Otherwise Agreed, means and shall be effective upon personal receipt of the document by Buyer or Seller or their Authorized Agent. Personal receipt means (i) a Copy of the document, or as applicable, link to the document, is in the possession of the Party or Authorized Agent, regardless of the Delivery method used (i.e. e-mail, text, other), or (ii) an Electronic Copy of the document, or as applicable, link to the document, has been sent to any of the designated electronic delivery addresses specified in the Real Estate Broker Section on page 16. After Acceptance, Agent may change the designated electronic delivery address for that Agent by, in writing, Delivering notice of the change in designated electronic delivery address to the other Party. Links could be, for example, to DropBox or GoogleDrive or other functionally equivalent program. If the recipient of a link is unable or unwilling to open the link or download the documents or otherwise prefers Delivery of the documents directly, Recipient of a link shall notify the sender in writing, within 3 Days after Delivery of the link (C.A.R. Form RFR). In such case, Delivery shall be effective upon Delivery of the documents and not the link. Failure to notify sender within the time specified above shall be deemed consent to receive, and Buyer opening, the document by link.
 - L. **"Electronic Copy" or "Electronic Signature"** means, as applicable, an electronic copy or signature complying with California Law. Unless Otherwise Agreed, Buyer and Seller agree to the use of Electronic Signatures. Buyer and Seller agree that electronic means will not be used by either Party to modify or alter the content or integrity of this Agreement without the knowledge and consent of the other Party.
 - M. **"Law"** means any law, code, statute, ordinance, regulation, rule or order, which is adopted by a controlling city, county, state or federal legislative, judicial or executive body or agency.
 - N. **"Legally Authorized Signer"** means an individual who has authority to Sign for the principal as specified in **paragraph 32 or paragraph 33**.
 - O. **"Otherwise Agreed"** means an agreement in writing, signed by both Parties and Delivered to each.
 - P. **"Repairs"** means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.
 - Q. **"Sign" or "Signed"** means either a handwritten or Electronic Signature on an original document, Copy or any counterpart.
26. **TERMS AND CONDITIONS OF OFFER:** This is an offer to purchase the Property on the terms and conditions herein. The individual Liquidated Damages and Arbitration of Disputes paragraphs are incorporated in this Agreement if initialed by all Parties or if incorporated by mutual agreement in a Counter Offer or addendum. **If at least one but not all Parties initial, a Counter Offer is required until agreement is reached.** Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of Acceptance and to market the Property for backup offers after Acceptance. The Parties have read and acknowledge receipt of a Copy of the offer and agree to the confirmation of agency relationships. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Brokers' compensation. This Agreement and any supplement, addendum or modification, including any Copy, may be Signed in two or more counterparts, all of which shall constitute one and the same writing. By signing this offer or any document in the transaction, the Party Signing the document is deemed to have read the document in its entirety.
27. **TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES:** Time is of the essence. All understandings between the Parties are incorporated in this Agreement. Its terms are intended by the Parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. Except as Otherwise Agreed, this Agreement shall be interpreted, and disputes shall be resolved in accordance with the Laws of the State of California. **Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed, except in writing Signed by Buyer and Seller.**

RPA REVISED 12/22 (PAGE 13 OF 16)

Buyer's Initials

Seller's Initials



CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (RPA PAGE 13 OF 16)

Property Address: 5121 Myra Ave., Cypress, CA 90630

Date: January 31, 2023

28. LEGALLY AUTHORIZED SIGNER: Wherever the signature or initials of the Legally Authorized Signer identified in paragraph 32 or 33 appear on this Agreement or any related documents, it shall be deemed to be in a representative capacity for the entity described and not in an individual capacity, unless otherwise indicated. The Legally Authorized Signer (i) represents that the entity for which that person is acting already exists and is in good standing to do business in California and (ii) shall Deliver to the other Party and Escrow Holder, within the time specified in paragraph 3N(5), evidence of authority to act in that capacity (such as but not limited to: applicable portion of the trust or Certification Of Trust (Probate Code § 18100.5), letters testamentary, court order, power of attorney, corporate resolution, or formation documents of the business entity).

29. LIQUIDATED DAMAGES (By initialing in the space below, you are agreeing to Liquidated Damages):
If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. If the Property is a dwelling with no more than four units, one of which Buyer intends to occupy, then the amount retained shall be no more than 3% of the purchase price. Any excess shall be returned to Buyer. Release of funds will require mutual, Signed release instructions from both Buyer and Seller, judicial decision or arbitration award. AT THE TIME OF ANY INCREASED DEPOSIT BUYER AND SELLER SHALL SIGN A SEPARATE LIQUIDATED DAMAGES PROVISION INCORPORATING THE INCREASED DEPOSIT AS LIQUIDATED DAMAGES (C.A.R. FORM DID).

Buyer's Initials

Seller's Initials

30. MEDIATION:

- A.** The Parties agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action. The mediation shall be conducted through the C.A.R. Real Estate Mediation Center for Consumers (www.consumermediation.org) or through any other mediation provider or service mutually agreed to by the Parties. The Parties also agree to mediate any disputes or claims with Agents(s), who, in writing, agree to such mediation prior to, or within a reasonable time after, the dispute or claim is presented to the Agent. Mediation fees, if any, shall be divided equally among the Parties involved, and shall be recoverable under the prevailing party attorney fees clause. If, for any dispute or claim to which this paragraph applies, any Party (i) commences an action without first attempting to resolve the matter through mediation, or (ii) before commencement of an action, refuses to mediate after a request has been made, then that Party shall not be entitled to recover attorney fees, even if they would otherwise be available to that Party in any such action. THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED.
- B. ADDITIONAL MEDIATION TERMS:** (i) Exclusions from this mediation agreement are specified in paragraph 31B; (ii) The obligation to mediate does not preclude the right of either Party to seek a preservation of rights under paragraph 31C; and (iii) Agent's rights and obligations are further specified in paragraph 31D. These terms apply even if the Arbitration of Disputes paragraph is not Initialed.

31. ARBITRATION OF DISPUTES:

- A.** The Parties agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration. The Parties also agree to arbitrate any disputes or claims with Agents(s), who, in writing, agree to such arbitration prior to, or within a reasonable time after, the dispute or claim is presented to the Agent. The arbitration shall be conducted through any arbitration provider or service mutually agreed to by the Parties. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of residential real estate Law experience, unless the Parties mutually agree to a different arbitrator. Enforcement of, and any motion to compel arbitration pursuant to, this agreement to arbitrate shall be governed by the procedural rules of the Federal Arbitration Act, and not the California Arbitration Act, notwithstanding any language seemingly to the contrary in this Agreement. The Parties shall have the right to discovery in accordance with Code of Civil Procedure § 1283.05. The arbitration shall be conducted in accordance with Title 9 of Part 3 of the Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction.
- B. EXCLUSIONS:** The following matters are excluded from mediation and arbitration: (i) Any matter that is within the jurisdiction of a probate, small claims or bankruptcy court; (ii) an unlawful detainer action; and (iii) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in Civil Code § 2985.
- C. PRESERVATION OF ACTIONS:** The following shall not constitute a waiver nor violation of the mediation and arbitration provisions: (i) the filing of a court action to preserve a statute of limitations; (ii) the filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, provided the filing party concurrent with, or immediately after such filing makes a request to the court for a stay of litigation pending any applicable mediation or arbitration proceeding; or (iii) the filing of a mechanic's lien.
- D. AGENTS:** Agents shall not be obligated nor compelled to mediate or arbitrate unless they agree to do so in writing. Any Agents(s) participating in mediation or arbitration shall not be deemed a party to this Agreement.
- E. "NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."**

"WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."

Buyer's Initials

Seller's Initials

Buyer's Initials

Seller's Initials



Property Address: 5121 Myra Ave., Cypress, CA 90630Date: January 31, 2023**32. BUYER'S OFFER**

A. EXPIRATION OF OFFER: This offer shall be deemed revoked and the deposit, if any, shall be returned to Buyer unless by the date and time specified in **paragraph 3C**, the offer is Signed by Seller and a Copy of the Signed offer is Delivered to Buyer or Buyer's Authorized Agent. **Seller has no obligation to respond to an offer made.**

B. ☐ ENTITY BUYERS: (Note: If this paragraph is completed, a Representative Capacity Signature Disclosure (C.A.R. Form RCSD) is not required for the Legally Authorized Signers designated below.)

- (1) One or more Buyers is a trust, corporation, LLC, probate estate, partnership, holding a power of attorney or other entity.
- (2) This Agreement is being Signed by a Legally Authorized Signer in a representative capacity and not in an individual capacity. See **paragraph 28** for additional terms.
- (3) The name(s) of the Legally Authorized Signer(s) is/are: _____.
- (4) If a trust, identify Buyer as trustee(s) of the trust or by simplified trust name (ex. John Doe, co-trustee, Jane Doe, co-trustee or Doe Revocable Family Trust).
- (5) If the entity is a trust or under probate, the following is the full name of the trust or probate case, including case #: _____.

C. The RPA has 16 pages. Buyer acknowledges receipt of, and has read and understands, every page and all attachments that make up the Agreement.

D. BUYER SIGNATURE(S):

(Signature) By, [Signature] Date: 2/1/23

Printed name of BUYER: City of Cypress

☐ Printed Name of Legally Authorized Signer: _____ Title, if applicable, _____

(Signature) By, _____ Date: _____

Printed name of BUYER: _____

☐ Printed Name of Legally Authorized Signer: _____ Title, if applicable, _____

☐ IF MORE THAN TWO SIGNERS, USE Additional Signature Addendum (C.A.R. Form ASA).

33. ACCEPTANCE

A. ACCEPTANCE OF OFFER: Seller warrants that Seller is the owner of the Property or has the authority to execute this Agreement. Seller accepts the above offer and agrees to sell the Property on the above terms and conditions. Seller has read and acknowledges receipt of a Copy of this Agreement and authorizes Agent to Deliver a Signed Copy to Buyer.

Seller's acceptance is subject to the attached Counter Offer or Back-Up Offer Addendum, or both, checked below.

Seller shall return and include the entire agreement with any response.

☐ **Seller Counter Offer** (C.A.R. Form SCO or SMO)

☐ **Back-Up Offer Addendum** (C.A.R. Form BUO)

B. ☐ Entity Sellers: (Note: If this paragraph is completed, a Representative Capacity Signature Disclosure form (C.A.R. Form RCSD) is not required for the Legally Authorized Signers designated below.)

- (1) One or more Sellers is a trust, corporation, LLC, probate estate, partnership, holding a power of attorney or other entity.
- (2) This Agreement is being Signed by a Legally Authorized Signer in a representative capacity and not in an individual capacity. See **paragraph 28** for additional terms.
- (3) The name(s) of the Legally Authorized Signer(s) is/are: _____.
- (4) If a trust, identify Seller as trustee(s) of the trust or by simplified trust name (ex. John Doe, co-trustee, Jane Doe, co-trustee or Doe Revocable Family Trust).
- (5) If the entity is a trust or under probate, the following is the full name of the trust or probate case, including case #: _____.

C. The RPA has 16 pages. Seller acknowledges receipt of, and has read and understands, every page and all attachments that make up the Agreement.

D. SELLER SIGNATURE(S):

(Signature) By, [Signature] Date: 2/1/2023

Printed name of SELLER: Robert S Ferrier, Trustee

☐ Printed Name of Legally Authorized Signer: _____ Title, if applicable, _____

(Signature) By, [Signature] Date: 2/1/23

Printed name of SELLER: Allison K Ferrier, Trustee

☐ Printed Name of Legally Authorized Signer: _____ Title, if applicable, _____

☐ IF MORE THAN TWO SIGNERS, USE Additional Signature Addendum (C.A.R. Form ASA).

OFFER NOT ACCEPTED: _____ / _____ No Counter Offer is being made. This offer was not accepted by Seller _____ (date)
Seller's Initials



Property Address: 5121 Myra Ave., Cypress, CA 90630Date: January 31, 2023**REAL ESTATE BROKERS SECTION:**

1. Real Estate Agents are not parties to the Agreement between Buyer and Seller.
2. Agency relationships are confirmed as stated in paragraph 2.
3. **Cooperating Broker Compensation:** Seller's Broker agrees to pay Buyer's Broker and Buyer's Broker agrees to accept, out of Seller's Broker's proceeds in escrow, the amount specified in the MLS, provided Buyer's Broker is a Participant of the MLS in which the Property is offered for sale or a reciprocal MLS. If Seller's Broker and Buyer's Broker are not both Participants of the MLS, or a reciprocal MLS, in which the Property is offered for sale, then compensation must be specified in a separate written agreement (C.A.R. Form CBC). Declaration of License and Tax (C.A.R. Form DLT) may be used to document that tax reporting will be required or that an exemption exists.
4. **Presentation of Offer:** Pursuant to the National Association of REALTORS® Standard of Practice 1-7, if Buyer's Agent makes a written request, Seller's Agent shall confirm in writing that this offer has been presented to Seller.
5. **Agents' Signatures and designated electronic delivery address:**

A. Buyer's Brokerage Firm RE/MAX Tiffany Real Estate Lic. # 01195996
 By [Signature] Rita Gamil Lic. # 01801375 Date 2/1/2023
 By _____ Lic. # _____ Date _____
 Address _____ City _____ State _____ Zip _____
 Email _____ Phone # _____
☐ More than one agent from the same firm represents Buyer. Additional Agent Acknowledgement (C.A.R. Form AAA) attached.
☐ More than one brokerage firm represents Buyer. Additional Broker Acknowledgement (C.A.R. Form ABA) attached.

Designated Electronic Delivery Address(es) (Check all that apply):
☐ Email above; ☐ Text to Phone # above; ☐ Alternate: _____

B. Seller's Brokerage Firm RE/MAX Tiffany Real Estate Lic. # 01195996
 By [Signature] Rita Gamil Lic. # 01801375 Date 2/1/2023
 By _____ Lic. # _____ Date _____
 Address 5925 Ball Rd. City Cypress State CA Zip 90630
 Email Rita4Homes@outlook.com Phone # _____
☐ More than one agent from the same firm represents Seller. Additional Agent Acknowledgement (C.A.R. Form AAA) attached.
☐ More than one brokerage firm represents Seller. Additional Broker Acknowledgement (C.A.R. Form ABA) attached.

Designated Electronic Delivery Address(es) (To be filled out by Seller's Agent) (Check all that apply):
☐ Email above; ☐ Text to Phone # above; ☐ Alternate: _____
ESCROW HOLDER ACKNOWLEDGMENT:

Escrow Holder acknowledges receipt of a Copy of this Agreement, (if checked, ☐ a deposit in the amount of \$ _____), Counter Offer numbers _____ and _____, and agrees to act as Escrow Holder subject to paragraph 19 of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions.

Escrow Holder is advised by _____ that the date of Acceptance of the Agreement is _____

Escrow Holder _____ Escrow # _____

By _____ Date _____

Address _____

Phone/Fax/E-mail _____

Escrow Holder has the following license number # _____

☐ Department of Financial Protection and Innovation, ☐ Department of Insurance, ☐ Department of Real Estate.

PRESENTATION OF OFFER: _____ / _____ Seller's Brokerage Firm presented this offer to Seller on _____ (date).
 Agent or Seller Initials

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RPA REVISED 12/22 (PAGE 16 OF 16)

Buyer's Initials [Signature]Seller's Initials [Signature]**CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (RPA PAGE 16 OF 16)**Produced with Lone Wolf Transactions (zipForm Edition) 717 N Harwood St, Suite 2200, Dallas, TX 75201 www.lwof.com

Robert S &



10. OTHER TERMS AND CONDITIONS/SUPPLEMENTS: _____

NOTE: Regardless of the length of time for possession as originally agreed, if Buyer and Seller intend to extend this SIP beyond 29 Days from Close of Escrow, Buyer and Seller are advised to consult with a qualified local landlord tenant attorney regarding whether a landlord tenant relationship may inadvertently be created.

By signing below Buyer and Seller acknowledge that each has read, understands, has received a copy of and agrees to the terms of this Seller License to Remain In Possession Addendum.

Buyer [Signature] Date 2/1/23
City of Cypress

Buyer _____ Date _____

Seller X Robert S Ferrier Date 2/1/2023
DocuSigned by:
Robert S Ferrier, Trustee

Seller X Allison K Ferrier Date 2/1/23
Allison K Ferrier, Trustee

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SELLER LICENSE TO REMAIN IN POSSESSION ADDENDUM (SIP PAGE 2 OF 2)

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Robert S &



CITY OF CYPRESS

CITY COUNCIL REPORT

City Council Regular

8.

FROM: Matt Burton, Director of Finance and Administrative Services

DATE: 02/13/2023

SUBJECT: Receive and File the Fiscal Year 2022-23 Mid-Year Budget Report and Approve Budget Adjustments

RECOMMENDATION

1. Receive and file the FY 2022-23 Mid-Year Budget Report; and

2. Approve mid-year Budget adjustments:

City

- a. Increase appropriations in the General Fund by \$105,936
- b. Increase appropriations in the Storm Drainage Fund by \$59,700
- c. Increase appropriations in the Lighting District Fund by \$12,000
- d. Increase appropriations in the Sewer Fund by \$8,400
- e. Increase appropriations in the Narcotics Asset Seizure Fund by \$30,000
- f. Increase appropriations in the Central Services Fund by \$40,000
- g. Increase appropriations in the Capital Replacement Fund by \$27,000
- h. Transfer \$60,700 of appropriations in the General Fund from personnel to contract services
- i. Transfer \$27,000 from the Narcotics Asset Seizure Fund to the Capital Replacement Fund
- j. Transfer \$1,000,000 from the Liability Self-Insurance Fund to the Workers Compensation Self-Insurance Fund
- k. Transfer \$1,750,000 from the General Fund to the Infrastructure Fund
- l. Transfer \$1,750,000 from the General Fund to the Employee Benefits Fund for Pension Trust Investment
- m. Approve the receipt of \$1,434,209 from the Park District as partial payment on the outstanding Repayment Agreement and Promissory Note with the City for the construction of Lexington Park
- n. Approve the attached Repayment Agreement and Promissory Note between the City and Park District for an amount not to exceed \$1,275,000.

Recreation and Park District

- o. Increase appropriations in the General Fund by \$896,600
- p. Transfer \$1,434,209 from the Park Development Fund to the General Fund

q. Approve a \$1,434,209 payment to the City's Infrastructure fund to apply against the outstanding Repayment Agreement and Promissory Note between the City and Park District for the construction of Lexington Park.

SUMMARY

Annually, the City Manager provides the City Council a report on the status of the City's Budget. This update is based on six months of actual receipts and disbursements and projections for the remaining half of the year. The review is general in nature and focuses on the City's General Fund and the Cypress Recreation and Park District's General Fund. The review also discusses any amendments necessary for maintaining service levels for the balance of the fiscal year.

Overall, the City's financial health remains strong. We expect to end FY 2022-23 in a better financial position than we started. However, ongoing post-pandemic uncertainties exist, including high inflation and possible pension liability volatility. The labor agreement with the Police Officers' Association approved by the City Council in late 2022, which included large employee compensation increases, will also have a significant ongoing impact on future budgets. As such, it remains imperative the City Council continue its prudent approach to financial management and adhere to its Fiscal Strategies (attached) which prioritize the investment of available one-time savings for future infrastructure and pension needs.

Based on the first six months of the fiscal year and projections for the second half of the fiscal year, it is anticipated FY 2022-23 City General Fund activities will yield \$3.7 million more than budgeted. District General Fund activities are anticipated to yield additional revenues of \$370,000, while operating expenditures are forecasted to be \$550,000 under budget.

The mid-year review also closes out prior fiscal year activities. Based on the results of the annual audit, year-end fund balances are earmarked, appropriated or transferred in accordance with the City's Fiscal Strategies. The City General Fund ended FY 2021-22 with a \$3.5 million surplus and (consistent with the Fiscal Strategies) \$1.75 million is recommended as a transfer to the Infrastructure Fund for use on future capital projects and \$1.75 million is recommended as a transfer to the Employee Benefits Fund for pension trust investment.

DISCUSSION

City General Fund Overview

The General Fund analysis focuses on revenues (including transfers in from other funds, but excluding one-time American Rescue Plan Act (ARPA) amounts) and expenditures (including transfers out to other funds and all other uses). The results of the first six months of the fiscal year (July 1 through December 31) for the City's General Fund are:

	Amended Budget	Six Month Actual	Percent Budget	Historical Range
Revenues	\$37,443,261	\$12,915,667	34.5%	34%-38%
Expenditures	\$40,516,986	\$17,274,000	42.6%	45%-50%

Mid-year General Fund revenues tend to be below 50% due to delays in the receipt of revenues. Many revenue payments in the first half of the year (including sales taxes, franchise taxes, transient occupancy taxes, vehicle license property tax backfills from the State and interest earnings) are collected after December 31. As a result, typically just over one-third of revenues are received by December 31 and first half receipts for FY 2022-23 (as a percentage of the Budget) are consistent with expectations.

Expenditures are just below historical trends due to multiple factors, including the appropriation of \$944,477 of one-time, pandemic-related support and recovery which remained unexpended at December 31, 2022. These pandemic response and recovery programs include the carryover of business fee waivers and FY 2022-23 capital project funding for electric vehicle charging stations and a storm drain pump station evaluation. These amounts are forecasted to be fully expended by the end of the fiscal year (or carried over to FY 2023-24). Also contributing to budgeted expenditures (as a percentage) being less than the historical range through the first half of the year are the impacts of the recently approved labor agreement with the Police Officers' Association. The agreement contains new forms of compensation effective in January 2023 that are included in the amended Budget, but were not included in actual expenditures through December 31, 2022.

General Fund revenues for FY 2022-23 are projected to exceed expectations.

	Amended 2022-23 Budget	2022-23 Projection	Projected Variance From Budget (\$)	Projected Variance From Budget (%)
Revenues	\$37,443,261	\$38,833,270	\$1,390,009	3.7%

Sales taxes and property taxes combine to make up two-thirds of General Fund revenues. While property tax tends to be stable and grow at predictable rates, sales tax receipts are more volatile and historically fluctuate in response to the overall economy. The FY 2022-23 Budget used projections from the City's sales tax consultant which reflect ongoing economic uncertainties and their impacts on revenues. Actual receipts and the sales tax consultant's most recent forecast indicate positive trends which are expected to yield \$100,000 more sales tax than originally estimated. The revised projections are a result of many factors, including the impacts of inflation on taxable sales. Given the importance of this revenue source, the City continues to work closely with our sales tax consultant to monitor trends and projections.

Several other revenue sources (including transient occupancy taxes and business license taxes) are projected to experience modest overages. Interest earnings on cash balances are also projected to exceed budget due to higher market interest rates paid on government-backed securities, which comprise the majority of the investment portfolio.

Year-end General Fund expenditure projections are less than budget:

--	--	--	--	--

	Amended 2022-23 Budget	2022-23 Projection	Projected Variance from Budget	Projected Variance from Budget
Operating Expenditures	\$37,236,848	\$34,914,975	(\$2,321,873)	(6.2%)
Pandemic Response and Pandemic Recovery Plan Appropriations/Transfers	944,477	944,477	-0-	n/a
Transfers for:				
Current Year - Capital/Grants/Technology	1,785,661	1,785,661	-0-	n/a
Future Capital - Storm Drainage	150,000	150,000	-0-	n/a
Future Capital - Current Year Surplus	400,000	400,000	-0-	n/a
Future Capital/Pension Investment - Prior Year Savings	-0-	3,500,000	3,500,000	n/a
Total Transfers	2,335,661	5,835,661	3,500,000	149.9%
Total Expenditures and Transfers	\$40,516,986	\$41,695,113	\$1,178,127	2.9%

General Fund revenue and expenditures estimates are detailed in Exhibit Two. The anticipated savings from operations are primarily salary and benefit related due to vacancies in all departments, including Finance, Police and Public Works. The City continues to actively recruit Police Officers, but the tight labor market poses challenges to ongoing attempts to fill all budgeted positions. Anticipated savings are available to pay for the following recommended appropriation adjustments:

Administration

- In November 2022, the City Council approved a task order with Communications LAB to perform the duties of the vacant Communications and Marketing Analyst position for the balance of the fiscal year. These duties include managing social media, newsletter content, providing communication support for City leadership, preparing event videos and other outreach efforts. Based on the anticipated number of hours necessary to perform these duties an additional \$24,000 of salary savings are available to transfer from personnel to contract services to pay for the additional services.

Police

- A background investigation is required for job applicants in the Police department. The investigations are typically performed by consultants and \$35,000 is included in the Budget. Due to turnover levels and the ongoing attempts to fill staffing vacancies throughout the department, it is projected the cost for background investigations will exceed budget by \$10,000.
- \$10,000 for additional alarm permit contract administration costs. The vendor that oversees alarm permits and false alarm administration receives a percentage of total fee revenue received. Due to new permit fee requirements effective this fiscal year, current year receipts will be higher than prior years resulting in increased contract costs. Higher fee revenues will more than offset the additional contract costs.

Planning and Development

- The Code Enforcement Officer was vacant from September through January and contract staff backfilled the function. Salary savings are available to pay for the \$25,000 expended while the position was temporarily vacant and a transfer from personnel to contract services is recommended.

Public Works

- \$36,800 for additional on-call contract tree trimming services typically performed by Maintenance personnel in response to situations that need immediate attention (e.g. weather events, right of way obstruction). The City's bucket truck used to respond to these situations recently failed after 25 years of service. A replacement truck has been ordered, but due to supply-chain issues may not be received until next year. The additional contract services are necessary to ensure unscheduled, emergency tree trimming is available through the end of the fiscal year.
- \$4,600 for weekend custodial services at the Police department was inadvertently omitted from the Budget. These services are recurring and necessary for proper facility maintenance.
- \$11,700 for necessary on-call landscape inspection services due to a long-term vacancy in Public Works Maintenance. Salary savings are available and a transfer from personnel to contract services is recommended.
- \$44,536 for the solid waste low-income assistance previously approved as part of the City's pandemic response program. The assistance program provides rebates to eligible households to offset a portion of the organic waste rate increases, and the remaining appropriation was omitted from the list of carryovers approved by the City Council in September 2022.

There are a few other program expenditures which are on pace to exceed budget or are historically difficult to estimate at December 31, but a precise estimate of any such variance cannot be determined at this time. In most cases, the amount included in the Budget has been used as the estimate for the year. These programs include City Attorney charges and development related activities (i.e. building and public works inspections). These activities tend to be largely out of the City's control and can vary significantly from one fiscal year to the next. Additional development activity costs are recovered through fees, therefore there will not be any negative impact to projected year-end fund balance due to these activity levels. Any overages for these programs will be addressed after June 30, 2023 once the exact amount of any overage is known.

The projections do not include any additional appropriations approved after December 31, 2022.

Pandemic Recovery Plan Set-Asides

In FY 2021-22, the City Council approved a multi-year pandemic recovery plan for the one-time investment of \$13.9 million. The plan identified approximately 20 different projects/programs that will use available unrestricted General Fund resources in the next several years. These unrestricted General Fund amounts resulted from the receipt of restricted ARPA allocations which were used to pay for general services in accordance with U.S. Treasury guidelines. There are no time restrictions on when the General Fund resources earmarked for pandemic recovery must be expended, and \$9 million remains set-aside and available at December 31, 2022. The majority of the remaining \$9 million will be held in the General Fund until approved recovery plan programs/projects are incorporated into future budgets.

Since these one-time amounts consist of prior year budget accumulations, there are no impacts on current year budget activities and these amounts will not be considered in the FY 2022-23 mid-year Budget analysis.

FY 2021-22 Results of Operations

At June 30, 2022, the General Fund had \$3.5 million of prior year revenues and savings available as fund balance. The Fiscal Strategies direct additional one-time monies toward infrastructure investment and employee pension obligations, and it is recommended the \$3.5 million be transferred in FY 2022-23 for future infrastructure (\$1.75 million) and pension trust investment (\$1.75 million) in the Employee Benefits Fund.

Maintenance of Effort Requirements

Based on projected expenditures, it appears the City should meet or exceed all minimum expenditure levels required to receive State and County funding for police services and street maintenance. However, it is important to consider that the Maintenance of Effort (MOE) for General Fund expenditures necessary to receive State and County funding for street maintenance and construction may not be met if actual expenditures fall below budgeted levels.

Finance and Public Works will continue to closely monitor MOE activities to ensure all requirements are met and eligibility is maintained. After the close of the fiscal year, it may be necessary to adjust funding sources for certain projects if actual MOE eligible expenditure levels fall short of projections. MOE shortfalls could be funded using the projected additional fund balance resulting from FY 2022-23 activities summarized below.

Fund Balance Overview for City General Fund

The amended Budget projects fund balance declines from FY 2022-23 activities of over \$2.1 million; however, mid-year revenue and expenditure projections (excluding all one-time pandemic recovery plan appropriations) indicate fund balance will increase nearly \$1.6 million (Exhibit One):

	Amended 2022-23 Budget	2022-23 Projection	Projected Variance
Increase/(Decrease) to Fund Balance from FY 2022-23 Revenues/Expenditures	(\$2,129,248)	\$1,582,634	\$3,711,882

The fund balance increase results from many factors, including higher tax revenues (including sales tax and property taxes), interest earnings and salary savings. The projected \$3.7 million variance is based on current information and may change significantly during the next six months. A recommendation to transfer, set-aside or appropriate FY 2022-23 surpluses will be made in conjunction with the FY 2023-24 mid-year Budget review once the final, audited results from FY 2022-23 are known.

An analysis of the changes in the General Fund's fund balance is provided in Exhibit Three. The \$9.2 million committed fund balance reflects the economic uncertainty contingency (equal to 25% of budgeted operating expenditures). The assigned fund balance is set aside to fund the Capital Projects/Infrastructure Reserve Fund at City Council adopted levels, invest in future infrastructure/facility projects/pension liability mitigation investments with available savings, provide a short-term contingency should one of the major revenue

producers in the City relocate, or help bridge a temporary deficit.

All fund balance commitments and assignments are consistent with Fiscal Strategies. The June 30, 2023, unassigned fund balance is projected to be \$1.1 million.

Capital Projects Overview

Exhibit Four provides a status of the City's capital improvement projects, including carryover projects from previous years, and are summarized by type of expenditure below:

	Amended 2022-23 Budget	Expenditures/ Encumbrances thru 12/31/22	Expenditures/ Encumbrances thru 12/31/22
Streets	\$4,799,540	\$485,732	10.1%
Traffic Signals/Street Lights	1,874,495	103,008	5.5%
Sewer	811,934	355,379	43.8%
Concrete/Medians/Trees	1,262,733	354,781	28.1%
Facilities	2,613,739	39,539	1.5%
Storm Drainage/Other	150,000	9,177	6.1%
Total	\$11,512,441	\$1,347,616	11.7%

Capital project expenditures for the first half of the year are lower than a typical year due to multiple staffing vacancies in Public Works and many large projects scheduled to commence in the spring/summer. Public Works will provide the City Council a Capital Improvement Program update on February 27.

Cypress Recreation and Park District General Fund Overview

The results of the first six months of the fiscal year for the District are:

	Amended 2022-23 Budget	Six Month Actual	Percent Budget	Historical Range
Revenues	\$7,776,273	\$4,258,608	54.8%	43%-49%
Expenditures	\$10,511,755	\$2,646,065	25.2%	27%-49%

Total revenues remain strong and property taxes, which comprise the large majority of District revenues, continue to grow steadily. Revenues for the first half of the year have historically fell slightly under 50% due to the lag in timing of property tax receipts. Beginning in FY 2022-23, the County's payment of property tax revenue to the District has changed due to the dissolution of the Cypress Successor Agency. The District now receives additional property tax revenues prior to the end of the calendar year, which were previously received in January. As a result, total revenues through December 31, 2022 (as a percentage of budgeted revenues) exceed the historical range experienced over the last several years.

Total District expenditures tend to fluctuate year to year due to capital project activity while operating expenditures experience less volatility. Typically, operating expenditures are below

50% at the end of the calendar year and equal 40% this year. While operating expenditures through December 31, 2022 are consistent with historical levels, year to date park maintenance costs are slightly below expectations due to ongoing staffing vacancies in Public Works Maintenance.

The \$4.5 million capital project budget includes the carryover of nearly \$2 million for various facility improvement projects, including the completion of Lexington Park and the redesign of Arnold Cypress Park. Actual capital expenditure levels through December 31, 2022 are lower than normal due to staffing vacancies in Public Works Engineering and project timelines designed to avoid the rainy season. It is expected the remaining capital project budget will be fully expended (or carried over for completion in FY 2023-24) at fiscal year-end.

Exhibit Five provides detail of the District's General Fund revenues and expenditures, including comparisons to the previous year's first six months and final actual amounts, and the projected amounts for the current year. As summarized below, the District's General Fund fund balance is projected to decrease by \$1.6 million during FY 2022-23 due to the planned use of prior year fund balance accumulations for budgeted capital project expenditures:

	Amended 2022-23 Budget	2022-23 Projection	Projected Budget Variance	Projected Budget Variance
Revenues	\$7,776,273	\$8,146,747	\$370,474	4.8%
Other Sources	\$1,816,936	\$3,049,026	\$1,232,090	67.8%
<i>Total Revenue/Other Sources</i>	<i>\$9,593,209</i>	<i>\$11,195,773</i>	<i>\$1,602,564</i>	<i>16.7%</i>
Operating Expenditures	(\$5,931,496)	(\$5,375,000)	\$556,496	(9.4%)
Capital Expenditures	(\$4,580,259)	(\$5,411,059)	(\$830,800)	18.1%
Other Uses/Transfers	(\$551,918)	(\$1,966,370)	(\$1,414,452)	256.3%
<i>Total Expenditures/Uses</i>	<i>(\$11,063,673)</i>	<i>(\$12,752,429)</i>	<i>(\$1,688,756)</i>	<i>15.3%</i>
Change in Fund Balance	(\$1,470,464)	(\$1,556,656)	(\$86,192)	

District Operations

Revenues are projected to be higher than budget by \$370,474 due to property tax growth exceeding initial projections and larger than forecasted interest earnings. Rising interest rates in recent months are expected to positively impact the yield on the District's cash balances for the balance of the fiscal year.

Recreation expenditures are projected to be \$556,496 below budget due to lower landscape maintenance costs. The savings are attributed to vacancies in Public Works Maintenance, as well as fewer contact services and irrigation costs, brought on in part by the wetter than normal winter.

Anticipated savings are available to pay for the following recommended adjustments for District operations:

- \$36,800 for Salute to America contracts cost. This annual celebration has traditionally been held on the first Friday in July, but will be held on Friday, June 30 this year due to permitting issues with Cypress College. As a result, both the 2022 and 2023 Salute to America events will be held in the same fiscal year and the Budget only includes

funding for one event. The additional appropriation will pay for fireworks, entertainment, portable restrooms, rental fencing and the Cypress College rental fee.

- The District has the opportunity to partner with Anaheim Union High School District (AUHSD) as it installs a new marquee at Oxford Academy. The marquee will have enhanced messaging capabilities (including video clips) and provide additional communication and marketing channels for District and City events and news. RCS and AUHSD are negotiating an agreement that will provide the District/City with use of the marquee during its useful life (estimated at 10 years) in exchange for a one-time payment toward construction and maintenance. That agreement will come before the City Council for consideration later this fiscal year and the District's contribution is anticipated to be \$20,000.
- \$1,200 for enhancements to the annual Spring Egg Hunt. Due to the large turnout and success of the 2022 event, additional components to make the experience better for attendees (including hiring a DJ) are recommended.
- \$4,700 for additional costs necessary to print The Progress, the City/Districts' bimonthly newsletter. Rising paper costs prevented the District's vendor from continuing without increasing costs. After a review of alternative solutions, it was determined the District's current vendor continued to offer the most cost-effective option.
- \$3,100 for the Senior Center's 30th Anniversary celebration. In June, the Senior Center will host a celebration in conjunction with the annual Community Resource Fair. The event will include light refreshments, giveaways, class demonstrations and other festivities.

Capital Expenditures, Other Sources and Uses and Outstanding Loans to the City

The FY 2022-23 Budget includes nearly \$4.5 million for capital investments, which includes costs for Arnold Cypress Park design, Community Center roof replacement, Veterans Park sports court improvements and Senior Center interior improvements.

One additional appropriation is recommended:

- \$830,800 for the Community Center HVAC project is necessary due to an oversight during the annual appropriation carryover process. Contracts for this project were approved by the City Council in June 2022, but were not included on the list of open contracts approved for carryover in September 2022. Since the project was previously budgeted and has already been awarded, there is no fiscal impact associated with the \$830,800 appropriation and the recommended action is intended to ensure budgetary compliance.

The capital budget includes appropriations for the re-imagining and final design of Arnold Cypress Park. The Budget provides for costs of \$1,275,000 to be funded with a loan between the City's Infrastructure Fund and the District's General Fund. Final design contracts were approved in 2022 and the \$1,275,000 will be reimbursed by the District from additional annual property tax amounts the District receives as a result of the dissolution of the Cypress Redevelopment Agency. The City's Infrastructure Fund has sufficient reserves to fund the design without impacting any projects contemplated in the Seven-Year CIP. The attached repayment agreement and promissory note are identical in form to the documents previously approved for the design and construction of Lexington Park. The only difference is the source and timing of loan repayments and a full repayment to the City is expected within the next two fiscal years.

Amounts categorized in Exhibit Five as other sources include loan proceeds from the City for the remaining costs of Lexington Park construction, as well as proceeds from the new Arnold

Cypress Park loan. The Lexington Park loans are repaid twice a year if park development fees become available. To date, the City has loaned \$12.7 million to the District for the design and construction of Lexington Park. Two repayments, totaling \$6.3 million, were approved in FY 2021-22 and \$6,375,970 remains outstanding on the loan at December 31, 2022. An additional \$1,434,209 of park development fees were received in the first half of FY 2022-23 and are available to repay a portion of the outstanding loan balance. It is recommended \$1,434,209 of park development fees be transferred to the District's General Fund and used to repay the City loans. After the recommended repayment, the outstanding loan balance will be \$4,941,761 and biannual repayments will continue as future park development fees are received. The Arnold Cypress Park loans will be repaid with new revenues the District receives from the dissolution of the Cypress Redevelopment Agency (not park development fees).

Exhibit Six provides a summary of the District's estimated fund balance at June 30, 2023. The District's General Fund fund balance is estimated to be nearly \$11.2 million, down from \$12.8 million at the end of FY 2021-22. This decrease is expected, as accumulated reserves are being used to pay for capital improvements. The majority of the fund balance is either restricted or assigned for specific purposes (future appropriations for infrastructure and amenities, contingencies, and for annual cash flow shortfalls). The District's major revenue source is property tax, which is annually collected in December and April, resulting in the need for the District to set-aside \$2 million at year-end for operating cash flow.

Other Recommended Budget Amendments

As part of the mid-year Budget review, departments identify items not included in the Budget which are needed prior to June 30, 2023. While the budget process is typically the time to identify a department's needs for the upcoming year, unanticipated situations may arise during the year which require an amendment. The following adjustments are recommended:

- \$12,000 in the Lighting District Fund for traffic signal maintenance for the shared intersections at Knott/Cerritos and Knott/Katella. Stanton failed to invoice the City for two and a half years due to staff turnover and administrative oversight. An invoice was recently received, and the Budget only includes appropriations for 12 months of signal maintenance cost sharing with the City of Stanton.
- \$10,200 in the Storm Drainage Fund for on-call storm water and water quality contract services. The fats, oil and grease component of the agreement was omitted from the Budget.
- \$26,500 in the Storm Drainage Fund for unforeseen emergency repairs at the Veterans Park Stormwater Pump Station, which is nearing the end of its useful life. The pump motor failed in December and was immediately repaired in advance of the rainy season.
- \$23,000 in the Storm Drainage Fund to hire a consultant to evaluate and recommend upgrades to the City's four storm drain pump station's software and hardware systems. The systems are at the end of their useful life and before proceeding with a capital replacement purchase, an evaluation is necessary to determine options and associated costs.
- \$40,000 in the Central Services Fund for unforeseen major repairs to multiple Police vehicles and one Public Works street sweeper. These vehicles are critical to daily operations and the repairs extend the useful life of these vehicles.
- \$8,400 in the Sewer Fund for on-call stormwater and water quality contract services. The fats, oil and grease component of the agreement was omitted from the FY 2022-23 Budget.

- \$30,000 in the Narcotics Asset Seizure Fund for task force Police Officer overtime. Overtime for these positions was omitted from the Budget, and the bulk of these overtime costs are reimbursed to the City.
- \$27,000 in the Capital Replacement Fund for the installation of fire and panic alarms in the Police department jail. These equipment items were not included in the scope of the modernization project and must be integrated into the alarm system to meet current standards and allow the jail to be fully functional. It is recommended \$27,000 be transferred from the Narcotics Asset Seizure Fund to pay for these items.
- A \$1 million transfer from the Liability Self-Insurance Fund to the Workers Compensation Self-Insurance Fund is recommended. The City has seen a large increase in workers' compensation claims over the last few years, with the majority of the claims associated with Police Officers. The City is self-insured and has a separate fund that accumulates monies to pay workers' compensation costs. The financial impacts from the additional claims are significant and have negatively impacted available amounts for workers' compensation needs. In addition to the City's outstanding workers' compensation claims liabilities doubling to over \$2.3 million at June 30, 2022, salary continuation payments to employees not working due to on-the-job injuries reached \$425,000 last year - more than triple historical trends. Fortunately, recent claims experience for General Liability insurance has been favorable and excess amounts set-aside for those purposes are available to transfer to the Workers Compensation Self-Insurance Fund. However, if these recent trends continue, further increases to the Police department General Fund budget will be necessary to sufficiently fund the Workers Compensation Self-Insurance Fund.

BUDGET IMPACT

Based on the results of operations for the first six months of the fiscal year and current projections for the second half of the fiscal year, it is anticipated available fund balances in the General Funds of both the City and District will exceed FY 2022-23 estimates. Sufficient FY 2022-23 savings are projected to be available to pay for the recommended appropriations.

LEGAL REVIEW

None required.

APPROVED BY: Peter Grant, City Manager

Attachments

Exhibit One - General Fund Current Year Inflows/Outflows (Summarized)

Exhibit Two - General Fund (Detailed)

Exhibit Three - General Fund Summary of Fund Balance

Exhibit Four - Status of Capital Projects

Exhibit Five - CRPD General Fund

Exhibit Six - CRPD Summary of Fund Balance

Repayment Agreement and Purchase Money Promissory Note (CRPD 3) dated February 13, 2023

Fiscal Strategies

EXHIBIT ONE

CITY OF CYPRESS
FY 2022-23 MID YEAR BUDGET REVIEW
GENERAL FUND- CURRENT YEAR INFLOWS/OUTFLOWS (SUMMARIZED)

ACCOUNT	AMENDED 2022-23 BUDGET	SIX MOS. ACTUAL 2022-23	2022-23 PROJECTION	VARIANCE (\$) BUDGET VS. PROJECTION	VARIANCE (%)
<u>Inflows</u>					
Revenues and Transfers In	\$ 37,443,261	\$ 12,915,667	\$ 38,833,270	\$ 1,390,009	3.7%
<u>Outflows</u>					
Operating Expenditures	37,236,848	15,474,000	34,914,975	2,321,873	6.2%
Transfers Out from Current Year Resources	<u>2,335,661</u>	<u>1,800,000</u>	<u>2,335,661</u>	<u>-</u>	0.0%
Total Expenditures and Transfers	39,572,509	17,274,000	37,250,636	2,321,873	5.9%
Net Inflow/(Outflows)- Current Year Activities	<u>\$ (2,129,248)</u>	<u>\$ (4,358,333)</u>	<u>\$ 1,582,634</u>	<u>\$ 3,711,882</u>	

Note: Above Analysis summarizes current year activities; therefore, one-time American Rescue Plan Act (ARPA) inflows and outflows and one-time pandemic response and recovery outflows using accumulated fund balances are excluded.

CITY OF CYPRESS
FY 2022-23 MID YEAR BUDGET REVIEW
GENERAL FUND (DETAILED)

ACCOUNT	SIX MOS. ACTUAL 2021-22	2021-22 ACTUAL	AMENDED 2022-23 BUDGET	SIX MOS. ACTUAL 2022-23	2022-23 PROJECTION
<u>REVENUES:</u>					
Sales Tax	\$ 4,088,616	\$ 13,292,177	\$12,405,000	\$ 4,143,560	\$ 12,505,000
Property Taxes	2,969,145	5,781,115	5,798,000	3,716,254	6,651,300
Vehicle License Backfill	-	5,322,016	5,428,000	-	5,698,671
Residual Tax Increment (RDA Dissolution)	434,639	749,797	738,000	149,700	250,000
Franchise Tax	366,707	1,801,173	1,807,500	379,901	1,810,000
Transient Occupancy Tax	840,339	2,602,233	2,650,000	980,281	2,800,000
Parimutual Tax (Satellite & On-Site)	104,791	226,194	205,000	88,052	185,000
Business License Tax	1,207,228	1,288,505	1,250,000	1,294,158	1,325,000
Prop 172 Sales Tax	161,918	438,654	440,000	173,973	455,000
Real Property Transfer Tax	233,826	394,900	275,000	124,256	235,000
Motor Vehicle In-Lieu	-	56,066	45,000	-	45,000
Interest and Rent	65,763	239,864	251,739	476,308	1,150,000
Investments - Fair Market Value Adjustment	(595,047)	(3,140,181)	-	(1,442,641)	-
Park District Maint Charges	817,879	1,837,813	2,453,312	828,857	1,900,000
Residential User Fees	162,630	397,094	485,000	361,135	510,000
Licenses and Permits	411,092	1,326,104	883,070	624,016	883,070
Fines and Forfeitures	109,640	167,159	215,000	90,042	215,000
Business License Admin Fees	119,551	135,757	125,000	117,432	125,000
Plan Check Fees	356,134	658,149	322,000	131,154	322,000
Police and Public Works Service Fees	38,727	70,537	76,077	28,674	76,077
Zoning Fees	15,909	39,253	68,000	16,385	45,000
Revenue from Other Agencies	232,270	374,130	400,579	160,605	444,190
Homeowners Tax Relief	3,641	24,273	25,000	4,420	25,000
Expenditure Reimbursement	23,421	273,593	51,835	31,233	57,500
Miscellaneous Revenues and Fees	9,164	117,594	10,550	52,612	60,000
Total Revenues	\$ 12,177,983	\$ 34,473,969	\$36,408,662	\$ 12,530,367	\$ 37,772,808
<u>OTHER SOURCES (TRANSFERS IN):</u>					
Gas Tax Funds	\$ 298,011	\$ 599,186	\$ 746,880	\$ 298,844	\$ 746,880
Traffic Safety Fund	35,732	83,255	100,000	18,414	75,000
Lighting District Fund	81,446	190,760	174,137	63,681	225,000
Maintenance District Fund	4,435	12,362	13,582	4,361	13,582
Total Other Sources	\$ 419,624	\$ 885,563	\$ 1,034,599	\$ 385,300	\$ 1,060,462
Total Revenues and Other Sources	\$ 12,597,607	\$ 35,359,532	\$37,443,261	\$ 12,915,667	\$ 38,833,270
ONE-TIME ARPA REVENUES	\$ -	\$ 11,717,000	\$ 6,277	\$ -	\$ -
Total Revenues, Sources and ARPA	\$ 12,597,607	\$ 47,076,532	\$37,449,538	\$ 12,915,667	\$ 38,833,270

EXHIBIT TWO

Page 2 of 2

ACCOUNT	SIX MOS. ACTUAL 2021-22	2021-22 ACTUAL	AMENDED 2022-23 BUDGET	SIX MOS. ACTUAL 2022-23	2022-23 PROJECTION
EXPENDITURES					
Legislative	\$ 331,162	\$ 802,657	\$ 859,170	\$ 432,377	\$ 859,170
Administration	719,944	1,531,037	2,463,658	809,656	2,440,000
Finance & Administrative Services	993,286	2,015,268	2,312,456	1,000,938	2,190,000
Police	8,541,095	17,666,054	21,719,530	9,722,285	20,250,000
Planning and Development	481,548	1,143,573	2,581,229	588,062	2,531,229
Public Works					
Building & Safety	226,549	854,333	644,576	156,501	644,576
Engineering	714,893	1,609,130	1,787,528	745,652	1,650,000
Maintenance	1,854,510	4,042,511	4,868,701	2,018,529	4,350,000
Total Operating Expenditures	\$ 13,862,987	\$ 29,664,563	\$ 37,236,848	\$ 15,474,000	\$ 34,914,975
OTHER USES:					
Pandemic Response Assistance-PY Surplus	\$ 274,087	\$ 484,300	\$ 319,477	\$ -	\$ 319,477
Transfers for Current Year Expenditures:					
Storm Drain Operations	250,000	250,000	250,000	250,000	250,000
Capital Projects	1,300,000	1,550,000	1,400,000	1,400,000	1,400,000
Capital Projects (Pandemic Recovery)	-	-	625,000	-	625,000
Capital Outlay	-	20,786	129,111	-	129,111
General Fund Grants	-	6,216	6,550	-	6,550
Technology Investment	-	4,173	-	-	-
Sub Total	\$ 1,550,000	\$ 1,831,175	\$ 2,410,661	\$ 1,650,000	\$ 2,410,661
Transfers for Future Year Expenditures:					
Infrastructure/Facilities -CY Budget	\$ 250,000	\$ -	\$ 550,000	\$ 150,000	\$ 550,000
Infrastructure/Facilities -PY Revenues/Savings	-	4,500,000	-	-	1,750,000
Emp Benefits (Pension) - PY Revenues/Svgs	-	4,500,000	-	-	1,750,000
Sub Total	\$ 250,000	\$ 9,000,000	\$ 550,000	\$ 150,000	\$ 4,050,000
Total Transfers	\$ 1,800,000	\$ 10,831,175	\$ 2,960,661	\$ 1,800,000	\$ 6,460,661
Total Other Uses	\$ 2,074,087	\$ 11,315,475	\$ 3,280,138	\$ 1,800,000	\$ 6,780,138
Total Expenditures and Other Uses	\$ 15,937,074	\$ 40,980,038	\$ 40,516,986	\$ 17,274,000	\$ 41,695,113
Net Sources Over Uses	\$ (3,339,467)	\$ 6,096,494	\$ (3,067,448)	\$ (4,358,333)	\$ (2,861,843)

Includes City General Fund and Pandemic Recovery and Response Fund only; does not include General Fund -Grants
or General Fund -Storm Drain Operating Activities

EXHIBIT THREE

CITY OF CYPRESS
FY 2022-23
SUMMARY OF FUND BALANCE - GENERAL FUND

	Actual Balance <u>6/30/2022</u>	Projected Balance <u>6/30/2023</u>
FUND BALANCE:		
Nonspendable		
Prepaid Expenditures	\$ 26,738	\$ -
Notes Receivable and Advances to Other Funds	<u>169,022</u>	<u>107,022</u>
Total Restricted	195,760	107,022
Restricted		
For Community Promotion per Development Agreements	<u>\$ 28,944</u>	<u>\$ 28,944</u>
Total Restricted	\$ 28,944	\$ 28,944
Committed		
Council Approved Stabilization Agreement (25% Contingency)	<u>\$ 8,862,296</u>	<u>\$ 9,216,788</u>
Total Committed	\$ 8,862,296	\$ 9,216,788
Assigned		
Continuing Appropriations	\$ 1,723,008	\$ -
<i>Pre-funding Accumulations (Resulting From Operations)</i>		
Future Infrastructure Needs	1,400,000	1,350,000
Pension Investment (Employee Benefits Liabilities)	1,400,000	1,350,000
Capital Projects (Annual Transfer for Current Year Projects)	250,000	250,000
Capital Projects (Annual Transfer for Storm Drainage Projects)	250,000	250,000
Capital Projects (Minimum Annual Transfer)	1,050,000	1,050,000
Storm Drainage Fund (Annual Transfer for Storm Drainage Maintenance)	250,000	250,000
One-Time Pandemic Recovery Plan Allocation (Approved January 2022)	9,305,552	7,945,801
Budget Stabilization Reserve	2,000,000	2,000,000
Business Relocation Stabilization	<u>2,500,000</u>	<u>2,500,000</u>
Total Assigned	\$ 20,128,560	\$ 16,945,801
Unassigned (Available for Operating Contingencies)	<u>\$ 1,043,486</u>	<u>\$ 1,098,648</u>
TOTAL FUND BALANCE	<u>\$ 30,259,046</u>	<u>\$ 27,397,203</u>

EXHIBIT FOUR

CITY OF CYPRESS
FY 2022-23 MID YEAR BUDGET REVIEW
STATUS OF CAPITAL PROJECTS

	Original FY 2022-23 Budget	Carryover/New Appropriations	Total Budget	Expenditures or Encumbered (six months)	Percent
<u>CIP Fund</u>					
Residential Street Resurfacing	\$ 1,300,000	\$ 428,871	\$ 1,728,871	\$ 242,554	14.03%
Myra Avenue Pump Station No. 1 Eval	75,000	-	75,000	1,718	2.29%
Veterans Park Pump Station No. 6 Eval	25,000	-	25,000	-	0.00%
Concrete/Sidewalk Rehabilitation	400,000	356,248	756,248	294,405	38.93%
Katella Avenue Median Restoration	-	131,485	131,485	46,650	35.48%
Frontage Road Landscape Improvements	200,000	-	200,000	9,256	4.63%
Irrigation Study/Water Conservation	75,000	-	75,000	-	0.00%
Street Tree Planting	100,000	-	100,000	4,470	4.47%
City Hall Bathrooms - Disability Access	190,000	-	190,000	38,569	20.30%
City Hall East Wing Carpeting/Blinds	-	75,000	75,000	-	0.00%
City Hall East Wing Seismic Improvements	300,000	-	300,000	-	0.00%
City Hall Security Improvements	150,000	-	150,000	-	0.00%
City Hall West Wing Carpet/Flooring	250,000	-	250,000	-	0.00%
City Hall West Wing Furnishings/Workstations	200,000	-	200,000	-	0.00%
Civic Center Security Improvements	-	105,000	105,000	-	0.00%
Council Chamber Security Improvements	200,000	-	200,000	-	0.00%
Cypress Branch Library Lease Improvements	-	226,920	226,920	-	0.00%
Electric Vehicle Charging Stations (8061/62/63)	500,000	-	500,000	-	0.00%
Police Department Modernization	-	48,819	48,819	570	1.17%
Police Department Gate Replacement	50,000	-	50,000	-	0.00%
Police Department Parking Deck Recoating	40,000	-	40,000	-	0.00%
Police Department Vehicle Access Gate	-	53,000	53,000	-	0.00%
Security Improvements Study (8061/62/63)	150,000	-	150,000	-	0.00%
City Hall East Wing Workstation Replacement	-	75,000	75,000	400	0.53%
Reclaimed Water Line Project	50,000	-	50,000	7,459	14.92%
Total CIP Fund	\$ 4,255,000	\$ 1,500,343	\$ 5,755,343	\$ 646,051	11.23%
<u>Streets Funds</u>					
Street Widening Design - Lexington Park	\$ -	\$ 3,238	\$ 3,238	\$ -	0.00%
Street Widening Construction - Lexington Park	-	213,186	213,186	-	0.00%
Signal Improvements - Lexington Park	-	1,169	1,169	-	0.00%
Traffic Signal/Striping Improvements	250,000	-	250,000	11,822	4.73%
Arterial Rehabilitation - Orange Ave FY 22-23	440,000	-	440,000	23,257	5.29%
Traffic Camera Infrastructure Upgrade	110,000	69,845	179,845	67,618	37.60%
Update Pavement Management Program	-	4,300	4,300	-	0.00%
Arterial Street Rehabilitation FY 22-23	1,750,000	324,914	2,074,914	219,921	10.60%
Arterial Rehabilitation - Orange Ave FY 21-22	-	333,862	333,862	-	0.00%
Total Streets	\$ 2,550,000	\$ 950,514	\$ 3,500,514	\$ 322,618	9.22%
<u>Sewer Fund</u>					
Sewer System Evaluation	\$ 185,000	\$ 32,427	\$ 217,427	\$ 5,959	2.74%
Sewer System Improvements	100,000	150,000	250,000	2,823	1.13%
Sewer Lateral Replacement - Police Dept	-	344,507	344,507	346,598	100.61%
	\$ 285,000	\$ 526,934	\$ 811,934	\$ 355,379	43.77%
<u>Lighting District Fund</u>					
Traffic Signal Timing	\$ -	\$ 216,000	\$ 216,000	\$ 13,878	6.43%
Traffic Signal Synchronization - Katella OCTA	-	27,600	27,600	-	0.00%
Traffic Signal Software/Components Upgrade	880,000	260,000	1,140,000	-	0.00%
Adaptive Timing Controls Upgrade/Install	50,000	-	50,000	-	0.00%
Illuminated Street Name Sign Upgrades	-	11,050	11,050	9,690	87.69%
	\$ 930,000	\$ 514,650	\$ 1,444,650	\$ 23,568	1.63%
Total	\$ 8,020,000	\$ 3,492,441	\$ 11,512,441	\$ 1,347,616	11.71%

**CYPRESS RECREATION AND PARK DISTRICT
FY 2022-23 MID-YEAR BUDGET REVIEW
GENERAL FUND**

ACCOUNT	2021-22 SIX MOS. ACTUAL	2021-22 ACTUAL	AMENDED 2022-23 BUDGET	2022-23 SIX MOS. ACTUAL	2022-23 PROJECTION
REVENUES/SOURCES:					
Property Taxes	\$ 2,737,716	\$ 5,302,597	\$ 5,309,000	\$ 3,487,514	\$ 6,250,000
Residual Tax Increment/Pass Thrus	526,012	919,757	909,000	201,874	201,874
Interest and Rent	42,037	186,007	371,000	235,294	510,000
Homeowners Tax Relief	3,432	22,882	23,000	4,161	23,000
Grants	33,246	30,194	474,681	26,659	474,681
User Fees	208,766	667,737	682,692	300,702	682,692
Miscellaneous	707	4,389	6,900	2,404	4,500
Total Revenues	3,551,916	7,133,563	7,776,273	4,258,608	8,146,747
Loan from City for Lexington Park	4,729,980	6,839,779	541,936	10,710	339,817
Loan from City for AC Park	-	-	1,275,000	-	1,275,000
Open Space- Transfer In*	-	6,319,214	-	-	1,434,209
Total Other Sources	4,729,980	13,158,993	1,816,936	10,710	3,049,026
Total Revenues/Sources	\$ 8,281,896	\$ 20,292,556	\$ 9,593,209	\$ 4,269,318	\$ 11,195,773
EXPENDITURES/USES:					
Recreation	\$ 1,962,325	\$ 4,529,664	\$ 5,931,496	\$ 2,390,039	\$ 5,375,000
Capital Outlay	1,801	10,234	115,243	-	115,243
Capital Projects	5,034,975	7,648,236	4,465,016	256,026	5,295,816
Transfer Out - Employee Benefits	150,000	150,000	150,000	150,000	150,000
Loan Repayment - Lexington Park*	-	6,319,214	-	-	1,434,209
Loan Repayment to City - Other	526,012	919,757	401,918	201,874	382,161
Total Expenditures/Uses	\$ 7,675,113	\$ 19,577,105	\$ 11,063,673	\$ 2,997,939	\$ 12,752,429
Net Sources Over Uses	\$ 606,783	\$ 715,451	\$ (1,470,464)	\$ 1,271,379	\$ (1,556,656)

EXHIBIT SIX

**CYPRESS RECREATION AND PARK DISTRICT
SUMMARY OF FUND BALANCE
FY 2022-23**

	Actual Balance 6/30/2022	Projected Balance 6/30/2023
General Fund		
Fund Balance		
Nonspendable - Prepaid/Inventory Items	\$ 26,917	\$ -
Restricted - Youth League Renovations	67,596	59,596
Restricted - Senior Center Capital Campaign	30,077	30,077
Committed - Contracts Awarded (Capital Projects)	1,020,210	-
Assigned - Cash Flow	2,000,000	2,000,000
Assigned - Contingency	1,000,000	1,000,000
Assigned - Infrastructure/ Amenties	6,000,000	5,500,000
Assigned - Infrastructure/ Amenties (City Contribution)	2,200,000	2,200,000
Assigned - OCERS Retirement (unfunded)	150,000	150,000
Assigned - Art in Public Places	5,928	5,928
Unassigned	<u>248,433</u>	<u>246,904</u>
Total Fund Balance	<u><u>\$ 12,749,161</u></u>	<u><u>\$ 11,192,505</u></u>
Park Development Fund		
Restricted - Open Space	<u>\$ 1,697</u>	<u>\$ -</u>
Total Fund Balance	<u><u>\$ 1,697</u></u>	<u><u>\$ -</u></u>

REPAYMENT AGREEMENT

This Repayment Agreement is entered into as of the 13th day of February 2023, by and between the Cypress Recreation and Park District, a public body corporate and politic (the "District") and the City of Cypress, a public body corporate and politic (the "City").

RECITALS

- A. Whereas, the City and District would like to establish a repayment agreement between the City and District for design and construction costs associated with the reimagining of Arnold Cypress Park, and
- B. The District does not have sufficient cash reserves available to pay for the full cost of the project, and
- C. Beginning in FY 2023-24, the District will have additional annual property tax revenue available due to paying off all outstanding obligations associated with the dissolution of the former Redevelopment Agency, and
- D. The District desires to have the park designed and constructed prior to the receipt of sufficient property tax receipts, which will require the issuance of promissory notes for the final design and subsequent construction phase; and
- E. The amount of such promissory note for the subsequent construction phase is not known at this time and will be presented to the City Council for consideration at a future date; and
- F. Whereas, the City and District would like to formally authorize the City Manager/Executive Director to issue an initial promissory note for up to \$1,275,000 to pay for the final design of the park and establish an applicable interest rate equal to the amount earned on the California Local Agency Investment Fund (LAIF); and

NOW, THEREFORE, in consideration of the foregoing mutual covenants and conditions set forth herein, the parties hereto agree as follows:

Section 1. The District hereby agrees to pay the City as full consideration for the initial loan referred to in the recitals hereinabove, a total sum not to exceed One Million Two Hundred Fifty Thousand Dollars (\$1,275,000) with interest thereon calculated at a rate equal to that earned on the California Local Agency Investment Fund per annum. The loan amounts shall not exceed actual costs incurred for the design of the upgraded park. The District's obligations hereunder shall be evidenced by a Promissory Note substantially in the form attached hereto and incorporated herein by reference (the "Purchase Money Promissory Note").

Payment of all accrued interest with respect to the Purchase Money Promissory Note shall be due annually on June 30th starting on June 30, 2024. Full payment of the outstanding principal with respect to the Purchase Money Promissory Note shall be due no later than June 30, 2025 unless extended by mutual agreement of the parties hereto. However, a payment of \$1,000,000 against the outstanding principal will be due on June 30, 2024 and the balance of the loan will be due on June 30, 2025 or at any other

time during the term of the Purchase Money Promissory Note that sufficient monies become available based on staff's recommendations.

The District shall execute and deliver the Purchase Money Promissory Note as of the date of the execution of this Agreement.

Section 2. The District's obligation to make payments to the City pursuant to the Purchase Money Promissory Note shall be payable solely from property taxes allocated to the District but only if and to the extent such amounts are available, and determines in its sole discretion to use to repay said amounts. In the event that there are insufficient funds from the sources identified herein to make the required payments with respect to the Purchase Money Promissory Note in the year in which such payments are to be made, the City shall reasonably consider (but shall not be obligated to) extend the time for payment by adding such amounts to the principal balance evidenced by the Purchase Money Promissory Note and interest at the rate set forth in the Purchase Money Promissory Note.

Section 3. The parties hereto acknowledge and agree that the District's obligation to pay the amounts evidenced by the Purchase Money Promissory Note shall be automatically subordinated to any other obligation of the District secured by property tax revenues or for which property tax revenues are otherwise pledged in connection with the issuance of bonds or certificates of participation.

Section 4. The District shall have the right at any time, from time to time, upon at least ten (10) days written notice to the City, to prepay without premium or penalty, the outstanding balance of the Purchase Money Promissory Note, or any portion thereof, with interest payable through the date of such prepayment.

Section 5. This Agreement embodies the entire Agreement understanding between the parties hereto with respect to the matters set forth herein and supersedes all prior agreements and understandings related to the subject matter hereof.

Section 6. This Agreement shall terminate when all obligations of the District as evidenced by the Purchase Money Promissory Note shall have been discharged in full.

Section 7. In case any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be effected or impaired thereby.

Section 8. No member, officer, agent or employee of the District shall be individually or personally liable for the payment of, the principal of or interest on the Purchase Money Promissory Note.

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

CITY OF CYPRESS

By _____
City Mayor

ATTEST:

City Clerk

CYPRESS RECREATION AND PARK DISTRICT

By _____
District Board Chair

ATTEST

District Executive Director

PURCHASE MONEY PROMISSORY NOTE (CRPD 3)

Not to Exceed \$1,275,000

Cypress, CA

February 13, 2023

The Cypress Recreation and Park District, a public body corporate and politic (the "District"), for value received, hereby promises to pay to the City of Cypress, public body corporate and politic (the "City"), the maximum principal sum of One Million Two Hundred Fifty Thousand dollars (\$1,250,000), in lawful money of the United States of America together with interest thereon on the unpaid balance thereof from the date hereof at a rate equal to the California Local Agency Investment Fund (LAIF) per annum. With respect to this Purchase Money Promissory Note, the Agency shall pay all interest annually on June 30th and the principal on or before June 30, 2025. Interest shall be computed upon the basis of a three hundred sixty (360) day year and a thirty (30) day month.

This Note is the Purchase Money Promissory Note referred to in the Repayment Agreement dated as of February 13, 2023, between the City and the District and is entitled to all the benefits and is subject to all the limitations provided for therein. Reference is made to said Agreement for, inter alia, the rights of prepayment and the sources of payment of the principal of and interest on this Purchase Money Promissory Note.

CYPRESS RECREATION AND PARK DISTRICT

By _____
District Board Chair

ATTEST:

Executive Director

BUDGET OVERVIEW

FISCAL STRATEGIES OVERVIEW

Purpose of Fiscal Strategies

Primary among the responsibilities the City of Cypress has to its citizens is the care of public funds and wise management of its assets while providing for the adequate funding of the services desired by the public and the maintenance of public facilities. Financial management strategies, designed to ensure the fiscal stability of the City, have been implemented to provide guidance for the development and administration of the annual operating and capital budgets.

Fiscal Strategies

1. The Budget will be balanced and focus on long-term sustainability
2. Reserves and fund balances will be maintained prudently
3. Available resources and the Strategic Plan will determine service levels
4. Continue to invest in the maintenance of facilities and infrastructure
5. Financial decisions will be transparent to the public

These strategies are a foundation for protecting and assessing Cypress' financial well-being. They do not provide specific solutions to arising financial challenges; rather they represent an approach to navigating important and difficult decisions necessary to address Cypress' changing cost structure and ever more scarce resources.

The strategies are comprised of policies (formal actions previously taken by the City Council) and practices (actions management and City Council undertake to promote and protect financial resiliency).

Strategy Objectives

- Ensure Cypress provides necessary services to the community and remains financially resilient
- Allow time to affect change and adapt to financial challenges
- Enhance transparency and encourage community involvement
- Create methods to analyze the costs and benefits of services over the long-term
- Help the City Council, City Management, the community, and employee associations balance competing demands for scarce resources

Reflecting the city's limited ability to control revenues, the objectives focus on service levels, efficiencies, expenditures control, and performance measure-based evaluation of programs and services.

BUDGET OVERVIEW

FISCAL STRATEGIES

1. The Budget will be balanced and focus on long-term sustainability

Policies

- 1.1. The Budget presented to City Council will be balanced (current year revenues fund current year operating expenses)

Practices

- 1.2. Reserves (excluding amounts accumulated for capital projects or capital outlay) will only be used to address extraordinary, short-term circumstances
- 1.3. The Budget will include a Five-Year Financial Projection
- 1.4. Ongoing operations will be funded with ongoing revenues
- 1.5. Expenditure growth will be limited to essential/necessary increases
- 1.6. Fees will be evaluated annually to identify the full cost of providing services
- 1.7. Sales tax revenue budgeted to support City operations will be estimated using a baseline calculation to manage risk and volatility. The baseline calculation will incorporate a four-year average¹ of sales tax revenues and be reviewed (and adjusted if necessary) annually. Revenues above the baseline will be available for one-time expenditures. When sales tax revenues are projected to decrease, the baseline calculation approach may be supplanted with a more conservative projection methodology.
- 1.8. New programs/services must be revenue neutral, resulting in no impact to fund balance in the General Fund
- 1.9. Performance measures will be presented in the Budget and used to evaluate the effectiveness of programs and services
- 1.10. “Mini-financial statements” will identify the net costs of revenue generating programs and services
- 1.11. Pension trust investments will be reviewed annually to determine if adjustments to the investments or deposits/ withdrawals are warranted

¹ The four-year average includes projections for Proposed Budget (i.e. FY 2022-23); estimates from the current fiscal year Amended Budget (i.e. FY 2021-22), and the actual revenue in the two prior fiscal years (i.e. FY 2020-21 and FY 2019-20).

BUDGET OVERVIEW

FISCAL STRATEGIES

2. Reserves and fund balances will be maintained prudently

Policies

2.1. The City will maintain the following contingency reserves:

- Reserve for Economic Uncertainty. Equal to 25% of General Fund expenditures, the reserve stabilizes City services should General Fund revenues decrease by greater than 10% or estimated General Fund expenditures increase by more than 10% and when the City Council determines the City's ability to provide basic service to the community is threatened
- Reserve for Emergency/Disaster Recovery. Equal to 30% of General Fund expenditures, the reserve pays for capital needs in response to an emergency or natural disaster and provides resources to begin recovery prior to FEMA assistance or insurance proceeds become available

2.2. The City will maintain fully funded replacement accounts for capital including: equipment, vehicles, and technology

2.3. The City will maintain fully funded internal service funds for: workers' compensation and general liability insurance; employee benefits; and central services (the ongoing maintenance of equipment, vehicles and facilities and print shop and information technology operations)

2.4. The City will conform to the Governmental Accounting Standards Board Fund Balance Policy Statement 54 which defines fund balance categories and creates the authority necessary to establish them

Practices

2.5. Maintain a \$2.5 million Stabilization Reserve designed to provide a period of adjustment should a major tax generating business relocate or cease operations or at the City Council's discretion in response to other economic shocks

2.6. Maintain a \$2.0 million Budget Stabilization Reserve which can be used in the short-term to assist with budget shortfalls due to forecasted financial challenges

2.7. Fiscal year end General Fund savings or unappropriated revenues will be:

1. Used to replenish any reserves used to fund operations during the fiscal year
2. Transferred to internal service funds to address unfunded liabilities, including pension and retiree health liabilities. Such transferred amounts will be invested in a manner consistent with offsetting or reducing these liabilities and may include pension trust investment and additional discretionary payments to CalPERS.
3. Transferred for future facility and infrastructure projects

BUDGET OVERVIEW

FISCAL STRATEGIES

- 2.8. The General Fund will maintain an unassigned fund balance sufficient to account for unforeseen revenue shortfalls or unanticipated expenditures that may arise during the fiscal year
- 2.9. The City will identify its long-term liabilities and obligations and develop policies to address them including a mitigation plan for unfunded pension liabilities. Such pension mitigation matters include a commitment to annually contribute funding for investment in the City's pension trust and additional discretionary payments to CalPERS over and above the minimum required actuarial funding levels established by CalPERS.

3. Available resources and the Strategic Plan will determine service levels

Policies

- 3.1. The City Council will conduct Strategic Plan workshops at least twice a year
- 3.2. Programs, services, and staffing will be evaluated annually as part of the Budget process
- 3.3. Employee compensation will be competitive and sufficient to attract, motivate and retain high-quality employees committed to Cypress' success

Practices

- 3.4. The Budget will recommend programs, services and staffing using the following criteria:
 - Is it necessary for public health or safety?
 - Is it mandated by the State or Federal government?
 - Does it accomplish a Strategic Plan goal or objective?
 - Does it result in operating savings (or additional costs) in the future?
 - Is significant outside/restricted funding available?
 - Does it promote economic development?
- 3.5. Employees and employee associations are important partners and the City will engage them in the Budget process
- 3.6. The city will complete development of, and annually update, a Succession Plan
- 3.7. All staffing vacancies will be evaluated through the Succession Plan prior to a decision to fill the position

BUDGET OVERVIEW

FISCAL STRATEGIES

4. Continue to invest in the maintenance of facilities and infrastructure

Policies

- 4.1. Accumulated facility and infrastructure funding will be allocated through the Seven-Year Capital Improvement Program (CIP)
- 4.2. The General Fund will make minimum annual contributions of \$1.8 million for Capital Improvements. Included in the \$1.8 million will be contributions for facility and infrastructure improvements as follows:
 - Storm drain improvements and operations \$500,000
 - Facility improvements \$250,000Additionally, \$1,050,000 will be transferred from the General Fund for either current year or future expenditures depending on availability of restricted revenues for transportation purposes and the ability to meet associated Maintenance of Effort (MOE) requirements.

Practices

- 4.3. Facilities and infrastructure will be maintained to extend their useful life
- 4.4. The infrastructure reserve will maintain a balance sufficient to construct at least 115% of the projects included in the Seven-Year CIP funded by the General Fund
- 4.5. When practical, capital projects should be financed on a pay-as-you-go basis without issuing debt
- 4.6. Capital projects will prioritize the use of restricted funds (those other than the General Fund) and seek outside funding
- 4.7. The CIP will be guided by existing infrastructure system master plans
- 4.8. Options for ongoing revenue sources to support Recreation and Park District facilities and infrastructure improvements will be identified
- 4.9. Long-term facility and infrastructure needs beyond the Seven-Year CIP will be identified

BUDGET OVERVIEW

FISCAL STRATEGIES

5. Financial decisions will be transparent to the public

Policies

- 5.1. The Budget, CIP, audit/Comprehensive Annual Financial Report, and financial policies will be considered by the City Council annually and available on the City's website

Practices

- 5.2. The City Council will review the City's finances at its regular meetings:
- | | |
|----------------|--|
| January | Fiscal year end, audit, and Comprehensive Annual Financial Report presentation |
| February | Mid-year Budget review |
| February/March | Reserves update and pension trust review |
| May/June | Budget presentation and adoption |
- 5.3. Financial information will be easily accessible on the City's website
- 5.4. Employee compensation information will be available on the City's website
- 5.5. The City Council will receive monthly financial reports
- 5.6. The City Council will receive and file investment reports and warrants, transfers, and wires reports at its regular meetings



CITY OF CYPRESS

CITY COUNCIL REPORT

City Council Regular

9.

FROM: Matt Burton, Director of Finance and Administrative Services

DATE: 02/13/2023

SUBJECT: Approve Register of Warrants, Transfers, and Wires Issued for the Period of January 7, 2023 through January 27, 2023

RECOMMENDATION

Approve the attached payment register summarized below for the period of January 7, 2023 through January 27, 2023:

- Electronic Funds Transfers 12518 through 12611
- Warrants 61509 through 61626
- Payroll Transfers W1493 through W1494

DISCUSSION

Payments to vendors for goods and services received and/or rendered are initiated and approved by the requesting department in accordance with proper purchasing guidelines. Processing of these payments occurs centrally in the City's Finance Department with payments issued bi-weekly. A register listing of these payments is then presented to the City Council for approval. This register also includes any Electronic Funds Transfers (EFT), outgoing payroll transfers or wires issued since the previous register was presented to the City Council. Voided Payments (if any) are also identified.

All payments are processed on the City's financial management software system. This system generates a payment batch register, sorted by warrant number (or EFT/Wire number), and presents the invoice amount and a description of the payment issued.

BUDGET IMPACT

Total warrants, transfers, and wires issued (net of any voided payments) during the period of January 7, 2023 through January 27, 2023 are \$2,371,966.42.

LEGAL REVIEW

None required.

APPROVED BY:

Peter Grant, City Manager

Attachments

Payment Register for the Period 01-07-23 through 01-27-23

City of Cypress
Payment Register
01/07/23-01/27/23

EFT/ Warrant Number	Vendor	Payment Amount	Description	Invoice	Invoice Amount
12518	1178 - UNION BANK	\$ (29.87)			
			Credit/Erroneous Charge/SS 11/14	0429 1/7/23	\$ (29.87)
12519	1178 - UNION BANK	\$ 79.76			
			Supplies/Employee Appreciation Lunch 11/14	0429(A) 1/7/23	\$ 79.76
12520	1178 - UNION BANK	\$ 8.99			
			Food/Council Meetings 11/18	0429(B) 1/7/23	\$ 8.99
12521	1178 - UNION BANK	\$ 19.99			
			Food/Council Meetings 11/18	0429(C) 1/7/23	\$ 19.99
12522	1178 - UNION BANK	\$ 164.61			
			Photo Memory Books(2)/Outgoing Council 11/28	0429(D) 1/7/23	\$ 164.61
12523	1178 - UNION BANK	\$ 29.87			
			Erroneous Charge/SS 11/28	0429(E) 1/7/23	\$ 29.87
12524	1178 - UNION BANK	\$ 58.14			
			Certificate Holders(3)/Admin 11/22	0429(F) 1/7/23	\$ 58.14
12525	1178 - UNION BANK	\$ 87.00			
			Sub/Mailchimp Email Distribution/Admin 11/22	0429(G) 1/7/23	\$ 87.00
12526	1178 - UNION BANK	\$ 130.00			
			Sub/OC Register Online/PG 10/27/22-10/26/23	0429(H) 1/7/23	\$ 130.00
12527	1178 - UNION BANK	\$ 32.28			
			Pens(2)/Returned/SS 12/5	0429(I) 1/7/23	\$ 32.28
12528	1178 - UNION BANK	\$ 19.99			
			Sub/Dropbox/Shared Access Storage 12/8-1/8	0429(J) 1/7/23	\$ 19.99
12529	1178 - UNION BANK	\$ 75.25			
			Food/Council Meetings 12/12	0429(K) 1/7/23	\$ 75.25
12530	1178 - UNION BANK	\$ 34.96			
			Food/Playground/Kids Night Out 11/18	0547 1/7/23	\$ 34.96
12531	1178 - UNION BANK	\$ 11.31			
			Supplies/Community Center 11/22	0547(A) 1/7/23	\$ 11.31
12532	1178 - UNION BANK	\$ 16.16			
			Supplies/Community Center 11/22	0547(B) 1/7/23	\$ 16.16
12533	1178 - UNION BANK	\$ 15.52			
			Supplies/Community Center 11/22	0547(C) 1/7/23	\$ 15.52
12534	1178 - UNION BANK	\$ 601.36			
			PD Food(33 Guests)/EI Torito/VIP Appreciation Luncheon 11/16	0597 1/7/23	\$ 601.36
12535	1178 - UNION BANK	\$ 58.98			
			PD Dessert/VIP Appreciation Luncheon 11/14	0597(A) 1/7/23	\$ 58.98
12536	1178 - UNION BANK	\$ 48.48			
			Hard Drive(1)/CVRA Challenge 11/15	0635 1/7/23	\$ 48.48
12537	1178 - UNION BANK	\$ 19.99			
			Sub/Dropbox/Public Records Act/City Clerk 12/10-1/10	0635(A) 1/7/23	\$ 19.99
12538	1178 - UNION BANK	\$ 161.61			
			Coffee Urn(1)/Sr Center 11/17	1313 1/7/23	\$ 161.61

**City of Cypress
Payment Register
01/07/23-01/27/23**

EFT/ Warrant Number	Vendor	Payment Amount	Description	Invoice	Invoice Amount
12539	1178 - UNION BANK	\$ 81.62	Hand Sanitizer Refills(4 Btls)/Sr Center 11/28	1313(A) 1/7/23	\$ 81.62
12540	1178 - UNION BANK	\$ 15.06	Treadmill Safety Keys(2)/Sr Center 11/23	1313(B) 1/7/23	\$ 15.06
12541	1178 - UNION BANK	\$ 59.25	Wireless Microphone System(1)/Sr Center 11/25	1313(C) 1/7/23	\$ 59.25
12542	1178 - UNION BANK	\$ 15.56	Christmas Tree Topper(1)/Sr Center 12/16	1313(D) 1/7/23	\$ 15.56
12543	1178 - UNION BANK	\$ 317.95	Star Ornaments(100)/Sr Center Volunteer Giveaways 12/9	1313(E) 1/7/23	\$ 317.95
12544	1178 - UNION BANK	\$ 24.08	Supplies/Sr Center 12/8	1313(F) 1/7/23	\$ 24.08
12545	1178 - UNION BANK	\$ 63.53	Holiday Supplies/Sr Center 12/9	1313(G) 1/7/23	\$ 63.53
12546	1178 - UNION BANK	\$ 41.97	Food/Sr Center 12/12	1313(H) 1/7/23	\$ 41.97
12547	1178 - UNION BANK	\$ 419.58	Cookies(1K)/Holiday Sing 12/6	1313(I) 1/7/23	\$ 419.58
12548	1178 - UNION BANK	\$ 32.31	PD Key Cabinet(1)/Traffic Operations 11/22	1586 1/7/23	\$ 32.31
12549	1178 - UNION BANK	\$ 29.96	PD Fuel(5 Gls)/Motorcycle Training Ride/Units #661 & #663 12/1	1586(A) 1/7/23	\$ 29.96
12550	1178 - UNION BANK	\$ 5.00	PD Padlock Keys(2)/Radar Trailers 12/12	1586(B) 1/7/23	\$ 5.00
12551	1178 - UNION BANK	\$ 30.16	Supplies/Holiday Sing 11/18	1857 1/7/23	\$ 30.16
12552	1178 - UNION BANK	\$ 8.58	Supplies/Youth Action Committee 12/12	1857(A) 1/7/23	\$ 8.58
12553	1178 - UNION BANK	\$ 13.33	Supplies/Youth Action Committee 12/12	1857(B) 1/7/23	\$ 13.33
12554	1178 - UNION BANK	\$ 83.72	PD Dog Food(1 Bag)/Bono 12/6	2173 1/7/23	\$ 83.72
12555	1178 - UNION BANK	\$ 26.93	Screwdriver Set(1)/IT 12/5	2886 1/7/23	\$ 26.93
12556	1178 - UNION BANK	\$ 95.89	Laptop Battery(1)/RN 12/5	2886(A) 1/7/23	\$ 95.89
12557	1178 - UNION BANK	\$ 387.90	PD Hard Drives(2)/MAV/Returned 12/13	2886(B) 1/7/23	\$ 387.90
12558	1178 - UNION BANK	\$ 50.00	PD Dues/CA Assoc of Property & Evidence/JP 12/5/22-12/4/23	2957 1/7/23	\$ 50.00
12559	1178 - UNION BANK	\$ 50.00	PD Dues/CA Assoc of Property & Evidence/JC 12/5/22-12/4/23	2957(A) 1/7/23	\$ 50.00

**City of Cypress
Payment Register
01/07/23-01/27/23**

EFT/ Warrant Number	Vendor	Payment Amount	Description	Invoice	Invoice Amount
12560	1178 - UNION BANK	\$ 25.00			
			PD Reg/CA Assoc of Property & Evidence Awards Event/JP 12/14	2957(B) 1/7/23	\$ 25.00
12561	1178 - UNION BANK	\$ 25.00			
			PD Reg/CA Assoc of Property & Evidence Awards Event/CB 12/14	2957(C) 1/7/23	\$ 25.00
12562	1178 - UNION BANK	\$ 29.99			
			W/C Sub/Acrobat Pro 11/11-12/10	3874 1/7/23	\$ 29.99
12563	1178 - UNION BANK	\$ 8.70			
			W/C Sub/Business Analytics/Reporting Software 11/7-12/6	3874(A) 1/7/23	\$ 8.70
12564	1178 - UNION BANK	\$ 18.23			
			W/C Data Storage/Amazon Cloud 11/22	3874(B) 1/7/23	\$ 18.23
12565	1178 - UNION BANK	\$ 92.97			
			W/C Holiday Cards(100) 12/10	3874(C) 1/7/23	\$ 92.97
12566	1178 - UNION BANK	\$ 71.91			
			PD Dog Food(1 Bag)/Kubo 11/30	4268 1/7/23	\$ 71.91
12567	1178 - UNION BANK	\$ 90.00			
			Reg/City Engineers Assoc of OC Meeting/NM & NV 12/5	4519 1/7/23	\$ 90.00
12568	1178 - UNION BANK	\$ 2.42			
			Movie Rental(1)/Sr Center 11/16	4522 1/7/23	\$ 2.42
12569	1178 - UNION BANK	\$ 83.98			
			Mailing Seals(2.8K)/Sr Center 11/21	4522(A) 1/7/23	\$ 83.98
12570	1178 - UNION BANK	\$ 53.36			
			Erroneous Charge/Reimbursed/AC 12/7	4522(B) 1/7/23	\$ 53.36
12571	1178 - UNION BANK	\$ 17.85			
			Food/Sr Center 12/12	4522(C) 1/7/23	\$ 17.85
12572	1178 - UNION BANK	\$ 10.00			
			Sub/Box/Staff Document Review/Engineering 11/29-12/28	4595 1/7/23	\$ 10.00
12573	1178 - UNION BANK	\$ 1,800.00			
			Svc/Quickbase/Bldg/Public Works 12/22	4595(A) 1/7/23	\$ 1,800.00
12574	1178 - UNION BANK	\$ 81.79			
			Lunch(2)/OCCMA Reception Location Scouting/PG & SS 11/29	5395 1/7/23	\$ 81.79
12575	1178 - UNION BANK	\$ 39.14			
			Lunch Meeting(2)/PG & JP 11/30	5395(A) 1/7/23	\$ 39.14
12576	1178 - UNION BANK	\$ 27.79			
			Lunch Meeting(2)/OCCMA Reception Planning/PG & SS 12/6	5395(B) 1/7/23	\$ 27.79
12577	1178 - UNION BANK	\$ 1.99			
			PD Sub/OneDrive/Photo Storage 11/22	5911 1/7/23	\$ 1.99
12578	1178 - UNION BANK	\$ (0.63)			
			Credit/Fraudulent Charge/DP 11/30	6278 1/7/23	\$ (0.63)
12579	1178 - UNION BANK	\$ 0.63			
			Fraudulent Charge/DP 11/30	6278(A) 1/7/23	\$ 0.63
12580	1178 - UNION BANK	\$ 425.84			
			PD Repair/Sniper Rifles(2) 12/1	6278(B) 1/7/23	\$ 425.84

**City of Cypress
Payment Register
01/07/23-01/27/23**

EFT/ Warrant Number	Vendor	Payment Amount	Description	Invoice	Invoice Amount
12581	1178 - UNION BANK	\$ 190.00	PD Dues/Intl Assoc for Chiefs of Police/MT 1/1/23-12/31/23	7353 1/7/23	\$ 190.00
12582	1178 - UNION BANK	\$ 190.00	PD Dues/Intl Assoc for Chiefs of Police/CR 1/1/23-12/31/23	7361 1/7/23	\$ 190.00
12583	1178 - UNION BANK	\$ 10.00	Sub/OC Register Online/JD 11/28/22-11/27/23	7419 1/7/23	\$ 10.00
12584	1178 - UNION BANK	\$ 125.00	PD Reg/Capital to Communications-Legislative Impact/GF 11/29	7454 1/7/23	\$ 125.00
12585	1178 - UNION BANK	\$ (0.04)	PD Credit/Hotel/CA Narcotic Officer Assoc Conf/CM 11/18-11/22	8179 1/7/23	\$ (0.04)
12586	1178 - UNION BANK	\$ (0.04)	PD Credit/Hotel/CA Narcotic Officer Assoc Conf/HM 11/18-11/22	8179(A) 1/7/23	\$ (0.04)
12587	1178 - UNION BANK	\$ (0.04)	PD Credit/Hotel/CA Narcotic Officer Assoc Conf/CP 11/18-11/22	8179(B) 1/7/23	\$ (0.04)
12588	1178 - UNION BANK	\$ 655.50	PD Hotel/Advanced Search Warrants/SR 11/14-11/15	8179(C) 1/7/23	\$ 655.50
12589	1178 - UNION BANK	\$ 655.50	PD Hotel/Advanced Search Warrants/SG 11/14-11/15	8179(D) 1/7/23	\$ 655.50
12590	1178 - UNION BANK	\$ 885.00	PD Reg/Police K9 Training Conf/BM & RM & TM 3/7-3/9	8179(E) 1/7/23	\$ 885.00
12591	1178 - UNION BANK	\$ 375.00	PD Reg/CA PRA Redacting Records/NB & KA & MC & PA 2/7	8179(F) 1/7/23	\$ 375.00
12592	1178 - UNION BANK	\$ (62.48)	Credit/Hand Sanitizer(48 Btls)/Cancelled Order 11/17	8886 1/7/23	\$ (62.48)
12593	1178 - UNION BANK	\$ 27.76	PD RACE Uniform Shirt(1)/LP 11/21	8886(A) 1/7/23	\$ 27.76
12594	1178 - UNION BANK	\$ 355.60	PD Fingerprint Readers(5) 11/23	8886(B) 1/7/23	\$ 355.60
12595	1178 - UNION BANK	\$ 20.23	PD Custom Stamp(1)/PA 11/29	8886(C) 1/7/23	\$ 20.23
12596	1178 - UNION BANK	\$ 42.22	PD Replace/Microphone Cable(1)/RACES Room 11/28	8886(D) 1/7/23	\$ 42.22
12597	1178 - UNION BANK	\$ 198.15	PD Replace/Battery(1)/RACES 11/29	8886(E) 1/7/23	\$ 198.15
12598	1178 - UNION BANK	\$ 239.88	Sub/LinkedIn Learning/Online Training/CD 11/13/22-11/13/23	9183 1/7/23	\$ 239.88
12599	1178 - UNION BANK	\$ 63.36	Sub/Microsoft Teams/Video Conferencing/Comm Dev 6/6/22-12/1/22	9183(A) 1/7/23	\$ 63.36
12600	1178 - UNION BANK	\$ 150.00	Sub/Property Data/Code Enforcement & Planning 11/22	9183(B) 1/7/23	\$ 150.00
12601	1178 - UNION BANK	\$ 29.98	Sub/Zoom Video Conferencing/HR 12/8-1/7	9858 1/7/23	\$ 29.98

City of Cypress
Payment Register
01/07/23-01/27/23

EFT/ Warrant Number	Vendor	Payment Amount	Description	Invoice	Invoice Amount
12602	120801 - MISSION SQUARE - ICMA RETIREMENT TRUST - RHS	\$ 1,200.00			
			Deferred Comp/Exec Mgmt 1/23	401a-1/23	\$ 1,200.00
12603	100505 - CITY OF CYPRESS-WORKERS COMP	\$ 6,514.45			
			W/C Claims/Prof Svcs/#25840-25923	Reimb 1/20/23	\$ 6,514.45
12604	100505 - CITY OF CYPRESS-WORKERS COMP	\$ 10,208.39			
			W/C Claims/Medical/#25840-25923	Reimb(A) 1/20/23	\$ 10,208.39
12605	100505 - CITY OF CYPRESS-WORKERS COMP	\$ 18,071.02			
			W/C Claims/Perm Disability/#25840-25923	Reimb(B) 1/20/23	\$ 18,071.02
12606	168 - CalPERS-Fiscal Services Division	\$ 11,580.84			
			Pension Payment/Replacement Benefit Fund 2023	17034287	\$ 11,580.84
12607	2169 - RICHARDSON, JENNIFER	\$ 491.40			
			Refund/Plan Check Fees/Permit #BS-22-1994	Rfd 1/20/23	\$ 491.40
12608	2183 - CRUZ, SERGIO	\$ 367.00			
			Refund/Permit #BS-22-1769	Rfd 1/20/23	\$ 367.00
12609	2184 - BRIGHT, MIKE	\$ 324.00			
			Refund/Duplicate Payment/Permit #BS-22-1981	Rfd 1/20/23	\$ 324.00
12610	119029 - CALIFORNIA DEPT OF TAX AND FEE ADMINISTRATION	\$ 286.00			
			Sales & Use Tax Payable 2022	024-605260-2022	\$ 286.00
12611	120801 - MISSION SQUARE - ICMA RETIREMENT TRUST - RHS	\$ 10,948.75			
			Monthly Retiree Health Savings 1/23	1/23	\$ 10,948.75
61509	0 - FRISCH, ROBERT	\$ 500.00			
			Refund/Pool Bond/Permit #BS-22-303/CDD-22-19	Rfd 4/29/22	\$ 500.00
61510	0 - PREMIER OUTDOOR BUILDERS	\$ 500.00			
			Refund/Pool Bond/10489 Gregory Circle	Rfd 6/24/22	\$ 500.00
61511	639 - 10-8 RETROFIT, INC	\$ 539.34			
			Replace/Secure Idle/Unit #625	19047	\$ 539.34
61512	129018 - A TO Z FIRE PROTECTION CO.	\$ 782.64			
			Svc/Recertify Fire Extinguishers(62)/Maint Vehicles 12/7	I221207428	\$ 782.64
61513	270 - AITHAL, DARSHINI	\$ 180.05			
			Instruct/Chair Yoga 12/6-12/27	12/27/22	\$ 86.45
			Instruct/Flow Yoga 12/5-12/26	12/26/22	\$ 93.60
61514	105442 - ALL CITY MANAGEMENT SERVICE INC	\$ 39,633.35			
			Crossing Guard Services(15 Hrs)/Orange & Grindlay 11/13-11/26	81566(A)	\$ 361.35
			Crossing Guard Services(27 Hrs)/Orange & Grindlay 10/30-11/12	81228(A)	\$ 650.43
			Crossing Guard Services(30 Hrs)/Orange & Grindlay 11/27-12/10	81929(A)	\$ 722.70
			Crossing Guard Services(348.5 Hrs) 11/13-11/26	81566	\$ 8,395.37
			Crossing Guard Services(581 Hrs) 10/30-11/12	81228	\$ 13,996.29
			Crossing Guard Services(643.72 Hrs) 11/27-12/10	81929	\$ 15,507.21
61515	116745 - AMERINAT	\$ 2,971.46			
			Fees/CDBG Rehab Loans 10/22	LMP-22-02637	\$ 2,971.46

**City of Cypress
Payment Register
01/07/23-01/27/23**

EFT/ Warrant Number	Vendor	Payment Amount	Description	Invoice	Invoice Amount
61516	107008 - ANDERSON, GINGER	\$ 1,617.20			
			Instruct/Dance 9/19-11/17	11/17/22	\$ 1,617.20
61517	102968 - APOLLO PRINTING & GRAPHICS	\$ 134.69			
			Council Member Plaque(1)/City Hall 1/5	279332	\$ 134.69
61518	1619 - ARDURRA GROUP, INC-ANDERSON PENNA PARTNERS	\$ 9,707.50			
			Design/Curb Ramp/Myra & Denni 12/22	1313958	\$ 2,637.50
			Inspect/OCSD Sewer Rehab/Permit #PW-21-159 11/22	131318	\$ 850.00
			Inspect/Parking Lot Sealing/Oak Knoll Park 11/22	131320	\$ 1,360.00
			Inspect/Various Non-CIP Engineering Permits 11/22	131306	\$ 3,060.00
			Svc/City Engineer 12/22	131946	\$ 1,800.00
61519	110860 - AT&T	\$ 824.23			
			Svc/Internet 12/22	19297412	\$ 824.23
61520	110860 - AT&T	\$ 1,841.53			
			2481347232-Admin Phone Svc 1/23	1/23	\$ 4.77
			W/C Svc/Priority Radio Line 1/5-2/4	1734493178010523	\$ 1,836.76
61521	110860 - AT&T	\$ 26.65			
			9391033695-Civic Center Phone Svc 12/22	12/22(H)	\$ 26.65
61522	110860 - AT&T	\$ 1.60			
			East Wing Fax Line 12/22	12/22(G)	\$ 1.60
61523	1822 - BENEFITS COORDINATORS CORPORATION BCC	\$ 12,390.60			
			Insurance/Dental & Vision/City & Dist 1/23	B07M2M	\$ 9,959.45
			Insurance/Dental & Vision/West Comm 1/23	B07M6F	\$ 1,037.20
			Insurance/Vision Claims/City 12/22	B07M8Z	\$ 1,393.95
61524	166 - BLUE RIBBON TROPHY-LASERWERKS	\$ 117.32			
			Retirement Plaque(1)/SM 12/8	41199	\$ 117.32
61525	1600 - BRIGHTVIEW LANDSCAPE SERVICES, INC	\$ 5,917.47			
			Svc/Landscape/Lexington Park 12/22	8231854	\$ 5,917.47
61526	100028 - BURTON, MATT	\$ 685.50			
			Executive Mgmt Wellness Program July 2021 - December 2022	Reimb 1/20/23	\$ 685.50
61527	866 - C3 OFFICE SOLUTIONS	\$ 14.86			
			W/C Copier Svc/Supplies 12/22	INV155758	\$ 14.86
61528	103141 - CA FORENSIC PHLEBOTOMY, INC	\$ 1,183.50			
			PD Blood/Alcohol Tests(10) 12/22	2147	\$ 1,183.50
61529	1313 - CALIFORNIA BANK & TRUST	\$ 233.77			
			PW Claim/DNunez 1/5/23	1016	\$ 233.77
61530	2137 - CALIFORNIA SAFETY AGENCY RECON INDUSTRIES INC	\$ 1,550.00			
			Svc/Restroom & Tennis Court Lockup 12/22	3604-145	\$ 1,550.00
61531	111882 - CALIFORNIA YELLOW CAB CORP	\$ 2,205.00			
			Sr Center/Nutrition Program 11/22	11503022	\$ 1,635.00
			Taxi Voucher Program/Sr Center 11/22	11501022	\$ 570.00
61532	103016 - CAMERON WELDING CO	\$ 79.56			
			Cylinder Charges 12/22	09264565	\$ 79.56

**City of Cypress
Payment Register
01/07/23-01/27/23**

EFT/ Warrant Number	Vendor	Payment Amount	Description	Invoice	Invoice Amount
61533	2090 - CHARTER COMMUNICATIONS HOLDINGS LLC SPECTRUM	\$ 635.99			
			Svc/Cable TV 1/10-2/9	1/10/23-2/9/23	\$ 120.99
			W/C Svc/Internet 12/31-1/30	0307955123122	\$ 515.00
61534	110067 - COMLINK LASER CARE	\$ 199.60			
			Toner(1)/PD 1/11	74609	\$ 83.65
			Toner(1)/PD 1/13	74611	\$ 115.95
61535	2035 - COMMUNICATIONS LAB BARRIOS & ASSOCIATES, LLC	\$ 5,000.00			
			Svc/Recreation Strategic Communication Support 11/22	2212-312	\$ 5,000.00
61536	1617 - CONTROL AIR ENTERPRISES LLC	\$ 6,049.00			
			Svc/HVAC Preventative Maint/City Hall & Council Chambers 11/29	3078341	\$ 4,299.00
			Svc/HVAC Preventative Maint/Sr Center 12/20	3078536	\$ 1,750.00
61537	115003 - COUNTY OF ORANGE	\$ 72,711.44			
			Svc/NPDES Shared Costs/Stormwater Program 2022-23	PW230412	\$ 72,711.44
61538	115003 - COUNTY OF ORANGE	\$ 16,103.03			
			Agreement/Animal Shelter 10/1/22-12/31/22	AC2390030	\$ 16,103.03
61539	115003 - COUNTY OF ORANGE	\$ 1,855.00			
			PD Svc/Automated Fingerprint Identification System 1/23	SH64300	\$ 1,855.00
61540	2182 - CRONIN, ZOHRA AND SEAN	\$ 19,000.00			
			PW Claim Settlement/ZCronin 8/11/22	1/20/23	\$ 19,000.00
61541	2046 - DANA SAFETY SUPPLY CORP	\$ 431.00			
			PD Install/Lights/Unit #610	825964	\$ 431.00
61542	101108 - DANCS, DOUGLAS	\$ 639.00			
			Executive Mgmt Wellness Program July 2021 - December 2022	Reimb 1/20/23	\$ 639.00
61543	16 - DASH MEDICAL GLOVES, INC	\$ 427.20			
			PD Exam Gloves(4K) 12/19	INV1277901	\$ 427.20
61544	1083 - DAVID VOLZ DESIGN LANDSCAPE ARCHITECTS, INC	\$ 1,500.00			
			Design/Cerritos Ave Median Restoration 11/22	42240REV	\$ 1,500.00
61545	122029 - DEPARTMENT OF MOTOR VEHICLES-DMV	\$ 28.00			
			Fee/Special Equipment ID Plate/Wood Chipper/Unit #354	DMV-SE ID	\$ 28.00
61546	101879 - DOOLEY ENTERPRISES	\$ 4,570.76			
			PD Ammo(11.3K Rnds) 1/9	64619	\$ 4,570.76
61547	107921 - DRAPER, JEFF	\$ 705.67			
			Executive Mgmt Wellness Program July 2021 - December 2022	Reimb 1/20/23	\$ 705.67
61548	1296 - EDCO CNG	\$ 1,839.84			
			Natural Gas(210.41 Gls)/Sweepers(2)/Sewer Truck(1) 12/16-12/31	01032023-6	\$ 572.32
			Natural Gas(466 Gls)/Sweepers(2)/Sewer Truck(1) 12/1-12/15	12312022-6	\$ 1,267.52
61549	1488 - ENTERPRISE HOLDINGS INC	\$ 731.18			
			PD Rental Car(1) 11/3-12/3	950052398395	\$ 731.18
61550	104530 - EXPERIAN	\$ 77.72			
			PD Credit Reports 12/22	CD2309003680	\$ 77.72
61551	106039 - FEDERAL EXPRESS CORP	\$ 20.38			
			PD Svc/Badge Frame/Distinguished Service Pin 12/21	799382437	\$ 20.38

**City of Cypress
Payment Register
01/07/23-01/27/23**

EFT/ Warrant Number	Vendor	Payment Amount	Description	Invoice	Invoice Amount
61552	1115 - FRONTIER	\$ 2,119.90			
			W/C Phone Svc/5627955413 1/23	1/23	\$ 2,119.90
61553	1922 - GOLDEN STAR TECHNOLOGY, INC GST, INC	\$ 1,331.56			
			W/C Uninterruptible Power Supply(1) 12/23	INV84895	\$ 1,331.56
61554	119018 - GOLDEN STATE WATER COMPANY	\$ 20,883.29			
			Svc/Athletic Fields 12/22	12/22(F)	\$ 5,684.87
			Svc/Civic Center 11/22	11/22(M)	\$ 667.01
			Svc/Civic Center 12/22	12/22(H)	\$ 459.76
			Svc/Lexington Park 12/22	12/22(G)	\$ 2,187.45
			Svc/Maint Yard Landscaping 12/22	12/22(I)	\$ 76.88
			Svc/Parks Landscaping 12/22	12/22(M)	\$ 4,143.79
			Svc/Parkway Maint 12/22	12/22(N)	\$ 6,593.75
			Svc/Sr Center 12/22	12/22(J)	\$ 462.03
			Svc/Stanton Channel Berm 12/22	12/22(K)	\$ 235.45
			Svc/Storm Drain 12/22	12/22(L)	\$ 372.30
61555	130399 - GOMEZ, GILBERT	\$ 250.00			
			Reimb/Safety Shoes 12/22	Reimb 1/20/23	\$ 250.00
61556	1018 - GREEN HALO SYSTEMS INC-WASTETRACKING.COM	\$ 590.00			
			Svc/Waste Tracking System 1/23	4018	\$ 295.00
			Svc/Waste Tracking System 12/22	3956	\$ 295.00
61557	110815 - GRIFFIN STRUCTURES INC	\$ 11,014.05			
			Construct Mgmt/Arnold Cypress Park Rehab 11/22	GSI-CACPR-06	\$ 11,014.05
61558	103008 - HARTZOG & CRABILL	\$ 2,632.50			
			Svc/Monitor Traffic Signals 12/22	23-0008	\$ 2,632.50
61559	1535 - HERNANDEZ, JENNIFER	\$ 60.00			
			Meals/Investigative Interview & Interrogation 12/12-12/16	Reimb 1/20/23	\$ 60.00
61560	102993 - ITERIS, INC	\$ 460.00			
			Svc/Maintain CCTV Network 11/22	152071	\$ 460.00
61561	103024 - JHM & CARSON SUPPLY	\$ 418.67			
			Fittings(87)/Rakes(3)/Pipe Cutter(1) 12/8	83407/3	\$ 359.95
			Irrigation Fittings(54) 12/22	83667/3	\$ 35.92
			Irrigation Valve Box Lid(1)/Teflon Tape(4 Rls) 12/12	83479/3	\$ 22.80
61562	2039 - KELLY SPICERS INC KELLY SPICER STORES	\$ 1,909.35			
			PD Copy Paper(80 Rms)/Legal Paper(1 Rm)/Misc 1/11	11183357	\$ 806.82
			Specialty Paper(2 Rms) 1/10	11181996	\$ 237.52
			Specialty Paper(7.5 Rms)/Binding Combs(50) 1/12	11184870	\$ 865.01
61563	125450 - KMBS USA, INC/KONICA MINOLTA	\$ 5,725.86			
			Copier Maint/Citywide 10/1/22-12/31/22	9009069874	\$ 5,725.86
61564	127464 - LA PALMA, CITY OF	\$ 36,237.50			
			Reimb/Slurry Seal Improvements/Crescent Ave 9/22	22-058	\$ 36,237.50
61565	2153 - LAUDERBACK, MARK	\$ 712.47			
			Executive Mgmt Wellness Program July 2021 - December 2022	Reimb 1/20/23	\$ 712.47

**City of Cypress
Payment Register
01/07/23-01/27/23**

EFT/ Warrant Number	Vendor	Payment Amount	Description	Invoice	Invoice Amount
61566	122069 - LIEBERT CASSIDY WHITMORE	\$ 4,545.00	HR Dues/OC Employment Relations Consortium 2023	231581	\$ 4,545.00
61567	2147 - LIFTNOW AUTOMOTIVE EQUIPMENT CORP	\$ 7,049.87	Air Compressor(1) 1/3	Cypress_Comp	\$ 7,049.87
61568	109290 - LONG BEACH BMW-RCA INVESTMENTS INC	\$ 2,466.31	PD Replace/Batteries(2)/Motor Unit #661	45329	\$ 510.48
			PD Replace/Clutch/Motor Unit #663	45392	\$ 1,540.16
			PD Replace/Tire & Headlight/Motor Unit #661	45311	\$ 415.67
61569	1494 - LOZEAU CONSULTING, TRAINING & INVESTIGATIONS	\$ 100.00	PD Reg/Homeless Liaison Officer/CP 1/25	PD Reg 1/25/23	\$ 100.00
61570	1947 - MICHAEL BALLIET CONSULTING, LLC	\$ 10,268.75	Consult/Solid Waste Program 11/1/22-12/31/22	1383-22-23-3	\$ 10,268.75
61571	578 - MIG-MOORE IACOFANO GOLTSMAN/HOGLE-IRELAND, INC	\$ 90,384.50	Design/Arnold Cypress Park Rehab 11/22	0078566	\$ 35,832.50
			Design/Arnold Cypress Park Rehab 12/22	0078910	\$ 54,552.00
61572	80 - MORRIS, LETICIA	\$ 331.50	Instruct/Zumba 12/3-12/31	12/31/22	\$ 202.80
			Instruct/Zumba Gold 12/1-12/22	12/22/22	\$ 128.70
61573	122345 - MUSCO SPORTS LIGHTING LLC	\$ 950.00	Svc/Remote Light Control Link/Oak Knoll & AC Parks 2023	401957	\$ 950.00
61574	129724 - NAPA AUTO PARTS/SO CAL AUTO & TRUCK PARTS INC	\$ 282.99	Oil Filter(1) 12/20	424915	\$ 4.97
			Windshield Wipers(6)/V-Belts(2)/Oil Filters(6)/Misc 12/20	424895	\$ 278.02
61575	115211 - NATIONAL EMBLEM	\$ 227.01	PD RACES Uniform Patches(50) 1/4	400137	\$ 227.01
61576	116455 - O H CASEY INC	\$ 340.00	Svc/Porta-Pottie(1)/Tennis Courts 12/23/22-1/19/23	0001901718	\$ 340.00
61577	672 - O'REILLY AUTO PARTS	\$ 567.62	Battery Saver Boxes(2) 12/20	3078-374858	\$ 402.32
			Oil Filters(2)/Shift Cables(2) 12/20	3078-376026	\$ 134.43
			Replace/Temperature Sensor/Unit #610	3078-376318	\$ 30.87
61578	108944 - OFFICE DEPOT	\$ 717.32	Supplies/Citywide 12/22	1/20/23	\$ 717.32
61579	100305 - ORANGE COUNTY RANGE STORE	\$ 383.60	PD Uniform/Trainee BReyes	639	\$ 191.80
			PD Uniform/Trainee NTicorat	638	\$ 191.80
61580	128662 - ORION SAFETY PRODUCTS/STANDARD FUSEE COR	\$ 612.72	PD Road Flares(216) 1/5	00311578	\$ 612.72
61581	828 - PACIFIC RIM AUTOMATION INC	\$ 875.00	Svc/Maint/Pump Station Monitoring System 12/14	10238	\$ 875.00

City of Cypress
Payment Register
01/07/23-01/27/23

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61582	129575 - PARKHOUSE TIRE INC	\$ 478.60			
			Svc/Tire Disposal(4) 12/2	1020263944(A)	\$ 48.00
			Sweeper Tire(1) 12/2	1020263944	\$ 430.60
61583	492 - PAUL'S CAR WASH & LUBE CENTER-FIRESTONE HAND WASH	\$ 357.66			
			Svc/Car Wash/PD(34) 12/22	2153	\$ 357.66
61584	484 - QUADIENT LEASING USA, INC-MAILFINANCE INC-HASLER	\$ 244.73			
			Lease/Postage Meter 11/1/22-1/31/23	N9738513	\$ 244.73
61585	144 - R.C.S. INVESTIGATIONS & CONSULTING, LLC	\$ 3,300.00			
			PD Svc/Background Checks(2) 12/29	5288	\$ 3,300.00
61586	1598 - RBL INC PLUMBING	\$ 746.00			
			Replace/Faucet & Plumbing Line/Library 12/12	543	\$ 746.00
61587	106893 - SAFESHRED	\$ 40.00			
			W/C Svc/Shredding 12/20	338422	\$ 40.00
61588	1273 - SESAC INC-SOCIETY OF EUROPEAN STAGE AUTHOR-COMP	\$ 1,104.00			
			Music License/Concerts on the Green 1/1/23-12/31/23	10615419	\$ 1,104.00
61589	119051 - SMART & FINAL (REC & PARKS)	\$ 177.96			
			Food/Day Camp 12/14	20027802(A)	\$ 44.37
			Food/Sr Center 12/9	20007201	\$ 4.99
			Food/Sr Center/Volunteer Holiday Party 12/9	20007101 12/9	\$ 52.34
			Supplies/Day Camp 12/14	20027802	\$ 16.14
			Supplies/Sr Center 12/9	20007201(A)	\$ 60.12
61590	108459 - SMART & FINAL-POLICE ACCT	\$ 70.40			
			PD Plates(750)/Breakroom 12/6	0011501	\$ 70.40
61591	119016 - SO CAL EDISON	\$ 95,500.46			
			700351486618 Svc/Willow Park 12/22	12/22(C)	\$ 461.54
			700370018870 - Svc/Traffic Signal 12/22	12/22(D)	\$ 63.69
			700428641933 Svc/Mackay Park 12/22	12/22(B)	\$ 118.04
			Svc/Citywide 11/14-12/13	11/14-12/13/22	\$ 94,857.19
61592	127516 - SO CAL MUNI ATHLETIC FEDERATION-SCMAF	\$ 145.00			
			Dues/So CA Muni Athletic Federation Assoc/RCS 2023	Dues 2023	\$ 145.00
61593	1454 - SOFTWAREONE, INC	\$ 14,106.40			
			W/C Microsoft Licenses(28)/Email & Servers 12/31/22-12/31/23	US-PSI-1290269	\$ 14,106.40
61594	125888 - SPARKLETT'S	\$ 161.68			
			Comm Center Bottled Water 12/22	4104724 12/22	\$ 19.24
			Maint Bottled Water 12/22	4106666 12/22	\$ 60.28
			PD Bottled Water 12/22	4104648 12/22	\$ 47.32
			Print Shop Bottled Water 12/22	4105217 12/22	\$ 2.60
			W/C Bottled Water 12/22	4089647 12/22	\$ 32.24
61595	103106 - STANTON, CITY OF	\$ 12,018.93			
			Signal Maint/Knott & Cerritos 1/1/20-6/30/22	300(A)	\$ 3,249.40
			Signal Maint/Knott & Katella 1/1/20-6/30/22	300	\$ 8,769.53

**City of Cypress
Payment Register
01/07/23-01/27/23**

EFT/ Warrant Number	Vendor	Payment Amount	Description	Invoice	Invoice Amount
61596	116238 - STAPLES BUSINESS ADVANTAGE	\$ 230.74			
			Copy Paper(10 Rms)/Comm Center 12/7	3525051809	\$ 180.11
			Envelopes(250)/Comm Center 12/6	3524574783	\$ 50.63
61597	119024 - STATE COMP INSURANCE FUND	\$ 2,072.66			
			W/C Workers Comp Insurance 1/23	1000857036	\$ 2,072.66
61598	122963 - STERICYCLE INC	\$ 43.33			
			PD Med Waste Removal 1/23	3006297702	\$ 43.33
61599	1133 - SWAGIT PRODUCTIONS, LLC	\$ 695.00			
			Svc/Video Stream/Council Meetings 12/22	SW-001452SI	\$ 695.00
61600	111700 - SWRCB-STATE WATER RESOURCE CONTROL BOARD	\$ 20,992.00			
			Permit Fee/NPDES/Storm Drain 7/1/22-6/30/23	SW0246375	\$ 17,666.00
			Permit Fee/Waste Discharge/Storm Drain 7/1/22-6/30/23	WD0217856	\$ 3,326.00
61601	100916 - TANGRAM INTERIORS	\$ 215,238.79			
			PD Install/Workstations & Seating 12/30	650778(A)	\$ 215,238.79
61602	588 - THE COUNSELING TEAM INTERNATIONAL	\$ 1,190.00			
			PD Svc/Employee Counseling 12/22	84658	\$ 1,000.00
			W/C Svc/Employee Counseling 12/22	84814	\$ 190.00
61603	2067 - THE ORIGINAL GOODIE'S UNIFORM	\$ 1,530.87			
			PD Safety Gear/Trainee NTicorat & BReyes	6301	\$ 614.53
			PD Uniform/Trainee NTicorat	6588	\$ 165.21
			PD Uniform/Trainee NTicorat & BReyes	6301(A)	\$ 278.38
			PD Uniform/Trainee NTicorat & BReyes	6640	\$ 472.75
61604	851 - THE UPS STORE, #5882	\$ 40.00			
			Svc/Fingerprints(2)/City 12/22	1/4/2023	\$ 40.00
61605	120010 - TIFFANYS GLASS & MIRROR	\$ 573.58			
			Replace/Window/Library 12/12	128302	\$ 573.58
61606	109042 - TIME WARNER CABLE/SPECTRUM	\$ 103.00			
			Fee/Lost Cable Box/Sr Center	1/20/23	\$ 103.00
61607	110602 - TK ELEVATOR CORP THYSSSENKRUPP ELEVATOR	\$ 497.17			
			Svc/Elevator Maint 1/1/23-3/31/23	3007031451	\$ 497.17
61608	105052 - TOPAZ ALARM CORP.	\$ 105.00			
			Monitor Pumps 1/23	140550	\$ 105.00
61609	399 - TRAN, THUAN	\$ 4,205.92			
			Advanced Disability/Pension Payment 1/23	1/20/23	\$ 4,205.92
61610	128063 - U S ARMOR CORPORATION	\$ 1,308.86			
			PD Ballistic Vest(1)/JMcCormack 1/10	40235	\$ 654.43
			PD Ballistic Vest(1)/TCenteno 1/10	40236	\$ 654.43
61611	127207 - UNDERGROUND SVS ALERT OF SO CA	\$ 137.75			
			Svc/Dig Alert Tickets 12/22	1220220212	\$ 137.75
61612	1139 - UNIFIRST CORP	\$ 335.73			
			Uniforms/Mats/Mops/Towels 12/22	12/22	\$ 335.73

City of Cypress
Payment Register
01/07/23-01/27/23

EFT/ Warrant Number	Vendor	Payment Amount	Description	Invoice	Invoice Amount
61613	1242 - UNIFORM DEPOT, INC-MR UNIFORM	\$ 89.74			
			PD Uniform/Aide MPham	6924	\$ 89.74
61614	100308 - UNITED MAINTENANCE SYSTEMS	\$ 19,367.00			
			Svc/Janitorial/Citywide 12/22	15385	\$ 5,286.50
			Svc/Janitorial/Lexington Park Restrooms 12/22	15386(A)	\$ 1,155.00
			Svc/Janitorial/Park & Rec Facilities 12/22	15387	\$ 7,980.00
			Svc/Janitorial/Park Restrooms(7) 12/22	15386	\$ 4,945.50
61615	1997 - VACCARO, FRANK WEST COAST OFFICIALS	\$ 935.00			
			Officials(17 Games)/Youth Basketball 1/28-2/3	1312	\$ 935.00
61616	112149 - WESTERN EXTERMINATOR COMPANY	\$ 1,380.00			
			Svc/Pest Control/Arnold Cypress Park 10/22	27326686	\$ 57.50
			Svc/Pest Control/Arnold Cypress Park 11/22	28487465	\$ 57.50
			Svc/Pest Control/Arnold Cypress Park 12/22	29578419	\$ 57.50
			Svc/Pest Control/City Hall 10/22	27326681	\$ 57.50
			Svc/Pest Control/City Hall 11/22	28487461	\$ 57.50
			Svc/Pest Control/City Hall 12/22	29578416	\$ 57.50
			Svc/Pest Control/Comm Center 10/22	27326385	\$ 57.50
			Svc/Pest Control/Comm Center 11/22	28487255	\$ 57.50
			Svc/Pest Control/Comm Center 12/22	29578401	\$ 57.50
			Svc/Pest Control/Council Chambers 10/22	27672722	\$ 57.50
			Svc/Pest Control/Council Chambers 11/22	28516121	\$ 57.50
			Svc/Pest Control/Council Chambers 12/22	29579236	\$ 57.50
			Svc/Pest Control/Lexington Park 10/22	27335361	\$ 57.50
			Svc/Pest Control/Lexington Park 11/22	28494178	\$ 57.50
			Svc/Pest Control/Lexington Park 12/22	59579214	\$ 57.50
			Svc/Pest Control/Maint Yard 10/22	27326685	\$ 57.50
			Svc/Pest Control/Maint Yard 11/22	28487464	\$ 57.50
			Svc/Pest Control/Maint Yard 12/22	29578418	\$ 57.50
			Svc/Pest Control/PD 10/22	27326680	\$ 57.50
			Svc/Pest Control/PD 11/22	28487460	\$ 57.50
			Svc/Pest Control/PD 12/22	29578415	\$ 57.50
			Svc/Pest Control/Sr Center 10/22	27326684	\$ 57.50
			Svc/Pest Control/Sr Center 11/22	28487463	\$ 57.50
			Svc/Pest Control/Sr Center 12/22	29578417	\$ 57.50
61617	1962 - WEX HEALTH INC-WEX	\$ 86.25			
			Admin Fee/FSA 12/22	0001658993IN	\$ 86.25
61618	2012 - WILLDAN ENGINEERING	\$ 3,920.00			
			Svc/Neighborhood Preservation/Code Enforcement 8/29-9/19	00227491	\$ 3,920.00
61619	101980 - WORTHINGTON FORD	\$ 1,040.32			
			Fan Motor(1)/Valve Assemblies(2)/Spark Plugs(6) 1/6	5162000	\$ 309.29
			Ignition Coils(6) 12/20	5160958	\$ 328.16
			Replace/Exhaust Manifold/Unit #604	5161995	\$ 402.87

City of Cypress
Payment Register
01/07/23-01/27/23

EFT/ Warrant Number	Vendor	Payment Amount	Description	Invoice	Invoice Amount
61620	1974 - YUNEX LLC	\$ 7,114.32			
			Repair/Traffic Signals 11/22	5620041813	\$ 2,983.25
			Traffic Signal Maint 11/22	5610282676	\$ 4,131.07
61621	0 - ALKHATEEB, TAGHREED	\$ 300.00			
			Refund/Facility Deposit/Contract #6891	Rfd 1/20/23	\$ 300.00
61622	0 - CYPRESS INFLUENCE CHURCH	\$ 300.00			
			Refund/Facility Deposit/Contract #6712	Rfd 1/20/23	\$ 300.00
61623	0 - KIM, JIN KOOK	\$ 150.00			
			Refund/Facility Deposit/Contract #6232	Rfd 1/20/23	\$ 150.00
61624	0 - LEE, JOHN	\$ 150.00			
			Refund/Facility Deposit/Contract #6558	Rfd 1/20/23	\$ 150.00
61625	0 - MCCAIN, BRENT	\$ 500.00			
			Refund/Recycling Deposit/6795 Molokai Dr	Rfd 1/20/23	\$ 500.00
61626	0 - MCCAIN, BRENT	\$ 500.00			
			Refund/Recycling Deposit/5653 Lakia Dr	Rfd 1/20/23	\$ 500.00
59459	0 - FRISCH, ROBERT	\$ (500.00)			
			Refund/Pool Bond/Permit #BS-22-303/CDD-22-19	Rfd 4/29/22	\$ (500.00)
59895	0 - PREMIER OUTDOOR BUILDERS	\$ (500.00)			
			Refund/Pool Bond/10489 Gregory Circle	Rfd 6/24/22	\$ (500.00)
Total EFTs		\$ 70,545.15			\$ 70,545.15
Total Warrants		833,194.82			833,194.82
Transfer to Payroll (W1493)		762,065.09	Payroll 12/23/22-01/06/23		762,065.09
Transfer to Payroll (W1494)		706,161.36	Payroll 01/06/23-01/20/23		706,161.36
Grand Totals		\$ 2,371,966.42			\$ 2,371,966.42



CITY OF CYPRESS
CITY COUNCIL REPORT

City Council Regular

10.

FROM: Mark Lauderback, Chief of Police
DATE: 02/13/2023
SUBJECT: Receive a Presentation regarding the HOPE Center

RECOMMENDATION

Receive a presentation regarding the Homeless Outreach and Proactive Engagement (HOPE) Center.

DISCUSSION

The Chief of Police will provide a verbal presentation regarding the HOPE Center.

BUDGET IMPACT

None.

LEGAL REVIEW

None required.

APPROVED BY: Peter Grant, City Manager



CITY OF CYPRESS

CITY COUNCIL REPORT

City Council Regular

11.

FROM: Peter Grant, City Manager

DATE: 02/13/2023

SUBJECT: Review, Potentially Revise, and Adopt the City Council's Civility, Conduct and Governance Policy

RECOMMENDATION

1. Review, Potentially Revise, and Adopt the City Council's Civility, Conduct and Governance Policy; and
2. Require each Council Member to sign the Civility, Conduct and Governance Policy and Code of Ethics by February 23, 2023

DISCUSSION

The City Council adopted the Civility, Conduct and Governance Policy in February 2022. The Policy is intended to promote mutual respect, civility, and orderly conduct among elected and appointed City officials, City staff, and our community. The Policy is a framework for effective governance and involves ongoing discussions and agreements about unity of purpose, roles, responsibilities, norms and protocols that enable the City Council and City Management team to continue to perform its responsibilities in a way that best benefits Cypress. The Policy ensures a positive, productive working relationship among Council Members, the City Manager, City staff, and our community. The Policy requires annual City Council review and revision (if appropriate) as a new business item. In addition to potential revision by the City Council, adjustments to the Policy (attached strike-through) are recommended to improve clarity.

BUDGET IMPACT

None.

LEGAL REVIEW

The City Attorney has reviewed the recommended changes to the Civility, Conduct and Governance Policy.

APPROVED BY:

Peter Grant, City Manager

Attachments

2022 CCGP

Recommended Updates Strikethru



CITY OF CYPRESS
CIVILITY, CONDUCT AND GOVERNANCE POLICY

Adopted February 28, 2022

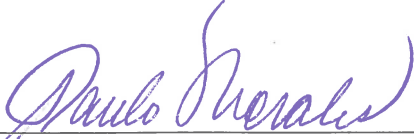
City Council

Paulo Morales, Mayor
Anne Hertz-Mallari, Mayor Pro Tem
Frances Marquez, Council Member
Scott Minikus, Council Member
Jon Peat, Council Member

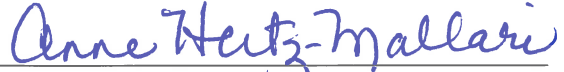
Civility, Conduct and Governance Policy

SIGNATURE PAGE

We have reviewed and agree to follow the Civility, Conduct and Government Policy in order to support a positive and productive working relationship among the Cypress City Council, City Manager, City staff, and the community. We shall review the Policy annually.



Paulo Morales, Mayor



Anne Hertz-Mallari, Mayor Pro Tem

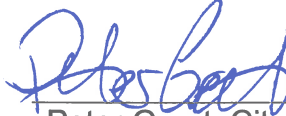


Scott Minikus, Council Member

Frances Marquez, Council Member



Jon Peat, Council Member



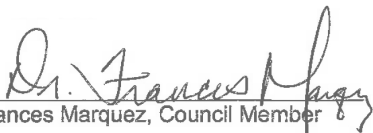
Peter Grant, City Manager

Civility, Conduct and Governance Policy

SIGNATURE PAGE

We have reviewed and agree to follow the Civility, Conduct and Government Policy in order to support a positive and productive working relationship among the Cypress City Council, City Manager, City staff, and the community. We shall review the Policy annually.

44 "I agree to sign this policy so long as it does not interfere in any way with my ability as an elected official to use all the powers the voters of Cypress empowered me to use when they voted for me."


Frances Marquez, Council Member

FILE

11

Council Member Marquez signed the policy on March 28, 2022, after the March 8, 2022 deadline established by the City Council.

Council Member Marquez also added the hand written statement that appears above.

The statement was not approved, adopted or authorized by the City Council.

Civility, Conduct and Governance Policy

CONTENTS

SIGNATURE PAGE	2
PURPOSE.....	4
MISSION STATEMENT	5
VISION STATEMENT	5
CORE VALUES/GUIDING PRINCIPLES.....	5
CIVILITY & CONDUCT PROTOCOLS	6
GOVERNANCE PROTOCOLS	7
CODE OF ETHICS.....	9
ENFORCEMENT OF THE POLICY FOR COUNCIL MEMBERS	10
ADDRESSING THE CITY COUNCIL IN A PUBLIC MEETING	11
ENFORCEMENT OF THE POLICY FOR MEMBERS OF THE PUBLIC.....	13

Civility, Conduct and Governance Policy

PURPOSE

The City of Cypress is committed to the democratic process, individual rights of expression, robust debate, and tolerance for disparate views. Adopting a civility, conduct and governance policy that establishes rules of decorum and principles of civility applicable to all public meetings and in all interactions in the workplace helps ensure that civic engagement and local democracy continue to flourish in Cypress.

The Civility, Conduct and Governance Policy (the Policy) is intended to promote mutual respect, civility, and orderly conduct among elected and appointed City officials, City staff, and our community. The Policy is not intended to deprive any person of his/her right to freedom of expression, but to promote, to the extent possible and reasonable, open dialogue and positive communications while discouraging intimidating, demeaning, volatile, hostile or aggressive actions.

In order to safeguard participatory democracy in Cypress, all elected officials, appointed officials and City employees are expected to adhere to the standards of conduct established in the Policy.

The Policy is a framework for effective governance and involves ongoing discussions and agreements about unity of purpose, roles, responsibilities, norms and protocols that enable the City Council and City Management team to continue to perform its responsibilities in a way that best benefits Cypress.

The City Council and City Management must function together as a governance leadership team to effectively serve our community. Agreed-upon behaviors and operating protocols support consistent behaviors and actions among team members. The Policy ensures a positive, productive working relationship among Council Members, the City Manager, City staff, and our community. The Policy is developed for, and by, the governance team and may be modified as needed.

The Policy shall be:

- Signed by Council Members and posted on the City website.
- Signed by Commissioners.
- Provided to candidates for election to the City Council and reviewed in City Council candidate orientations.
- Provided to applicants for appointment to commissions.
- Reviewed by the City Council annually for self-evaluation, discussion, and revision (if appropriate) as a new business item.
- Reviewed by the City Council for self-evaluation, discussion, and revision (if appropriate) as a new business item within 60 days of new member joining the City Council or the appointment of a new City Manager or City Attorney.

For the purposes of this Policy, "Mayor" refers to the chair of any public meeting or meeting of a City Council authorized Commission, Board or Subcommittee and "City Council" also refers to all Commissions, Board or Subcommittees.

Civility, Conduct and Governance Policy

MISSION STATEMENT

The City of Cypress, in partnership with the community, sustains and enhances our safe, attractive and quality environment in which to live, work and play.

VISION STATEMENT

Cypress, an engaged and diverse community, will honor the past and embrace sustainable growth for families and businesses to prosper.

CORE VALUES/GUIDING PRINCIPLES

The City of Cypress values...

Integrity

Accountability

Transparency

Fiscal prudence

Teamwork

Responsiveness to the community

Civility, Conduct and Governance Policy

CIVILITY & CONDUCT PROTOCOLS

In interactions with each other, City staff and the community, Council Members will:

- C1. Be respectful; especially when there is disagreement.
- C2. Be honest and truthful.
- C3. Treat each other and everyone with courtesy and refrain from inappropriate behavior and derogatory comments; and refrain from inciting inappropriate behavior and derogatory comments.
- C4. Make our community feel welcome; and strive to make people feel heard by listening carefully, asking clarifying questions, and seeking to understand.
- C5. Role model good leadership by being professional, demonstrating effective leadership for our community, and adhering to this Policy.
- C6. Confront challenging topics directly and resolve conflicts directly.
- C7. Keep an open mind; be willing to change views with new information, data, etc.
- C8. Be accountable and responsible for their actions and words, even when it is uncomfortable to do so. This includes apologizing when a Council Member's behavior falls short of the Policy's aspirational standards.
- C9. Be open to constructive feedback.
- C10. Present problems in a way that promotes discussion and resolution.
- C11. Credit others' contributions to moving our community's interests forward.
- C12. Treat City staff professionally and refrain from publicly criticizing employees.
- C13. Maintain one voice once the decision is made; and not disparage or undermine the City Council's decision.
- C14. Assume good intentions and not pre-judge others.
- C15. Debate the facts of the situation and avoid personalities and personal attacks.
- C16. Endeavor to resolve interpersonal issues between Council Members outside of a City Council meeting and not permit interpersonal issues to impact the governance team.
- C17. Explain disagreement in a way that focuses on the merits of an issue and recognizes that reasonable people of differing interests/good intentions can disagree on what is best for our community.
- C18. Act in a manner that reflects the belief that Council Members, City staff and others who serve the City are on the same team in service to our community, even though we have different roles.
- C19. Fact-check information with colleagues, the City Manager, the City Attorney and others.

Civility, Conduct and Governance Policy

- C20. Make themselves available for one-on-one conversations about the values in this Policy.

GOVERNANCE PROTOCOLS

To promote a positive governance team culture, Council Members will:

- G1. Prepare for and engage in meetings.
- G2. Debate the merits of decisions with fellow Council Members.
- G3. Make decisions based on their sense of our community's best interests. Remaining mindful of the nonpartisan nature of city, county, school and judicial offices provided for in California's Constitution.
- G4. Work collaboratively to improve Cypress' quality of life and promote our community's best interests.
- G5. Consider the larger picture and gather community input to make the best decision.
- G6. Consider the short-, medium-, and long-term effects of decisions.
- G7. Be prepared to make unpopular decisions when our community's best interests requires it.
- G8. Attempt to build consensus through dialogue. When this is not possible, the majority vote shall prevail and the majority shall show respect for the opinion of the minority.
- G9. Be fair, impartial, and unbiased when voting on quasi-judicial actions and provide fair and equal treatment for all persons and matters.
- G10. Explain the official positions of the City to the best of their ability when authorized to do so.
- G11. Be clear in stating personal views and make it clear that those views may not represent the City's position; and not commit the City to an action/position without City Council or City Manager approval.
- G12. Preserve order and decorum during meetings.
- G13. Keep comments clear, concise, and on-topic to maximize opportunities for all to express themselves.
- G14. Alert the City Manager or City Attorney in advance when asking questions about an agenda item so City staff can be prepared to provide the most complete answer to inform the City Council and our community.
- G15. Act on the understanding that Council Members are part of a group decision-making process and that the City Manager and City Attorney take direction from City Council collective action.

Civility, Conduct and Governance Policy

- G16. Speak directly to the City Manager in a timely manner about concerns about City operations, City staff analyses, or City staff performance.
- G17. Support the City Manager's efforts to implement City Council policy decisions through the City's administrative service.
- G18. Understand that City staff's role is to provide objective information and analysis to inform the decision-making process within the resources that they have available, even if this information and analysis do not support the decision an individual Council Member believes is best.
- G19. Work through the City Manager on matters that involve another public agency or City contractor.
- G20. Participate in regular educational activities to enhance understanding of a wide variety of issues; including completing all State or City-required training in timely manner.
- G21. Use the Strategic Planning process to propose new programs and policies.
- G22. Place clear and realistic demands on City staff resources and time.
- G23. Read their City emails at least three times per week.
- G24. Read all weekly reports before the next one is distributed.
- G25. Respond to notices and event RSVP deadlines. If no response is received, City staff will assume that the Council Member will not attend.
- G26. Respond to inquiries and requests for feedback/review by the established deadline.
- G27. Start and end meetings on time, work from an agenda, and be present, attentive, and prepared.
- G28. Attend, and actively participate in, all meetings of organizations, boards and committees to which a Council Member is appointed by the City Council. If a Council Member cannot attend a meeting, they shall immediately alert the alternative representative, Mayor and City Manager.
- G29. Adhere to the Brown Act, maintain confidentiality, and only disclose confidential information when authorized to do so.
- G30. Refrain from texting and the use of social media during public meetings, except in the case of urgent need or emergency.
- G31. Use the speaker sequencing system to inform the Mayor of their wish to speak and wait to be acknowledged before speaking.

Civility, Conduct and Governance Policy

CODE OF ETHICS

The following principles shall constitute the Cypress Code of Ethics, applicable to all members of the City Council. Council Members entering office shall sign a statement affirming they read and understood the Code of Ethics. In addition, this Code of Ethics shall be periodically reviewed and updated by the City Council:

- E1. Act in the public interest: Recognizing that stewardship of the public interest must be their primary concern, Council Members will work for the common good of the community and not for any private or personal interest, and they will assure fair and equal treatment of all persons, claims and transactions coming before the City Council.
- E2. Comply with the law: Council Members shall comply with the laws of the nation, the State of California and the City of Cypress in the performance of their public duties. These laws include, but are not limited to: the United States and California Constitutions; the Charter; the Municipal Code; laws pertaining to conflicts of interest, election campaigns, financial disclosures, employer responsibilities, and open processes of government. Council Members shall also comply with all applicable City policies and procedures.
- E3. Conduct of Council Members: The professional and personal conduct of Council Members must be above reproach and should avoid even the appearance of impropriety. Council Members shall refrain from abusive conduct, personal charges or verbal attacks upon the character or motives of other members of the City Council, City staff or public.
- E4. Respect for process: Council Members shall perform their duties in accordance with the processes and rules of order established by the City Council governing the deliberation of public policy issues, meaningful involvement of the public, and implementation of policy decisions of the City Council by City staff.
- E5. Incompatible employment: No Council Member, City employee or other public official shall engage in or accept private employment, or render services for private interests, when such employment or service is incompatible with the proper discharge of his/her official duties or would tend to impair his/her independence of judgment or action in the performance of his/her official duties.
- E6. Use of public property: No Council Member or City employee shall request or permit the use of City owned vehicles, equipment, materials or property for personal convenience or profit, except when such services are available to the public generally, and in the same manner as available to the public, or are provided as City policy for the use of such official in the conduct of official business. No official shall use the time of any City employee during working hours for personal purposes.
- E7. Contracts with City: Council Members, City employees, or public officials shall not have a financial interest in any business transaction, or contract with the

Civility, Conduct and Governance Policy

City, or in the sale of real estate, materials, supplies or services to the City, except as permitted in the conflict of interest statutes of the state.

- E8. Disclosure of interest in legislation: A Council Member who has a financial or other private interest in any legislation shall disclose on the records of the City Council or other appropriate authority the nature and extent of such interest.
- E9. Conflict of interest: In order to assure their independence and impartiality on behalf of the common good, Council Members shall not use their official positions to influence government decisions in which they have a material financial interest. In accordance with the law, Council Members shall disclose investments, interests in real property, sources of income and gifts; and abstain from participating in deliberations and decision-making where conflicts, as determined under applicable laws, may exist. Council Members should endeavor to consult with the City Attorney before any Council meeting to allow an evaluation by the City Attorney of any potential conflict.
- E10. Confidential information: Council Members shall respect the confidentiality of information concerning the property, personnel or affairs of the City. They shall neither disclose confidential information without proper legal authorization, nor use such information to advance their personal, financial or other private interests.
- E11. Advocacy: When representing the City while serving on or appearing before other government agencies or in court, Council Members shall represent the official policies or positions of the City Council to the best of their ability when designated as delegates for this purpose. When representing the City while serving on or appearing before other government agencies or in court, Council Members shall advocate policies that are in the best interest of the City over their own personal interests. When presenting their individual opinions and positions, Council Members shall explicitly state they do not represent the City Council or the City, and shall not allow the inference that they do.
- E12. Positive workplace environment: Council Members shall support a positive and constructive workplace environment for City employees and for citizens and businesses dealing with the City. Council Members shall recognize their special role in dealings with City employees and not provide direction to City staff in violation of the City Charter.

ENFORCEMENT OF THE POLICY FOR COUNCIL MEMBERS

The Policy establishes guiding principles for appropriate conduct and behavior and sets forth the expectations of Council Members. The Policy establishes a process and procedure that:

- Allows the community, Council Members, and City staff to report Policy violations or other misconduct.

Civility, Conduct and Governance Policy

- Provides guidelines to evaluate Policy violations or other misconduct and implement appropriate disciplinary action.

The City Council may discipline Council Members who violate the Charter, the Municipal Code, the Policy, or engage in other misconduct. In determining the sanction imposed, the following factors may be considered:

- Nature of the violation.
- Prior violations by the same individual.
- Other factors which bear upon the seriousness of the violation.

At the discretion of the City Council, sanctions may be imposed for violating the Charter, the Municipal Code, the Policy, or engaging in other misconduct. These sanctions may be applied individually or in combination. They include, but are not limited to:

Admonishment

A warning to the City Council about a particular action/behavior that violates City policy.

Direction to Correct

Direction to an individual Council Member to correct the result of a particular action/behavior that violates law or City policy.

Informal Reprimand

Reprimand to an individual Council Member when a particular action/behavior (or set of actions/behaviors) violates law or City policy, but is considered by the City Council to be not sufficiently serious to require censure.

Revocation of Special Privileges

Revocation of a Council Member's committee assignments, regional boards and commissions, and community-generated board/committee appointments; suspension of official travel, conference participation, access to a City credit card, City Council salary, stipends and benefits, and ceremonial titles.

Censure

An official City Council reprimand of a Council Member. The Municipal Code establishes the censure process.

ADDRESSING THE CITY COUNCIL IN A PUBLIC MEETING

Oral Communications are an opportunity for the City Council to hear from the public and is not the time for a dialogue between the City Council and the public. Council Members make take note of comments or questions for follow-up, and at the conclusion of Oral Communications, and upon recognition by the Mayor, may pose those questions to City

Civility, Conduct and Governance Policy

staff. If the Mayor perceives, or is alerted by another Council Member, of a substantial factual issue with a member of the public's comments, the Mayor may ask the City Manager or City Attorney for an immediate clarification at the end of the speaker's comments.

Generally, if a matter presented during Oral Communications requires follow-up, it shall be referred to the City Manager, and if the City Council determines that action is required, the item may be placed on a future agenda following established processes.

To ensure the highest standard of respect and integrity during public meetings, attendees should:

- P1. Address all comments to the City Council as a whole and not to any individual member.
- P2. Treat everyone courteously.
- P3. Listen to City officials and other community members respectfully.
- P4. Exercise self-control and avoid threats and loud, insulting, demeaning or offensive communications.
- P5. Give open-minded consideration to all viewpoints.
- P6. Focus on issues and avoid personalizing debate.
- P7. Embrace respectful disagreement and dissent as democratic rights that are inherent components of an inclusive public process and tools for forging sound decisions and allow all members of the public to speak without intimidation or interruption.
- P8. Not engage in disorderly or boisterous conduct, including, but not limited to, applause, whistling, stamping of feet, booing, or making any loud, threatening, profane, abusive, personal, impertinent, or slanderous utterance, that disturbs, disrupts, or otherwise impedes the orderly conduct of the meeting.
- P9. Not bring signs, placards, banners, or other similar-items to a public meeting.
- P10. Obey any lawful order of the Mayor to enforce this Policy.
- P11. Refrain from abusive conduct, personal charges or verbal attacks upon the character of City officials.
- P12. Honor efforts by the Mayor to focus discussion on current agenda items.
- P13. Show respect for facilities that host public meetings, by avoiding acts that may damage the facility or its equipment/furniture and not bring food or beverages (other than water) to public meetings.

Civility, Conduct and Governance Policy

ENFORCEMENT OF THE POLICY FOR MEMBERS OF THE PUBLIC

The Mayor shall be responsible for maintaining the decorum and civility at public meetings and enforcing this Policy in a uniform and even-handed manner. The Mayor may intervene to ensure that Council Members do not interrupt members of the public while speaking.

In the event that any member of the public breaches this Policy in a manner that disturbs, disrupts, or otherwise impedes the orderly conduct of a public meeting, the Mayor shall order that person to cease the offending conduct.

If any member of the public continues to breach the Policy in a manner that disturbs, disrupts, or otherwise impedes the orderly conduct of a public meeting following an order from the Mayor to cease the offending conduct, the Mayor may order that person to leave the public meeting and may engage the efforts of law enforcement as necessary to carry out the order.

If a member of the public acts abusively towards a City employee outside of a public meeting but in the workplace, the City will issue an oral warning. If a member of the public does not improve his/her behavior in response to a warning, the City will require the abusive individual to leave the premises.

The above-described remedies for compliance with this Policy are not exclusive and shall not preclude the application or use of other remedies provided by State law or the Municipal Code.



CITY OF CYPRESS
CIVILITY, CONDUCT AND GOVERNANCE POLICY

Adopted February 13, 2023

City Council

Anne Hertz-Mallari, Mayor
Scott Minikus, Mayor Pro Tem
David Burke, Council Member
Frances Marquez, Council Member
Bonnie Peat, Council Member

Civility, Conduct and Governance Policy

SIGNATURE PAGE

We have reviewed and agree to follow the Civility, Conduct and Government Policy in order to support a positive and productive working relationship among the Cypress City Council, City Manager, City staff, and the community. We shall review the Policy annually.

Anne Hertz-Mallari, Mayor

Scott Minikus, Mayor Pro Tem

David Burke, Council Member

Frances Marquez, Council Member

Bonnie Peat, Council Member

Peter Grant, City Manager

Civility, Conduct and Governance Policy

CONTENTS

SIGNATURE PAGE	2
PURPOSE.....	4
MISSION STATEMENT	5
VISION STATEMENT	5
CORE VALUES/GUIDING PRINCIPLES.....	5
CIVILITY & CONDUCT PROTOCOLS	6
GOVERNANCE PROTOCOLS	7
CODE OF ETHICS.....	9
ENFORCEMENT OF THE POLICY FOR COUNCIL MEMBERS	10
ADDRESSING THE CITY COUNCIL IN A PUBLIC MEETING	11
ENFORCEMENT OF THE POLICY FOR MEMBERS OF THE PUBLIC.....	13

Civility, Conduct and Governance Policy

PURPOSE

The City of Cypress is committed to the democratic process, individual rights of expression, robust debate, and tolerance for disparate views. Adopting a civility, conduct and governance policy that establishes rules of decorum and principles of civility applicable to all public meetings and in all interactions in the workplace helps ensure that civic engagement and local democracy continue to flourish in Cypress.

The Civility, Conduct and Governance Policy (the Policy) is intended to promote mutual respect, civility, and orderly conduct among elected and appointed City officials, City staff, and our community. The Policy is not intended to deprive any person of his/her right to freedom of expression, but to promote, to the extent possible and reasonable, open dialogue and positive communications while discouraging intimidating, demeaning, volatile, hostile or aggressive actions.

In order to safeguard participatory democracy in Cypress, all elected officials, appointed officials and City employees are expected to adhere to the standards of conduct established in the Policy.

The Policy is a framework for effective governance and involves ongoing discussions and agreements about unity of purpose, roles, responsibilities, norms and protocols that enable the City Council and City Management team to continue to perform its responsibilities in a way that best benefits Cypress.

The City Council and City Management must function together as a governance leadership team to effectively serve our community. Agreed-upon behaviors and operating protocols support consistent behaviors and actions among team members. The Policy ensures a positive, productive working relationship among Council Members, the City Manager, City staff, and our community. The Policy is developed for, and by, the governance team and may be modified as needed.

The Policy shall be:

- Signed by Council Members and posted on the City website.
- Signed by Commissioners.
- Provided to candidates for election to the City Council and reviewed in City Council candidate orientations.
- Provided to applicants for appointment to commissions.
- Reviewed by the City Council annually for self-evaluation, discussion, and revision (if appropriate) as a new business item.
- Reviewed by the City Council for self-evaluation, discussion, and revision (if appropriate) as a new business item within 60 days of new member joining the City Council or the appointment of a new City Manager or City Attorney.

For the purposes of this Policy, "Mayor" refers to the chair of any public meeting or meeting of a City Council authorized Commission, Board or Subcommittee and "City Council" also refers to all Commissions, Board or Subcommittees.

Civility, Conduct and Governance Policy

MISSION STATEMENT

The City of Cypress, in partnership with the community, sustains and enhances our safe, attractive and quality environment in which to live, work and play.

VISION STATEMENT

Cypress, an engaged and diverse community, will honor the past and embrace sustainable growth for families and businesses to prosper.

CORE VALUES/GUIDING PRINCIPLES

The City of Cypress values...

Integrity

Accountability

Transparency

Fiscal prudence

Teamwork

Responsiveness to the community

Civility, Conduct and Governance Policy

CIVILITY & CONDUCT PROTOCOLS

In interactions with each other, City staff and the community, Council Members will:

- C1. Be respectful; especially when there is disagreement.
- C2. Be honest and truthful.
- C3. Treat each other and everyone with courtesy and refrain from ~~inappropriate~~ behavior ~~that is contrary to this Policy or~~ and derogatory comments; and refrain from inciting ~~inappropriate-such~~ behavior ~~and-or~~ derogatory comments.
- C4. Make our community feel welcome; and strive to make people feel heard by listening carefully, asking clarifying questions, and seeking to understand.
- C5. Role model good leadership by being professional, demonstrating effective leadership for our community, and adhering to this Policy.
- C6. Confront challenging topics directly and resolve conflicts directly.
- C7. Keep an open mind; be willing to change views with new information, data, etc.
- C8. Be accountable and responsible for their actions and words, even when it is uncomfortable to do so. This includes apologizing when a Council Member's behavior falls short of the Policy's aspirational standards.
- C9. Be open to constructive feedback.
- C10. Present problems in a way that promotes discussion and resolution.
- C11. Credit others' contributions to moving our community's interests forward.
- C12. Treat City staff professionally and refrain from publicly criticizing employees.
- C13. Maintain one voice once the decision is made; and not disparage or undermine the City Council's decision.
- C14. Assume good intentions and not pre-judge others.
- C15. Debate the facts of the situation and avoid personalities and personal attacks.
- C16. Endeavor to resolve interpersonal issues between Council Members outside of a City Council meeting and not permit interpersonal issues to impact the governance team.
- C17. Explain disagreement in a way that focuses on the merits of an issue and recognizes that reasonable people of differing interests/good intentions can disagree on what is best for our community.
- C18. Act in a manner that reflects the belief that Council Members, City staff and others who serve the City are on the same team in service to our community, even though we have different roles.
- C19. Fact-check information with colleagues, the City Manager, the City Attorney and others.

Civility, Conduct and Governance Policy

- C20. Make themselves available for one-on-one conversations about the values in this Policy.

GOVERNANCE PROTOCOLS

To promote a positive governance team culture, Council Members will:

- G1. Prepare for and engage in meetings.
- G2. Debate the merits of decisions with fellow Council Members.
- G3. Make decisions based on their sense of our community's best interests. Remaining mindful of the nonpartisan nature of city, county, school and judicial offices provided for in California's Constitution.
- G4. Work collaboratively to improve Cypress' quality of life and promote our community's best interests.
- G5. Consider the larger picture and gather community input to make the best decision.
- G6. Consider the short-, medium-, and long-term effects of decisions.
- G7. Be prepared to make unpopular decisions when our community's best interests requires it.
- G8. Attempt to build consensus through dialogue. When this is not possible, the majority vote shall prevail and the majority shall show respect for the opinion of the minority.
- G9. Be fair, impartial, and unbiased when voting on quasi-judicial actions and provide fair and equal treatment for all persons and matters.
- G10. Explain the official positions of the City to the best of their ability when authorized to do so.
- G11. Be clear in stating personal views and make it clear that those views may not represent the City's position; and not commit the City to an action/position without City Council or City Manager approval.
- G12. Preserve order and decorum during meetings.
- G13. Keep comments clear, concise, and on-topic to maximize opportunities for all to express themselves.
- G14. Alert the City Manager or City Attorney in advance when asking questions about an agenda item so City staff can be prepared to provide the most complete answer to inform the City Council and our community.
- G15. Act on the understanding that Council Members are part of a group decision-making process and that the City Manager and City Attorney take direction from City Council collective action.

Civility, Conduct and Governance Policy

- G16. Speak directly to the City Manager in a timely manner about concerns about City operations, City staff analyses, or City staff performance.
- G17. Support the City Manager's efforts to implement City Council policy decisions through the City's administrative service.
- G18. Understand that City staff's role is to provide objective information and analysis to inform the decision-making process within the resources that they have available, even if this information and analysis do not support the decision an individual Council Member believes is best.
- G19. Work through the City Manager on matters that involve another public agency or City contractor.
- G20. Participate in regular educational activities to enhance understanding of a wide variety of issues; including completing all State or City-required training in timely manner.
- G21. Use the Strategic Planning process to propose new programs and policies.
- G22. Place clear and realistic demands on City staff resources and time.
- G23. Read their City emails at least three times per week.
- G24. Read all weekly reports before the next one is distributed.
- G25. Respond to notices and event RSVP deadlines. If no response is received, City staff will assume that the Council Member will not attend.
- G26. Respond to inquiries and requests for feedback/review by the established deadline.
- G27. Start and end meetings on time, work from an agenda, and be present, attentive, and prepared.
- G28. Attend, and actively participate in, all meetings of organizations, boards and committees to which a Council Member is appointed by the City Council. If a Council Member cannot attend a meeting, they shall immediately alert the alternative representative, Mayor and City Manager.
- G29. Adhere to the Brown Act, maintain confidentiality, and only disclose confidential information when a majority vote of the City Council has authorized such disclosure~~to do so~~.
- G30. Refrain from texting and the use of social media during public meetings, except in the case of urgent need or emergency.
- G31. Use the speaker sequencing system to inform the Mayor of their wish to speak and wait to be acknowledged before speaking.

Civility, Conduct and Governance Policy

CODE OF ETHICS

The following principles shall constitute the Cypress Code of Ethics, applicable to all members of the City Council. Council Members entering office shall sign a statement affirming they read and understood the Code of Ethics. In addition, this Code of Ethics shall be periodically reviewed and updated by the City Council:

- E1. Act in the public interest: Recognizing that stewardship of the public interest must be their primary concern, Council Members will work for the common good of the community and not for any private or personal interest, and they will assure fair and equal treatment of all persons, claims and transactions coming before the City Council.
- E2. Comply with the law: Council Members shall comply with the laws of the nation, the State of California and the City of Cypress in the performance of their public duties. These laws include, but are not limited to: the United States and California Constitutions; the Charter; the Municipal Code; laws pertaining to conflicts of interest, election campaigns, financial disclosures, employer responsibilities, and open processes of government. Council Members shall also comply with all applicable City policies and procedures.
- E3. Conduct of Council Members: The professional and personal conduct of Council Members must be above reproach and should avoid even the appearance of impropriety. Council Members shall refrain from abusive conduct, personal charges or verbal attacks upon the character ~~or motives~~ of other members of the City Council, City staff or public.
- E4. Respect for process: Council Members shall perform their duties in accordance with the processes and rules of order established by the City Council governing the deliberation of public policy issues, meaningful involvement of the public, and implementation of policy decisions of the City Council by City staff.
- E5. Incompatible employment: No Council Member, City employee or other public official shall engage in or accept private employment, or render services for private interests, when such employment or service is incompatible with the proper discharge of his/her official duties or would tend to impair his/her independence of judgment or action in the performance of his/her official duties.
- E6. Use of public property: No Council Member or City employee shall request or permit the use of City owned vehicles, equipment, materials or property for personal convenience or profit, except when such services are available to the public generally, and in the same manner as available to the public, or are provided as City policy for the use of such official in the conduct of official business. No official shall use the time of any City employee during working hours for personal purposes.
- E7. Contracts with City: Council Members, City employees, or public officials shall not have a financial interest in any business transaction, or contract with the

Civility, Conduct and Governance Policy

City, or in the sale of real estate, materials, supplies or services to the City, except as permitted in the conflict of interest statutes of the state.

- E8. Disclosure of interest in legislation: A Council Member who has a financial or other private interest in any legislation shall disclose on the records of the City Council or other appropriate authority the nature and extent of such interest.
- E9. Conflict of interest: In order to assure their independence and impartiality on behalf of the common good, Council Members shall not use their official positions to influence government decisions in which they have a material financial interest. In accordance with the law, Council Members shall disclose investments, interests in real property, sources of income and gifts; and abstain from participating in deliberations and decision-making where conflicts, as determined under applicable laws, may exist. Council Members should endeavor to consult with the City Attorney before any Council meeting to allow an evaluation by the City Attorney of any potential conflict.
- E10. Confidential information: Council Members shall respect the confidentiality of information concerning the property, personnel or affairs of the City. They shall neither disclose confidential information without proper legal authorization, nor use such information to advance their personal, financial or other private interests.
- E11. Advocacy: When representing the City while serving on or appearing before other government agencies or in court, Council Members shall represent the official policies or positions of the City Council to the best of their ability when designated as delegates for this purpose. When representing the City while serving on or appearing before other government agencies or in court, Council Members shall advocate policies that are in the best interest of the City over their own personal interests. When presenting their individual opinions and positions, Council Members shall explicitly state they do not represent the City Council or the City, and shall not allow the inference that they do.
- E12. Positive workplace environment: Council Members shall support a positive and constructive workplace environment for City employees and for citizens and businesses dealing with the City. Council Members shall recognize their special role in dealings with City employees and not provide direction to City staff in violation of the City Charter.

ENFORCEMENT OF THE POLICY FOR COUNCIL MEMBERS

The Policy establishes guiding principles for appropriate conduct and behavior and sets forth the expectations of Council Members. The Policy establishes a process and procedure that:

- Allows the community, Council Members, and City staff to report Policy violations or other misconduct.

Civility, Conduct and Governance Policy

- Provides guidelines to evaluate Policy violations or other misconduct and implement appropriate disciplinary action.

The City Council may discipline Council Members who violate the Charter, the Municipal Code, the Policy, or engage in other misconduct. In determining the sanction imposed, the following factors may be considered:

- Nature of the violation.
- Prior violations by the same individual.
- Other factors which bear upon the seriousness of the violation.

At the discretion of the City Council, sanctions may be imposed for violating the Charter, the Municipal Code, the Policy, or engaging in other misconduct. These sanctions may be applied individually or in combination. They include, but are not limited to:

Admonishment

A warning to the City Council about a particular action/behavior that violates City policy.

Direction to Correct

Direction to an individual Council Member to correct the result of a particular action/behavior that violates law or City policy.

Informal Reprimand

Reprimand to an individual Council Member when a particular action/behavior (or set of actions/behaviors) violates law or City policy, but is considered by the City Council to be not sufficiently serious to require censure.

Revocation of Special Privileges

Revocation of a Council Member's committee assignments, regional boards and commissions, and community-generated board/committee appointments; suspension of official travel, conference participation, access to a City credit card, City Council salary, stipends and benefits, and ceremonial titles.

Censure

An official City Council reprimand of a Council Member. The Municipal Code establishes the censure process.

ADDRESSING THE CITY COUNCIL IN A PUBLIC MEETING

Oral Communications are an opportunity for the City Council to hear from the public and is not the time for a dialogue between the City Council and the public. Council Members make take note of comments or questions for follow-up, and at the conclusion of Oral Communications, and upon recognition by the Mayor, may pose those questions to City

Civility, Conduct and Governance Policy

staff. If the Mayor perceives, or is alerted by another Council Member, of a substantial factual issue with a member of the public's comments, the Mayor may ask the City Manager or City Attorney for an immediate clarification at the end of the speaker's comments.

Generally, if a matter presented during Oral Communications requires follow-up, it shall be referred to the City Manager, and if the City Council determines that action is required, the item may be placed on a future agenda following established processes.

To ensure the highest standard of respect and integrity during public meetings, attendees should:

- P1. Address all comments to the City Council as a whole and not to any individual member.
- P2. Treat everyone courteously.
- P3. Listen to City officials and other community members respectfully.
- P4. Exercise self-control and avoid threats and ~~loud, insulting, demeaning or offensive communications~~personal attacks against anyone.
- P5. Give open-minded consideration to all viewpoints.
- P6. Focus on issues and avoid personalizing debate.
- P7. Embrace respectful disagreement and dissent as democratic rights that are inherent components of an inclusive public process and tools for forging sound decisions and allow all members of the public to speak without intimidation or interruption.
- P8. Not engage in disorderly or boisterous conduct, including, but not limited to, applause, whistling, stamping of feet, booing, or making any loud, threatening, profane, abusive, personal, impertinent, or slanderous utterance, that disturbs, disrupts, or otherwise impedes the orderly conduct of the meeting.
- ~~P9. Not bring signs, placards, banners, or other similar items to a public meeting.~~
- ~~P10.~~P9. Obey any lawful order of the Mayor to enforce this Policy.
- ~~P11. Refrain from abusive conduct, personal charges or verbal attacks upon the character of City officials.~~
- ~~P12.~~P10. Honor efforts by the Mayor to focus discussion on current agenda items.
- ~~P13.~~P11. Show respect for facilities that host public meetings, by avoiding acts that may damage the facility or its equipment/furniture and not bring food or beverages (other than water) to public meetings.

Civility, Conduct and Governance Policy

ENFORCEMENT OF THE POLICY FOR MEMBERS OF THE PUBLIC

The Mayor shall be responsible for maintaining the decorum and civility at public meetings and enforcing this Policy in a uniform and even-handed manner. The Mayor may intervene to ensure that Council Members do not interrupt members of the public while speaking.

In the event that any member of the public breaches this Policy in a manner that disturbs, disrupts, or otherwise impedes the orderly conduct of a public meeting, the Mayor shall order that person to cease the offending conduct.

If any member of the public continues to breach the Policy in a manner that disturbs, disrupts, or otherwise impedes the orderly conduct of a public meeting following an order from the Mayor to cease the offending conduct, the Mayor may order that person to leave the public meeting and may engage the efforts of law enforcement as necessary to carry out the order.

If a member of the public acts abusively towards a City employee outside of a public meeting but in the workplace, the City will issue an oral warning. If a member of the public does not improve his/her behavior in response to a warning, the City will require the abusive individual to leave the premises.

The above-described remedies for compliance with this Policy are not exclusive and shall not preclude the application or use of other remedies provided by State law or the Municipal Code.