

CITY OF LOS ALAMITOS

3191 Katella Avenue
Los Alamitos, CA 90720

AGENDA CITY COUNCIL REGULAR MEETING

Monday, September 17, 2012 – 6:00 P.M.

NOTICE TO THE PUBLIC

This Agenda contains a brief general description of each item to be considered. Except as provided by law, action or discussion shall not be taken on any item not appearing on the agenda. Supporting documents, including staff reports, are available for review at City Hall in the City Clerk's Office or on the City's website at www.cityoflosalamitos.org once the agenda has been publicly posted.

Any written materials relating to an item on this agenda submitted to the City Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office, 3191 Katella Ave., Los Alamitos CA 90720, during normal business hours. In addition, such writings or documents will be made available for public review at the respective public meeting.

It is the intention of the City of Los Alamitos to comply with the Americans with Disabilities Act (ADA) in all respects. If, as an attendee, or a participant at this meeting, you will need special assistance beyond what is normally provided, please contact the City Clerk's Office at (562) 431-3538, extension 220, 48 hours prior to the meeting so that reasonable arrangements may be made. Assisted listening devices may be obtained from the City Clerk at the meeting for individuals with hearing impairments.

Persons wishing to address the City Council on any item on the City Council Agenda should complete a blue "Request to Speak" card and will be called upon at the time the agenda item is called or during the City Council's consideration of the item and may address the City Council for up to three minutes.

1. **CALL TO ORDER**
2. **ROLL CALL**
Council Member Graham-Mejia
Council Member Kusumoto
Council Member Stephens
Mayor Pro Tem Poe
Mayor Edgar
3. **PLEDGE OF ALLEGIANCE** Council Member Kusumoto
4. **INVOCATION** Mayor Edgar

5. PRESENTATIONS

- A. Presentation of Proclamation to Police Chief Mattern proclaiming September 2012 as “National Preparedness Month”**
- B. Presentation of Certificate of Appreciation to Southland Credit Union for Participation in the Partners in Preparedness Program**
- C. Presentation of AB341 Solid Waste Diversion Program by Consolidated Disposal Service**

6. ORAL COMMUNICATIONS

At this time, any individual in the audience may come forward to speak on any item within the subject matter jurisdiction of the City Council. Remarks are to be limited to not more than five minutes per speaker.

7. REGISTER OF MAJOR EXPENDITURES

Approve the Register of Major Expenditures for September 17, 2012, in the amount of \$115,037.80, ratify the Register of Major Expenditures for August 21, 2012 to September 16, 2012 in the amount of \$661,316.54, and authorize the City Manager to approve such expenditures as are legally due and within an unexhausted balance of an appropriation against which the same may be charged for the time period September 18, 2012 to October 14, 2012.

Roll Call Vote

- Council Member Graham-Mejia
- Council Member Kusumoto
- Council Member Stephens
- Mayor Pro Tem Poe
- Mayor Edgar

8. CONSENT CALENDAR

All Consent Calendar items may be acted upon by one motion unless a Council Member requests separate action on a specific item.

*****CONSENT CALENDAR*****

A. Approval of Minutes (City Clerk)

- 1. Approve the Minutes of the Special Meeting of August 20, 2012.
- 2. Approve the Minutes of the Regular Meeting of August 20, 2012.

B. Warrants (Finance)

Approve the Warrants for September 17, 2012, in the amount of \$9,970.56 and ratify the Warrants for the time period August 21, 2012 to September 16, 2012, in the amount of \$91,212.46.

C. Approval of Plans and Specifications, and Authorization to Bid for Pool Project (CIP No. 12/13-01) (Public Works)

This report recommends actions to begin facilitating the construction of various items of work at the pool site; including a new variable speed pool pump to save electrical costs, new underwater pool lights, painting the pool, and numerous other repairs to the pool facilities.

Recommendation:

1. Approve the plans and specifications for the construction of the Pool Improvement Project (CIP No. 12/13-01); and,
2. Authorize staff to advertise and solicit bid proposals.

D. Disposal of Surplus Equipment (Public Works)

This report seeks consideration of disposal of surplus equipment.

Recommendation: Declare the listed equipment as surplus and authorize its disposal in accordance with the Los Alamitos Municipal Code.

E. Resolution No. 2012-19 – Designation of Interim City Treasurer (Finance)

This report seeks consideration of a resolution designating Todd Mattern, Police Chief, as City Treasurer on an interim basis

Recommendation: Adopt Resolution No. 2012-19, entitled “A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS, CALIFORNIA, APPOINTING POLICE CHIEF, TODD MATTERN, AS CITY TREASURER OF THE CITY OF LOS ALAMITOS AND REPEALING RESOLUTION NO. 2007-23 IN ITS ENTIRETY”.

F. Intent to Amend the Los Alamitos Municipal Code pertaining to the Call for Review and Appeals Processes (Community Development)

The Los Alamitos Municipal Code (LAMC) lacks a formal call for review process for the City Council to review actions of the Planning Commission. Furthermore, code sections related to the appeals process are in need of amending to remove ambiguities. The first step in doing so is for the City Council to adopt a resolution of intention. This report and corresponding resolution outlines the City Council’s intent to amend various sections of the Municipal Code and sets a future public hearing date for the Planning Commission to consider.

Recommendation: Adopt Resolution No. 2012-20, entitled, “A RESOLUTION OF CITY COUNCIL OF THE CITY OF LOS ALAMITOS, CALIFORNIA, TO AMEND CHAPTER 17.68 AND OTHER VARIOUS

SECTIONS OF THE MUNICIPAL CODE PERTAINING TO APPEALS AND
CALL FOR REVIEW PROCESSING”.

*****END OF CONSENT CALENDAR*****

9. DISCUSSION ITEMS

**A. Consolidated Disposal’s Public Education and Outreach Program
(City Manager)**

This report provides the details related to the Public Education and Outreach Program conducted by Consolidated Disposal Services as a provision of its five-year contract.

Recommendation: Approve the Consolidated Disposal Public Education and Outreach Program for the period January 1, 2013 through December 31, 2013.

B. Holiday Decorations (Recreation)

This report requests the City Council appropriate funding from the Community Give Back funds in order to provide holiday decorations on 57 light poles throughout Los Alamitos for a three year period starting in November 2012.

Recommendation: Authorize the City Manager to execute a three-year contract with Dekra-Lite Industries Inc. not to exceed \$90,000 for the custom design, production, installation, removal, storage, and annual refurbishment of new lighted holiday banners and decorations.

C. Commitment of Resources to the Los Alamitos Unified School District for Renovation of Oak Middle School (City Manager)

Council appointed representatives Gerri Graham-Mejia and Marilyn Poe of the City/School District Working Group are recommending that the City Council commit \$300,000 to assist the Los Alamitos Unified School District with the renovation of the Oak Gymnasium and a Public Restroom Facility at Oak Middle School to benefit the community.

Recommendation:

1. Formally commit an amount not to exceed \$300,000 or one-third of the cost of renovation, whichever cost is lower, for the renovation of the Oak Gymnasium and a new Public Restroom Facility at Oak Middle School.
2. Authorize the City Manager to enter into a funding and shared use agreement with the Los Alamitos Unified School District in a form acceptable to the City Attorney.

- D. Coyote Activity Update (Support Services)**
This report provides a review of coyote activity in and around the City of Los Alamitos and an update on mitigation efforts.

Recommendation: Receive and file.

- E. Revisiting the Modification of Various Intersections along Katella Avenue (Community Development/Public Works)**
During the August 20, 2012 Council Meeting, Mayor Edgar asked that the proposed modifications to various Katella Avenue intersections be revisited. The intersection modifications in question are signalization at Katella/Lexington and Katella/Enterprise and a proposed left hand turn pocket into 24-Hour Fitness commercial center. The Council is asked to provide direction to the City Manager whether to enter into negotiations to amend the Agreement between Los Alamitos, Cypress and Cottonwood Christian Church.

Recommendation: Direct the City Manager to re-enter negotiations with the City of Cypress and Cottonwood Church toward drafting a Settlement Agreement Amendment that would allow various Katella Avenue intersection modifications.

10. MAYOR AND COUNCIL INITIATED BUSINESS

Council Announcements

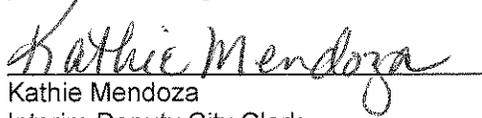
At this time, Council Members may also report on items not specifically described on the Agenda that are of interest to the community, provided no action or discussion is taken except to provide staff direction to report back or to place the item on a future Agenda.

11. ITEMS FROM THE CITY MANAGER

12. ADJOURNMENT

The next meeting of the City Council is scheduled for **Monday, October 15, 2012, at 6:00 p.m.**, in the City Council Chambers.

I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing Agenda was posted at the following locations: Los Alamitos City Hall, 3191 Katella Ave.; Los Alamitos Community Center, 10911 Oak Street; and, Los Alamitos Museum, 11062 Los Alamitos Blvd.; not less than 72 hours prior to the meeting.


Kathie Mendoza
Interim Deputy City Clerk


Date

CITY OF LOS ALAMITOS
Register of Major Expenditures
September 17, 2012

To Approve

Pages:			
01-02	\$ 115,037.80	Major Warrants	09/17/2012
Subtotal	<u>\$ 115,037.80</u>		

To Ratify

Pages:			
A 01	\$ 68,171.80	Advance Warrants	08/27/2012
B 01	\$ 12,411.05	Advance Warrants	09/03/2012
C 01	\$ 40,252.00	Advance Warrants	09/10/2012
	\$ 154,147.33	Payroll	08/17/2012
	\$ 91,505.85	Payroll Benefits	08/17/2012
	\$ 148,243.34	Payroll	08/31/2012
	\$ 146,585.17	Payroll Benefits	08/31/2012
Subtotal	<u>\$ 661,316.54</u>		

Grand Total \$ 776,354.34

Authorize the City Manager to approve such expenditures as are legally due and within an unexhausted balance of an appropriation against which the same may be charged for the time period September 18, 2012 to October 14, 2012.

Statement:

I hereby certify that the claims or demands covered by the foregoing listed warrants have been audited as to accuracy and availability of funds for payment thereof. Certified by Linda Magnuson, Interim Finance Director.

Linda B Magnuson

 this 12th day of September, 2012

ENDOR SORT KEY	DESCRIPTION	FUND	DEPARTMENT	AMOUNT
OLANTUONO & LEVIN, PC	FILING FEE CREDIT	GENERAL FUND	NON-DEPARTMENTAL	1,270.09-
	GENERAL COUNSEL SERVICES	GENERAL FUND	CITY ATTORNEY	8,808.41
	GENERAL COUNSEL SERVICES	GENERAL FUND	CITY ATTORNEY	1,296.00
	GENERAL COUNSEL SERVICES	GENERAL FUND	CITY ATTORNEY	8,639.50
	GENERAL COUNSEL SERVICES	GENERAL FUND	CITY ATTORNEY	23.00
	GENERAL COUNSEL SERVICES	GENERAL FUND	CITY ATTORNEY	644.00
	GENERAL COUNSEL SERVICES	GENERAL FUND	CITY ATTORNEY	207.00
	GENERAL COUNSEL SERVICES	GENERAL FUND	CITY ATTORNEY	3,284.75
	TOTAL:			21,632.57
	CPEEK'S DODGE OF ANAHEIM	2013 DODGE PATROL CARS	GARAGE FUND	GARAGE
			TOTAL:	81,685.68
U.S. BANK	SR. MEALS SUPPLIES	GENERAL FUND	NON-DEPARTMENTAL	190.26
	SR. MEALS SUPPLY CART	GENERAL FUND	NON-DEPARTMENTAL	135.31
	EMPLOYEE SERVICE AWARDS	GENERAL FUND	CITY COUNCIL	15.61
	EMPLOYEE SERVICE AWARDS	GENERAL FUND	CITY COUNCIL	59.76
	COUNCIL COFFEE	GENERAL FUND	CITY COUNCIL	12.95
	COUNCIL DINNER	GENERAL FUND	CITY COUNCIL	107.75
	EMPLOYEE SERVICE AWARDS	GENERAL FUND	CITY COUNCIL	103.44
	EMPLOYEE SERVICE AWARDS	GENERAL FUND	CITY COUNCIL	155.00
	CHAIR	GENERAL FUND	POLICE ADMINISTRATION	261.83
	TONER CARTRIDGES	GENERAL FUND	POLICE ADMINISTRATION	335.74
	OFFICE SUPPLIES	GENERAL FUND	POLICE ADMINISTRATION	287.16
	OFFICE SUPPLIES	GENERAL FUND	POLICE ADMINISTRATION	144.08
	OFFICE SUPPLIES	GENERAL FUND	POLICE ADMINISTRATION	14.19
	INTERVIEW PANEL LUNCH	GENERAL FUND	POLICE ADMINISTRATION	91.55
	BATTERIES	GENERAL FUND	PATROL	179.97
	WEB HOSTING	GENERAL FUND	COMMUNITY OUTREACH	14.95
	WEB HOSTING	GENERAL FUND	COMMUNITY OUTREACH	12.95
	TONER CARTRIDGE	GENERAL FUND	COMMUNITY DEVEL ADMIN	102.35
	TONER CARTRIDGE	GENERAL FUND	COMMUNITY DEVEL ADMIN	102.35
	2012 PROPERTY MAINT CODE	GENERAL FUND	NEIGHBORHOOD PRESERVAT	35.56
	OFFICE SUPPLIES	GENERAL FUND	NEIGHBORHOOD PRESERVAT	17.23
	RENTAL	GENERAL FUND	STREET MAINTENANCE	231.36
	FENCE PARTS	GENERAL FUND	PARK MAINTENANCE	400.20
	DRYCLEAN TABLECLOTHS	GENERAL FUND	BUILDING MAINTENANCE	24.00
	COIL CLEANER	GENERAL FUND	BUILDING MAINTENANCE	709.18
	US FLAG	GENERAL FUND	RECREATION ADMINISTRAT	44.69
	MUSIC & MOVIES - MOVIE	GENERAL FUND	RECREATION ADMINISTRAT	346.00
	MUSIC & MOVIES - MOVIE	GENERAL FUND	RECREATION ADMINISTRAT	426.39
	MUSIC & MOVIES - MOVIE	GENERAL FUND	RECREATION ADMINISTRAT	426.39
	AQUATICS SUPPLIES	GENERAL FUND	AQUATICS	17.00
	AQUATICS SUPPLIES	GENERAL FUND	AQUATICS	51.66
	INTERVIEW PANEL LUNCH	GENERAL FUND	AQUATICS	47.65
	DAY CAMP SUPPLIES	GENERAL FUND	DAY CAMP	159.30
	DAY CAMP SUPPLIES	GENERAL FUND	DAY CAMP	74.31
	DAY CAMP SUPPLIES	GENERAL FUND	DAY CAMP	321.33
	DAY CAMP SUPPLIES	GENERAL FUND	DAY CAMP	55.30
	DAY CAMP SUPPLIES	GENERAL FUND	DAY CAMP	253.87
	DAY CAMP SUPPLIES	GENERAL FUND	DAY CAMP	241.05
	DAY CAMP SUPPLIES	GENERAL FUND	DAY CAMP	105.00
	DAY CAMP SUPPLIES	GENERAL FUND	DAY CAMP	321.04
	DAY CAMP SUPPLIES	GENERAL FUND	DAY CAMP	430.82
	DAY CAMP EXCURSION	GENERAL FUND	DAY CAMP	454.00
	DAY CAMP SUPPLIES	GENERAL FUND	DAY CAMP	11.96

ENDOR SORT KEY	DESCRIPTION	FUND	DEPARTMENT	AMOUNT
	DAY CAMP EXCURSION	GENERAL FUND	DAY CAMP	899.64
	DAY CAMP SUPPLIES	GENERAL FUND	DAY CAMP	195.00
	DAY CAMP SUPPLIES	GENERAL FUND	DAY CAMP	3.49
	DAY CAMP EXCURSION	GENERAL FUND	DAY CAMP	453.50
	SPORTS SUPPLIES	GENERAL FUND	SPORTS	12.91
	PRESCHOOL SUPPLIES	GENERAL FUND	SPECIAL CLASSES	210.31
	LATV EQUIPMENT	LOS ALAMITOS TV	LOS ALAMITOS TV	1,411.44
	MOWER PARTS	GARAGE FUND	GARAGE	142.77
	EDGER BLADES	GARAGE FUND	GARAGE	463.23
	TIRES & ALIGNMENT	GARAGE FUND	GARAGE	394.77
			TOTAL:	<u>11,719.55</u>

```

===== FUND TOTALS =====
10  GENERAL FUND                30,939.91
28  LOS ALAMITOS TV             1,411.44
50  GARAGE FUND                 82,686.45
-----
GRAND TOTAL:                   115,037.80
-----
    
```

A

VENDOR SORT KEY	DESCRIPTION	FUND	DEPARTMENT	AMOUNT
AMERICA WEST LANDSCAPE, INC.	RETENTION - LAUREL PARK	PARK DEVELOPMENT	NON-DEPARTMENTAL	21,317.88
			TOTAL:	21,317.88
GOLDEN STATE WATER COMPANY	BILL CYCLE 7/9-8/7	GENERAL FUND	STREET MAINTENANCE	3,664.81
	BILL CYCLE 6/13-8/10	GENERAL FUND	STREET MAINTENANCE	612.76
	BILL CYCLE 7/9-8/7	GENERAL FUND	PARK MAINTENANCE	315.58
	BILL CYCLE 6/13-8/10	GENERAL FUND	PARK MAINTENANCE	5,817.03
	BILL CYCLE 7/9-8/7	GENERAL FUND	BUILDING MAINTENANCE	716.46
			TOTAL:	11,126.64
REDFLEX TRAFFIC SYSTEMS, INC.	PHOTO ENFORCEMENT	GENERAL FUND	TRAFFIC	13,500.00
			TOTAL:	13,500.00
SOUTHERN CALIFORNIA EDISON	TRAFFIC SIGS/ST LIGHTS	GENERAL FUND	STREET MAINTENANCE	13,037.04
	SLO-PITCH FLD/LAUREL PRK	GENERAL FUND	PARK MAINTENANCE	375.36
	MCAULIFFE PARK	GENERAL FUND	PARK MAINTENANCE	172.13
	PUMP STATIONS	GENERAL FUND	BUILDING MAINTENANCE	291.65
	CITY HALL	GENERAL FUND	BUILDING MAINTENANCE	1,362.91
	POLICE STATION	GENERAL FUND	BUILDING MAINTENANCE	2,767.13
	COMMUNITY CENTER	GENERAL FUND	BUILDING MAINTENANCE	4,221.06
			TOTAL:	22,227.28

===== FUND TOTALS =====

10	GENERAL FUND	46,853.92
40	PARK DEVELOPMENT	21,317.88

	GRAND TOTAL:	68,171.80

VENDOR SORT KEY	DESCRIPTION	FUND	DEPARTMENT	AMOUNT
T.E. ROBERTS, INC.	EMERGENCY PAVING PATCHES	GENERAL FUND	STREET MAINTENANCE	3,733.18
	EMERGENCY GRINDING	GENERAL FUND	STREET MAINTENANCE	1,383.16
	EMERGENCY GRINDING	GENERAL FUND	STREET MAINTENANCE	1,611.15
	EMERGENCY PAVING	GENERAL FUND	STREET MAINTENANCE	1,377.41
	EMERGENCY PAVING	GENERAL FUND	STREET MAINTENANCE	1,649.39
	EMERGENCY PAVING MATERIAL	GENERAL FUND	STREET MAINTENANCE	1,184.63
	EMERGENCY PAVING MATERIAL	GENERAL FUND	STREET MAINTENANCE	1,184.63
	EMERGENCY SAW CUTTING	GENERAL FUND	STREET MAINTENANCE	287.50
			TOTAL:	12,411.05

```

===== FUND TOTALS =====
10  GENERAL FUND                12,411.05
-----
      GRAND TOTAL:              12,411.05
-----

```

TOTAL PAGES: 1

VENDOR SORT KEY	DESCRIPTION	FUND	DEPARTMENT	AMOUNT
CALIFORNIA INSURANCE POOL AUTHORITY	2011-2012 LIABILITY ASSESS	GENERAL FUND	INSURANCE	8,523.00
	2011-2012 WORKER'S COMP	GENERAL FUND	INSURANCE	31,729.00
			TOTAL:	<u>40,252.00</u>

===== FUND TOTALS =====
 10 GENERAL FUND 40,252.00

 GRAND TOTAL: 40,252.00

TOTAL PAGES: 1

ITEM NO. 8A

MINUTES OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS

THESE MINUTES ISSUED FOR
INFORMATION ONLY AND ARE
SUBJECT TO AMENDMENT AND
APPROVAL AT NEXT MEETING.

SPECIAL MEETING – AUGUST 20, 2012

1. CALL TO ORDER

The City Council met in Special Session at 5:10 p.m., Monday, August 20, 2012, in the Council Chambers, 3191 Katella Avenue, Mayor Edgar presiding.

2. ROLL CALL

Present: Council Members: Graham-Mejia, Kusumoto, Stephens, Mayor Pro Tem Poe, Mayor Edgar

Absent: Council Members: None

Present: Staff: Angie Avery, City Manager
Corey Lakin, Community Services Director
Steven Mendoza, Community Development Director
Windmera Quintanar, Department Secretary

3. SPECIAL ORDERS OF THE DAY

A. Interview Applicants for the Cable, Personnel Appeals, and Planning Commissions (City Clerk)

This report provided relevant information by which the City Council may appoint members to Commission vacancies.

The City Council interviewed the following applicants for the Cable Commission:

- Stephen Hammond
- John Underwood

The City Council interviewed the following applicants for the Personnel Appeals Commission:

- Daniel Patz
- Marilyn Bates

The City Council interviewed applicant Ben Sutherlin for the Planning Commission.

Mayor Edgar indicated Cathie Salai, Personnel Appeals Commission, would not be available for an interview as her father had passed away.

Motion/Second: Edgar/Mejia

Unanimously Carried: The City Council accepted Cathie Salai's application in lieu of an interview given the special circumstances.

Mayor Edgar advised John Riley. Planning Commission, was not able to make his interview, but had submitted his responses in writing. Council took a brief moment to review the written responses.

Council Member Graham-Mejia inquired if Cable Commission applicant, John Underwood, would have a conflict if appointed to the Commission since he was a current LATV-3 producer.

City Manager Avery stated he had been advised he would need to recuse himself from any discussions that he had a conflict in.

Mayor Edgar asked the Council to submit their indications of support to the City Clerk.

Department Secretary Quintanar read the indications of support for the Cable Commission: Stephen Hammond – 2, and John Underwood – 3; Personnel Appeals Commission: Daniel Patz – 5, Marilyn Bates-5, and Cathie Salai-5; and, Planning Commission: Ben Sutherlin – 5 and John Riley – 3.

Motion/Second: Edgar/Poe

Unanimously Carried: The City Council:

1. Appointed John Underwood to the **Cable Commission** with a term expiring July 2014.
2. Appointed the following to the **Personnel Appeals Commission**:
 - Daniel Patz – term expiring August 2016
 - Marilyn Bates – term expiring August 2016
 - Cathie Salai – term expiring August 2016
3. Appointed the following to the **Planning Commission**:
 - Ben Sutherlin – term expiring July 2015
 - John Riley – term expiring July 2015

4. **ADJOURNMENT**

The City Council adjourned at 5:40 p.m. The next meeting of the City Council is scheduled for **MONDAY, August 20, 2012, at 6:00 p.m.**, in the City Council Chambers.

Troy D. Edgar, Mayor

ATTEST:

Windmera Quintanar, Department Secretary

**MINUTES OF THE CITY COUNCIL
OF THE CITY OF LOS ALAMITOS**

REGULAR MEETING – August 20, 2012

THESE MINUTES ISSUED FOR
INFORMATION ONLY AND ARE
SUBJECT TO AMENDMENT AND
APPROVAL AT NEXT MEETING.

1. CALL TO ORDER

The City Council met in Regular Session at 6:05 p.m., Monday, August 20, 2012, in the Council Chambers, 3191 Katella Avenue, Mayor Edgar presiding.

2. ROLL CALL

Present: Council Members: Graham-Mejia, Kusumoto, Stephens, Mayor Pro Tem Poe, Mayor Edgar

Absent: Council Members: None

Present: Staff: Angie Avery, City Manager
Sandra J. Levin, City Attorney
Linda Magnuson, Interim Finance Director
Tony Brandyberry, Public Works Superintendent
Dave Hunt, City Engineer
Corey Lakin, Community Services Director
Todd Mattern, Police Chief
Steven Mendoza, Community Development Director
Cassandra Palmer, Support Services Manager
Windmera Quintanar, Department Secretary

3. PLEDGE OF ALLEGIANCE

Council Member Graham-Mejia led the Pledge of Allegiance.

4. INVOCATION

Mayor Pro Tem Poe gave the invocation.

5. PRESENTATIONS

A. Presentation of Certificates of Recognition to the USA Women's Olympic Water Polo Team for Winning the Gold Medal in the 2012 London Olympics

The City Council presented framed Certificates of Recognition to the USA Women's Olympic Water Polo Team and Coaches. The Team said a few words regarding their experiences and Heather Petri presented a signed ball from the Team to the City Council.

Mayor Edgar gave a brief history on the Joint Forces Training Base (JFTB) pool and the relationship with USA Women's Olympic Water Polo Team. He then introduced Ronnie Guyer from Assemblymen Silva's Office.

Mr. Guyer presented the team with a Certificate of Recognition on behalf of Assemblyman Silva's Office.

Mayor Pro Tem Poe made a few comments regarding the reinvestment in the JFTB.

B. Presentation of Certificates of Recognition to the Mustang Nine Year Old C Team All Stars for Winning the PONY Western World Series

The City Council presented Certificates of Recognition to the Team and Coaches. Manager Bamberg gave a few words regarding the Team's journey.

C. Presentation of an Award from the California Joint Powers Insurance Authority for the Best Overall Performance Liability Program

Todd Seymore, Cypress City Council Member and WestComm Chair Person, gave a brief background on the award and presented the City Council with a plaque.

RECESS

The City Council took a brief recess at 6:38 p.m.

RECONVENE

The City Council reconvened in regular session at 6:45 p.m.

6. ORAL COMMUNICATIONS

Mayor Edgar opened the item for Oral Communications.

John Osborne, local business owner, stated opposition to the Council's recent decorum and encouraged the Council to move on with the business of the City, stated support for the contract with Consolidated Disposal, and gave feedback regarding the Community Giveback funds.

Pat Blancher, resident, stated support for the Council working together and moving forward with the business of the City and suggested the Community Giveback funds be spent on bicycle lanes.

John Underwood, resident, stated he had produced a documentary, in conjunction with the City, on the history of the pool and it would air on LATV Friday night at 6:00 p.m.

Richard Murphy, resident, stated support for the Council working together and moving forward with the business of the City.

J.M. Ivler, resident, stated opposition to Mayor Edgar's decorum and his perceived inability for a special meeting to be called. He indicated he had previously withdrawn his request for prosecution of Brown Act violations when the Council had called a "cease fire" and would now like to resubmit them.

7. REGISTER OF MAJOR EXPENDITURES

Motion/Second: Graham-Mejia/Poe

Unanimously Carried: The City Council approved the Register of Major Expenditures for August 20, 2012, in the amount of \$105,517.20, ratified the Register of Major Expenditures for July 17, 2012 to August 19, 2012 in the amount of \$1,536,024.59, and authorized the City Manager to approve such expenditures as are legally due and within an unexhausted balance of an appropriation against which the same may be charged for the time period August 21, 2012 to September 16, 2012.

Roll Call Vote

Council Member Graham-Mejia	Aye
Council Member Kusumoto	Aye
Council Member Stephens	Aye
Mayor Pro Tem Poe	Aye
Mayor Edgar	Aye

8. CONSENT CALENDAR

All Consent Calendar items may be acted upon by one motion unless a Council Member requests separate action on a specific item.

Council Member Graham-Mejia pulled items 8A and 8D.

Motion/Second: Graham-Mejia/Poe

Unanimously Carried: The City Council approved the following Consent Calendar items:

*****CONSENT CALENDAR*****

B. Warrants (Finance)

Approved the Warrants for August 20, 2012, in the amount of \$36,575.85 and ratified the Warrants for the time period July 17, 2012 to August 19, 2012, in the amount of \$173,388.71.

C. Request to Purchase Four (4) Police Vehicles (Public Works)

This was a request to purchase four (4) 2013 Dodge Charger Police Pursuit vehicles piggybacking on a Los Angeles County Sheriff's Purchase Order dated June 25, 2012 as permitted by Los Alamitos Municipal Code Section 2.60.110.

The City Council authorized the City Manager to purchase four (4) 2013 Dodge Charger Police Pursuit vehicles (three (3) black & white and one (1) street appearance package) from McPeeks Dodge of Anaheim for \$108,409.93.

E. Approval of Notice of Completion for Various Street Rehabilitation Project (CIP No. 11/12-03) (Public Works)

The Various Street Rehabilitation project was completed and in compliance with the plans and specifications. Change Orders for the project were \$40,087.86 or 9.3%, and below the 10% contingency fund.

The City Council:

1. Accepted as complete the construction contract by Shawnan for the Various Street Rehabilitation project; and,
2. Directed the City Clerk to record the Notice of Completion/Final Report with the County Recorder's office; and,
3. Authorized Staff to release the 10% retention to the contractor, in the amount of \$47,196.65, thirty-five (35) days after recordation of the Notice of Completion.

F. Budget Carry-Over Request for Installing Speed Bumps on Alleys in the City (Public Works)

At the April 16, 2012 City Council meeting, the City Council approved a budget of \$20,000 to install speed bumps on alleys in the City. Work was to be completed by the end of June 2012. Selection of the proper speed bump delayed the purchasing of the speed bumps and the \$20,000 expense was not put in the carry-over category in the 2012-2013 Capital Improvement Program (CIP) budget.

The City Council:

1. Amended the 2012/2013 CIP budget to include the unused 2011/2012 budgeted amount of \$20,000 for the Speed Bump Installation improvements; and,
2. Adopted Resolution No. 2012-18 entitled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS APPROPRIATING \$20,000 FROM THE TRAFFIC IMPROVEMENTS FUND BALANCE AND AMENDING THE FISCAL YEAR 2012/2013 CAPITAL IMPROVEMENT PROGRAM BUDGET".

G. Approval of Employment Agreement for Interim Finance Director (City Manager)

Ms. Anita Agramonte resigned from her position as Finance Director effective August 2, 2012, to accept a position with another municipality. The Finance Director position provides critical services relating to the financial function of the City. It was anticipated that a search for a new Finance Director could take as long as four months. In the interim, Staff

recommended the City Council authorize an agreement with Ms. Linda Magnuson to serve as Interim Finance Director in a part-time capacity.

The City Council authorized the City Manager to execute the Employment Agreement for Interim Finance Director Services with Ms. Linda Magnuson.

*****END OF CONSENT CALENDAR*****

8A. Approval of Minutes (City Clerk)

Approve the Minutes of the Regular Meeting of July 16, 2012.

Council Member Graham-Mejia requested the following changes: 1) page 5 of 16, 3rd paragraph, include additional information regarding non-profits being able to provide services to only a portion of the City versus the entire City; 2) page 9 of 16, item 9B, include in the bullet list the reason behind the listed projects was that the allocated money should not be used on General Fund operation expenses; and, 3) page 15 of 16, Council Comments, requested additional information be included regarding her abstaining from the vote on the ballot argument.

Mayor Pro Tem Poe requested clarification for corrections regarding Council Comments.

Council Member Graham-Mejia clarified she had stated a conflict of interest and had not voted on the item. She wanted the record to reflect that she was uncomfortable with statement "unanimous vote" because she was opposed to the measure and felt the statement was misleading to the public.

Council Member Kusumoto requested the following changes: 1) page 11 of 16, paragraph 7, should read "disingenuous"; 2) page 13 of 16, Item 10A, include exact wording used by City Attorney regarding exoneration; and, 3) page 15 of 16, verbatim regarding the relationship between Mayor Edgar and Baric, Tran, and Minesinger, and verbatim of the City Attorney's explanation of how the company was picked.

Motion/Second: Edgar/Stephens

Unanimously Carried: The City Council approved the Minutes of the Regular Meeting of July 16, 2012, as amended.

D. Race on the Base Management Contract (Recreation)

This agenda item was consideration of a contract for management of Race on the Base.

Council Member Graham-Mejia inquired if the five-year contract was to lock in the current price.

City Manager Avery answered in the affirmative.

Motion/Second: Graham-Mejia/Edgar

Unanimously Carried: The City Council authorized the City Manager to execute a five-year contract with International City Racing, Inc. for professional race management services for the Race on the Base.

9. PUBLIC HEARINGS

A. Supplemental Law Enforcement Services Fund (SLESF) (Police)

The City of Los Alamitos anticipates an allocation of \$100,000 from the Supplemental Law Enforcement Services Fund (SLESF) to enhance public safety services for Fiscal Year 2012-13. Prior to acceptance of these funds, the City must conduct a Public Hearing and report its planned expenditures to the County's SLESF Oversight Committee.

Police Chief Mattern summarized the staff report, referring to the information contained therein, and answered questions from the City Council.

Mayor Edgar opened the item for public comment. There being no one present wishing to speak, Mayor Edgar closed the item for public comment.

Motion/Second: Graham-Mejia/Poe

Unanimously Carried: The City Council:

1. Conducted a public hearing for the allocation of the SLESF; and,
2. Adopted Resolution No. 2012-12, entitled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS, CALIFORNIA, APPROVING THE RECOMMENDED EXPENDITURE PLAN FOR THE SUPPLEMENTAL LAW ENFORCEMENT SERVICES FUND"; and,
3. Accepted SLESF allocation in the amount of \$100,000 into account 22.4340, and appropriate a \$100,000 transfer to the General Fund to fund the motor officer.

10. DISCUSSION ITEMS

A. Information Technology Strategic Plan (Support Services)

This report requested City Council adoption of Resolution No. 2012-17, establishing the "City of Los Alamitos Information Technology Strategic Plan" as a guideline for decisions regarding the implementation of new technology projects.

Cassandra Palmer, Support Services Manager, summarized the staff report, referring to the information contained therein, gave a PowerPoint presentation, and answered questions from the City Council.

City Council and Staff discussed the following topics:

- Completion of an IT Strategy was one of the City Manager's goals
- Vendor did not have a vote on the steering committee, but provided input
- Requested City Hall's dark Friday be prominent on the website
- Support for the score card and expenditure justification
- Policy would be reviewed on an annual basis
- Brief history of Request Partner program and its inability to meet the City's needs
- Technology as a valuable asset that would save the City resources, time, and money

Council Member Kusumoto stated he would abstain as the staff report was not available online and he did not have a chance to review it.

Motion/Second: Stephens/Poe

Carried 4/0 (Kusumoto abstained): The City Council adopted Resolution 2012-17, entitled, "A RESOLUTCION OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS, CALIFORNIA, ESTABLISHING THE CITY OF LOS ALAMITOS INFORMATION TECHNOLOGY STRATEGIC PLAN".

**B. Request for City Council Review of Conditional Use Permit 12-01
(Community Development)**

Council Member Graham-Mejia requested the City Council review a Planning Commission decision that would allow for conversion of carports into enclosed garages. The Municipal Code does not expressly address the process by which a Council Member may appeal or call for review of a Planning Commission decision so the Council is asked to interpret the Municipal Code and consider the request in light of that interpretation.

Community Development Director Mendoza summarized the staff report, referring to the information contained therein, and answered questions from the City Council.

Greg Howell, applicant representative, stated he was looking for a clear path to proceed, what the Council was objecting to, and what needed to be done to get the project to move forward.

City Council and Staff discussed the following topics regarding the process under the Municipal Code:

- Los Alamitos Municipal Code (LAMC), Section 17.68.010 states the Council can call an item for review; however, there is no procedure for such an action
- Appeal process requires Council to state grounds for disagreement, but State law requires the Council to be an impartial party, thus creating a conflict
- Council previously had an item for the adoption of a Call for Review ordinance, but it was tabled
- Clarification there was no appeal for the project
- Should Council decide to call the project for review, it would not be discussed tonight because Council would need to comply with due process and notice the discussion properly
- Concern for the timing impact on the project should the Council decide to go forward with an appeal
- First step to have Council Member Graham-Mejia state what she feels is significantly important for the Council discussion
- Opposition to holding up the project after it had received Planning Commission approval and been granted the CUP
- Need to address Call for Review process in the future
- Intent of the request was not to hold up the applicant and several requests for a special meeting had been made
- Support for Council Review of the project

Mr. Howell stated the Council discussion was procedural and he could not agree to anything on the owner's behalf at this point.

City Council and Staff continued the discussion:

- Concern regarding no procedure for a Call for Review and support for such an ordinance
- Council Member Kusumoto stated he had a concern for this specific CUP as well

Mayor Edgar opened the item for public comment.

J.M. Ivler, resident, recounted his recollection of when Mayor Edgar had filed an appeal. He stated support for Council discussion of the project so the applicant would not have to postpone the project any further.

Art DeBolt, resident, felt raising a concern about an item did not indicate a bias. He spoke regarding the appeal procedure when he was a Council Member. He stated he did not see a concern with the Code as Council Member Graham-Mejia was only asking if there was Council consensus to discuss and possibly request an appeal.

Mayor Edgar closed the item for public comment.

City Council and Staff continued the discussion:

- Conflicts between the LAMC and case law
- Unanimous Council support for a Call for Review ordinance at a future meeting
- Council Member Graham-Mejia stated her concern was regarding Code Enforcement being able to enter into the garages at any time which she perceived as putting the City at legal risk
- Condition #28 of the CUP and whether it was a violation of the 4th Amendment Right

Mr. Howell stated his understanding of the Code Enforcement procedure which included issuance of a notice of the violation and stated the property insurance will not allow for the garages to be used for storage. He stated support for removing the condition and allowing the project to move forward.

City Council and Staff continued the discussion:

- Opposition to the City regulating such conditions and perceived violation of citizen rights
- Clarification that CUP condition #28 would not trump renter's right to privacy of 4th amendment rights
- Suggestion to allow the project to move forward with direction to Staff to bring back an administrative policy regarding Code Enforcement processes for Council adoption
- Property Owner can request an administrative revision to Condition #28, if so desired
- Time frame for calling Special Meetings and publication and posting of such notices
- Code Enforcement was done mostly reactively in the City
- Clarification that Condition #28 was a waiver by the property owner and does not extend to the tenants unless they agree to such
- CUP's are discretionary approvals and, therefore, additional conditions could be added that other properties were not subject too
- Process for the property owner to request an administrative correction by the Community Development Director to remove condition #28

Motion/Second: Edgar/Poe

Unanimously Carried: The City Council:

1. Declined to review the Planning Commission decision.

2. Directed Staff to agendize for consideration a clearly defined "Call for Review" process providing the City Council with an alternative to appealing future decisions.
3. Directed Staff to agendize for future discussion permissible code enforcement regarding uses of garages.

RECESS

The City Council took a brief recess at 8:45 p.m.

RECONVENE

The City Council reconvened in regular session at 9:04 p.m.

11. MAYOR AND COUNCIL INITIATED BUSINESS

A. An Item Requested by Council Member Regarding Confidential Closed Session Materials

Council Member Kusumoto has requested an item that requires City Council direction regarding the inclusion of certain materials in the City's Closed Session record.

City Manager Avery summarized the staff report referring to the information contained therein and answered questions from the City Council.

City Council and Staff discussed the following topics:

- Confidential red binder as a historical record that will be useable by current and future Councils
- Use of such a binder would be a policy decision
- Brief comments regarding inclusion of a letter from a past resident's concerns regarding parking permits
- Opposition for maintaining Closed Session records as the final outcome was always reported in Open Session and included in the minutes
- Importance of confidentiality in regards to Closed Session matters
- Opposition to constructing past Closed Session handout materials for such a purpose and opinion that such handouts could be misleading to future Council as they did not provide the discussion by Council
- Clarification that the confidential red binder would not be available to all Council Members due to possible conflicts of interest and would mainly be retained for use by the City Clerk
- Purpose of the request was to provide a summary of the trash contract litigation, not to recreate minutes or handouts
- Perceived intention to gain information for political use versus establishing a policy for the City

- Opposition for maintaining Closed Session items regarding the trash contract litigation
- Past practices for Closed Session material to be delivered ahead of time and retained by Council for future use, current policy to return Closed Session materials
- Support for moving forward with establishing a policy for future issues and not including the trash contract litigation
- Process allowed for by the Los Alamitos Municipal Code to have the City Attorney summarize litigation
- Discussion regarding minimum standards of documentation being requested
- Binder would provide historical knowledge and reference for Council Members to be well informed
- City Attorney's Office procedure to only hand out Closed Session material if there are numbers, visuals, or complex issues. Preference to have a straightforward conversation. Clarification that it was a preference that City Council return Closed Session documents, not a requirement.
- Preference to receive Closed Session material before discussion of the item
- Whether or not the continuation of a such record would make the documents discoverable in court
- Implementation of the red binder was not a Council policy and brief discussion regarding the history of such

Motion/Second: Edgar/Stephens

Motion to table the item until further information can be reviewed.

Substitute Motion: Poe

Motion to discontinue the practice of maintaining Closed Session material.

Substitute Motion: Graham-Mejia

Motion to continue the practice of maintaining Closed Session material with limited information summary information included.

Mayor Edgar withdrew his original motion.

Question to Substitute Motion/Second: Kusumoto/Graham-Mejia

Motion Died 2/3 (Edgar, Poe, Stephens cast the dissenting vote): Entertain Council Member Graham-Mejia's motion first.

Motion/Second: Poe/Edgar

Carried 3/2 (Graham-Mejia and Kusumoto cast the dissenting vote): the City Council voted to discontinue the practice of maintaining Closed Session material.

Council Member Graham-Mejia stated for the record she felt it was a mistake not to have this information available to future Councils.

B. Council Member Request Regarding Investigation of Alleged Brown Act Violation

Council Member Kusumoto (with the support of Council Member Graham-Mejia) had requested that the City Council hire an independent expert to determine whether a violation of the Brown Act occurred as a result of conversations among Council Members concerning agenda item 10A that appeared on the July 16, 2012 agenda.

Council Member Graham-Mejia requested Council be sworn in before discussion of the item.

Discussion ensued regarding Council Member discretion in participation and the inapplicability for the Rule of Necessity, under the Political Reform Act.

City Attorney Levin indicated recusals of Council Members with a conflict needed to occur before the staff report presentation and suggested a brief recess to discuss conflicts with interested Council Members.

RECESS

The City Council took a brief recess at 9:51 p.m.

RECONVENE

The City Council reconvened in regular session at 10:10 p.m.

City Attorney Levin inquired which Council Members would like to recuse themselves.

Mayor Edgar stated he would recuse himself and left the dais.

Council Members Graham-Mejia and Kusumoto indicated no.

City Attorney Levin advised Mayor Pro Tem Poe to continue the discussion.

Council Member Graham-Mejia recused herself and left the dais.

Council Member Kusumoto clarified it was each Council Members decision to recuse themselves or not and stated he felt he did not need to recuse himself as he was the recipient of a one-way transmission with Council Member Graham-Mejia and had immediately terminated the conversation.

Discussion ensued regarding City Attorney's participation in the discussion and the fact she was not a voting member of the Council.

Mayor Pro Tem Poe called for the staff report.

City Attorney Levin summarized the staff report, referring to the information contained therein, and answered questions from the City Council.

City Council and Staff discussed the following topics:

- Appearance of no violation and had there been an issue it had already been cured
- Incident involved a conversation with Mayor Edgar and Council Member Graham-Mejia. Council Member Graham-Mejia made a one-way communication to Council Member Kusumoto, who immediately stopped the discussion before responding; therefore, averting the alleged Brown Act violation.

Council Member Kusumoto requested the Council be placed under oath.

Discussion ensued regarding the purpose of the oath.

City Attorney Levin indicated the provision normally only applies in evidentiary matters, investigations, or hearings and she was unaware of any precedence for applying such to an ordinary agenda item by the unilateral decision of one Council Member.

Mayor Pro Tem Poe stated there was no issue to discuss and had there been a concern it had already been resolved. She closed the item.

Mayor Edgar and Council Member Graham-Mejia returned to their seats at the dais.

C. Council Member Request Regarding Prosecution of Alleged Municipal Code Violation Relating to Trash Franchise Award

Council Member Kusumoto has requested that the City Council take steps to determine whether prosecution is warranted for alleged violations of the Municipal Code in connection with the award of the City's waste franchise.

Mayor Edgar summarized the staff report, referring to the information contained therein. He stated he would recuse himself from discussion since his interest was different as the City was considering pursuing him.

Mayor Pro Tem Poe and Council Member Stephens recused themselves.

Mayor Edgar stated there was no quorum and closed the item.

D. Council Announcements

Council Member Kusumoto requested Staff research AB1492 and the possibility of sending a letter of opposition.

Council Member Stephens stated he had attended the Orange County Fire Authority Budget and Finance Committee meeting and had been nominated as the Vice Chair.

Council Member Graham-Mejia spoke regarding the following topics: 1) requested and received an update on Detective Sorenson and his participation in Operation Halo; 2) discussing the alleged coyote attacks sooner rather than later; 3) wished the Council Candidates luck in the upcoming election; and, 4) stated she was unable to attend the OC Vector Control meeting because she had taken her son out of state to college.

Mayor Pro Tem Poe spoke regarding the following topics: 1) attendance at the Multi-City Chamber of Commerce Legislative Mixer; 2) attendance at the I-405 Working Group meeting; 3) addressed J.M. Ivler's comments from the August 20, 2012 Council meeting regarding criminal penalties for violations of the Municipal Code being inaccurate; and 4) stated she had been on vacation when the August 6, 2012 Special meeting was called.

Mayor Edgar spoke regarding the following topics: 1) attendance at the Orange County Sanitation District meeting; 2) attendance at the Orange County Water District Open House; 3) attendance at the Multi-City Chamber of Commerce Legislative Mixer; 4) thanked Council for working together and encouraged everyone to remain focused on the positive; 5) requested an agenda item for discussion of Lexington as a straight through, relocating the signal to Enterprise, and allowing a cut out for 24 Hour Fitness, and personally requested Mayor Pro Tem Poe to seek the advice of the Fair Political Practices Commission regarding possible conflicts of interest.

Council Member Graham-Mejia supported Mayor Edgar's request for the agenda item.

Mayor Edgar congratulated the Olympic Gold Medal Women's Water Polo Team and thanked everyone involved in the partnership.

12. ITEMS FROM THE CITY MANAGER

City Manager Avery reported the City had a successful summer with recreation programs and welcomed Interim Finance Director Linda Magnuson.

13. ADJOURNMENT

The City Council adjourned at 10:40 p.m. The next meeting of the City Council is scheduled for **Monday, September 17, 2012, at 6:00 p.m.**, in the City Council Chambers.

Troy D. Edgar, Mayor

ATTEST:

Windmera Quintanar, Department Secretary

CITY OF LOS ALAMITOS

A/P Warrants

September 17, 2012

To Approve

Pages:

01	\$ 9,970.56	A/P Warrants	09/17/2012
Subtotal	<u>\$ 9,970.56</u>		

To Ratify

Pages:

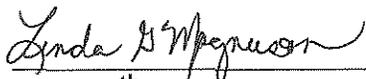
A 01-05	\$ 32,235.44	Advance Warrants	08/27/2012
B 01-05	\$ 43,710.59	Advance Warrants	09/03/2012
C 01-02	\$ 13,741.12	Advance Warrants	09/10/2012
	\$ 1,525.31	September Retirees	09/01/2012
Subtotal	<u>\$ 91,212.46</u>		

Grand Total \$ 101,183.02

Authorize the City Manager to approve such expenditures as are legally due and within an unexhausted balance of an appropriation against which the same may be charged for the time period September 18, 2012 to October 14, 2012.

Statement:

I hereby certify that the claims or demands covered by the foregoing listed warrants have been audited as to accuracy and availability of funds for payment thereof. Certified by Linda Magnuson, Interim Finance Director.



this 12th day of September, 2012

VENDOR SORT KEY	DESCRIPTION	FUND	DEPARTMENT	AMOUNT
KONICA MINOLTA BUSINESS SOLUTIONS	COPIER LEASE - ADMIN SVCS	GENERAL FUND	ADMINISTRATIVE SERVICE	556.30
	COPIER LEASE - CITY HALL	GENERAL FUND	ADMINISTRATIVE SERVICE	422.58
	TOTAL:			978.88
LOS ALAMITOS AREA CHAMBER OF COMMERCE	CHAMBER MEMBERSHIP	GENERAL FUND	CITY COUNCIL	295.00
	TOTAL:			295.00
THE PLANNING CENTER	COORDINATION MEETINGS	GENERAL FUND	PLANNING	700.00
	DRAFT GENERAL PLAN	GENERAL FUND	PLANNING	7,486.92
	TOTAL:			8,186.92
SIR SPEEDY	DUMPSTER DAY DOOR HANGERS	GENERAL FUND	PLANNING	344.80
	TOTAL:			344.80
TIME WARNER CABLE	ADMIN CABLE SERVICE	GENERAL FUND	CITY MANAGER	164.96
	TOTAL:			164.96

```

===== FUND TOTALS =====
10  GENERAL FUND                9,970.56
-----
      GRAND TOTAL:              9,970.56
-----

```

TOTAL PAGES: 1

VENDOR SORT KEY	DESCRIPTION	FUND	DEPARTMENT	AMOUNT
A+ ENVIRONMENTAL SOLUTIONS, LLC	RETENTION - UST REMOVAL	GARAGE FUND	NON-DEPARTMENTAL	3,504.20
			TOTAL:	3,504.20
AMERICAN SOCCER COMPANY, INC.	SOCCER SERVICES	GENERAL FUND	SPORTS	1,491.15
			TOTAL:	1,491.15
AUDIO DYNAMIX, INC.	SOUND SYSTEM	GENERAL FUND	SPORTS	171.83
			TOTAL:	171.83
BARBARA BANNERMAN	INSTRUCTOR - YOGA	GENERAL FUND	SPECIAL CLASSES	536.25
			TOTAL:	536.25
BRENDA BENVENISTE	INSTRUCTOR - ARTS & CRAFTS	GENERAL FUND	SPECIAL CLASSES	526.50
			TOTAL:	526.50
BUSINESS PRODUCTS DISTRIBUTORS	OFFICE SUPPLIES	GENERAL FUND	NON-DEPARTMENTAL	34.47
	OFFICE SUPPLIES	GENERAL FUND	ADMINISTRATIVE SERVICE	2.10
	OFFICE SUPPLIES	GENERAL FUND	PUBLIC WORKS ADMIN	10.76
			TOTAL:	47.33
BOB COHEN	INSTRUCTOR - ADULT ED	GENERAL FUND	SPECIAL CLASSES	84.00
			TOTAL:	84.00
COMPUTER SERVICE CO.	SIGNAL REPAIR	GENERAL FUND	STREET MAINTENANCE	1,240.00
			TOTAL:	1,240.00
COUNTY OF ORANGE TREASURER-TAX	COMM CHARGES 1Q FY 12/13	GENERAL FUND	COMMUNICATIONS TECHNOL	2,804.00
			TOTAL:	2,804.00
DECKSIDE POOL SERVICE	POOL MAINTENANCE	GENERAL FUND	AQUATICS	1,290.00
	POOL TUNE-UP	GENERAL FUND	AQUATICS	150.00
			TOTAL:	1,440.00
DOG DEALERS, INC.	INSTRUCTOR - DOG OBEDIENCE	GENERAL FUND	SPECIAL CLASSES	323.40
			TOTAL:	323.40
EDUTAINMENT ARTS, LLC	INSTRUCTOR - CAMP	GENERAL FUND	SPECIAL CLASSES	95.55
	INSTRUCTOR - CAMP	GENERAL FUND	SPECIAL CLASSES	382.20
			TOTAL:	477.75
KEITH ELIOT	INSTRUCTOR - GUITAR	GENERAL FUND	SPECIAL CLASSES	70.20
			TOTAL:	70.20
CYNTHIA E. EMAMI	INSTRUCTOR - EXERCISE	GENERAL FUND	SPECIAL CLASSES	204.80
			TOTAL:	204.80
FEDEX	SHIPPING	GENERAL FUND	POLICE ADMINISTRATION	9.17
	SHIPPING	GENERAL FUND	PATROL	9.66
	SHIPPING	GENERAL FUND	PATROL	25.54
	SHIPPING	GENERAL FUND	PATROL	12.41
			TOTAL:	56.78
CARRI FOX	INSTRUCTOR - DANCE	GENERAL FUND	SPECIAL CLASSES	23.10
	INSTRUCTOR - DANCE	GENERAL FUND	SPECIAL CLASSES	33.60
			TOTAL:	56.70

VENDOR SORT KEY	DESCRIPTION	FUND	DEPARTMENT	AMOUNT
GALLS / LONG BEACH UNIFORM	UNIFORMS	GENERAL FUND	PATROL	633.32
			TOTAL:	633.32
GANAHL LUMBER COMPANY	BOLTS	GENERAL FUND	STREET MAINTENANCE	15.28
	LAG SHIELDS	GENERAL FUND	STREET MAINTENANCE	48.48
	DAY CAMP SUPPLIES	GENERAL FUND	DAY CAMP	10.60
	TOOLS	GARAGE FUND	GARAGE	47.93
	DRILL BIT	GARAGE FUND	GARAGE	21.54
			TOTAL:	143.83
NANCY KATO	INSTRUCTOR - GOLF	GENERAL FUND	SPECIAL CLASSES	117.60
	INSTRUCTOR - GOLF	GENERAL FUND	SPECIAL CLASSES	1,411.20
			TOTAL:	1,528.80
KONICA MINOLTA BUSINESS SOLUTIONS U.S.	COPIER LEASE	GENERAL FUND	ADMINISTRATIVE SERVICE	53.88
			TOTAL:	53.88
KUSTOM IMPRINTS	LIFEGUARD T-SHIRTS	GENERAL FUND	AQUATICS	93.55
			TOTAL:	93.55
LIEBERT CASSIDY WHITMORE	LEGAL SERVICES - PERSONNEL	GENERAL FUND	ADMINISTRATIVE SERVICE	690.00
			TOTAL:	690.00
YING LIU	INSTRUCTOR - ART	GENERAL FUND	SPECIAL CLASSES	68.25
			TOTAL:	68.25
LONG BEACH SOCCER REFEREE ASSOCIATION	ADULT SOCCER REFEREE	GENERAL FUND	SPORTS	700.00
			TOTAL:	700.00
MAD SCIENCE OF W. ORANGE COUNTY	INSTRUCTOR - SCIENCE CAMP	GENERAL FUND	SPECIAL CLASSES	598.00
	INSTRUCTOR - SCIENCE CAMP	GENERAL FUND	SPECIAL CLASSES	373.75
			TOTAL:	971.75
MAJOR LEAGUE SOFTBALL, INC.	ASSIGNING SERVICES	GENERAL FUND	SPORTS	240.00
			TOTAL:	240.00
MAXUM PETROLEUM	DIESEL FUEL	GARAGE FUND	GARAGE	1,230.71
			TOTAL:	1,230.71
MEMORIAL OCCUPATIONAL MEDICAL SERVICES	FIT FOR DUTY PHYSICAL	GENERAL FUND	ADMINISTRATIVE SERVICE	40.00
			TOTAL:	40.00
MISC. VENDOR	REFUND - ART CLASS	GENERAL FUND	NON-DEPARTMENTAL	82.00
	REFUND - FIELD FEES	GENERAL FUND	NON-DEPARTMENTAL	20.00
	REFUND - SCIENCE CAMP	GENERAL FUND	NON-DEPARTMENTAL	144.00
	REFUND - SECURITY DEPOSIT	GENERAL FUND	NON-DEPARTMENTAL	100.00
	REFUND - SWIM LESSONS	GENERAL FUND	NON-DEPARTMENTAL	47.00
	REFUND - SWIM LESSONS	GENERAL FUND	NON-DEPARTMENTAL	50.00
	REFUND - SWIM LESSONS	GENERAL FUND	NON-DEPARTMENTAL	44.00
	REFUND - SWIM LESSONS	GENERAL FUND	NON-DEPARTMENTAL	64.00
	REFUND - SWIM LESSONS	GENERAL FUND	NON-DEPARTMENTAL	112.00
	REFUND - SWIM LESSONS	GENERAL FUND	NON-DEPARTMENTAL	61.00
	REFUND - SWIM LESSONS	GENERAL FUND	NON-DEPARTMENTAL	78.00
	RETURN - UUT PAID IN ERROR	GENERAL FUND	NON-DEPARTMENTAL	119.70
	REFUND - SWIM LESSONS	GENERAL FUND	NON-DEPARTMENTAL	56.00
	REFUND - SWIM LESSONS	GENERAL FUND	NON-DEPARTMENTAL	56.00

VENDOR SORT KEY	DESCRIPTION	FUND	DEPARTMENT	AMOUNT	A
	REFUND - PARKING CITATION	GENERAL FUND	NON-DEPARTMENTAL	80.00	
			TOTAL:	1,113.70	
NEWPORT EXTERMINATING	GENERAL PEST CONTROL	GENERAL FUND	BUILDING MAINTENANCE	175.00	
	RODENT CONTROL	GENERAL FUND	BUILDING MAINTENANCE	60.00	
	RODENT CONTROL	GENERAL FUND	BUILDING MAINTENANCE	60.00	
			TOTAL:	295.00	
NEWS ENTERPRISE	PUBLISH NOTICE	GENERAL FUND	POLICE ADMINISTRATION	68.88	
			TOTAL:	68.88	
RON NODA	MUSIC & MOVIES SUPPLIES	GENERAL FUND	RECREATION ADMINISTRAT	59.28	
	MUSIC & MOVIES SUPPLIES	GENERAL FUND	RECREATION ADMINISTRAT	51.59	
			TOTAL:	110.87	
OC SHERIFF'S REGIONAL TRAINING ACADEMY	TRAINING	GENERAL FUND	POLICE ADMINISTRATION	30.00	
			TOTAL:	30.00	
PACIFIC COACHWAYS CHARTER SERVICES	DAY CAMP TRANSPORTATION	GENERAL FUND	DAY CAMP	300.00	
			TOTAL:	300.00	
PAPER RECYCLING SPECIALISTS	SHREDDING SERVICES	GENERAL FUND	ADMINISTRATIVE SERVICE	74.00	
			TOTAL:	74.00	
ANNE COREEN PENNYPACKER	INSTRUCTOR - DANCE	GENERAL FUND	SPECIAL CLASSES	148.20	
	INSTRUCTOR - DANCE	GENERAL FUND	SPECIAL CLASSES	370.50	
	INSTRUCTOR - DANCE	GENERAL FUND	SPECIAL CLASSES	262.60	
	INSTRUCTOR - DANCE	GENERAL FUND	SPECIAL CLASSES	37.05	
	INSTRUCTOR - DANCE	GENERAL FUND	SPECIAL CLASSES	111.15	
	INSTRUCTOR - DANCE	GENERAL FUND	SPECIAL CLASSES	185.25	
	INSTRUCTOR - DANCE	GENERAL FUND	SPECIAL CLASSES	185.25	
	INSTRUCTOR - DANCE	GENERAL FUND	SPECIAL CLASSES	1,014.00	
	INSTRUCTOR - DANCE	GENERAL FUND	SPECIAL CLASSES	273.00	
	INSTRUCTOR - DANCE	GENERAL FUND	SPECIAL CLASSES	39.00	
	INSTRUCTOR - DANCE	GENERAL FUND	SPECIAL CLASSES	39.00	
	INSTRUCTOR - DANCE	GENERAL FUND	SPECIAL CLASSES	156.00	
			TOTAL:	2,821.00	
PETTY CASH	MEETING SUPPLIES	GENERAL FUND	CITY COUNCIL	64.82	
	CITY HALL COFFEE	GENERAL FUND	CITY COUNCIL	22.98	
	CITY HALL COFFEE	GENERAL FUND	CITY COUNCIL	22.98	
	PARKING	GENERAL FUND	CITY MANAGER	7.50	
	BANKERS BOXES	GENERAL FUND	ADMINISTRATIVE SERVICE	34.25	
	MEETING SUPPLIES	GENERAL FUND	ADMINISTRATIVE SERVICE	10.50	
	PARKING	GENERAL FUND	COMMUNITY DEVEL ADMIN	11.25	
	H2O POLO AWARD FRAMES	GENERAL FUND	AQUATICS	175.39	
			TOTAL:	349.67	
PRO FORCE LAW ENFORCEMENT	TASER CARTRIDGES	GENERAL FUND	PATROL	547.32	
			TOTAL:	547.32	
QUARTERMASTER	UNIFORMS	GENERAL FUND	PATROL	106.65	
			TOTAL:	106.65	
QUEST PRINTING	CERTIFICATE PAPER	GENERAL FUND	COMMUNITY DEVEL ADMIN	168.56	
			TOTAL:	168.56	

VENDOR SORT KEY	DESCRIPTION	FUND	DEPARTMENT	AMOUNT	A
ROBERTSON'S	SINK HOLE CONCRETE	GENERAL FUND	STREET MAINTENANCE	420.23	
	SIDEWALK CONCRETE	TRAFFIC IMPROVEMEN	CAPITAL PROJECTS	916.57	
	SIDEWALK CONCRETE	TRAFFIC IMPROVEMEN	CAPITAL PROJECTS	928.57	
			TOTAL:	<u>2,265.37</u>	
SIR SPEEDY	BUSINESS CARDS	GENERAL FUND	POLICE ADMINISTRATION	75.96	
	WINDOW ENVELOPES	GENERAL FUND	COMMUNITY DEVEL ADMIN	217.76	
			TOTAL:	<u>293.72</u>	
SKATEDOGS	INSTRUCTOR - SKATEBOARDING	GENERAL FUND	SPECIAL CLASSES	788.90	
	INSTRUCTOR - SKATEBOARDING	GENERAL FUND	SPECIAL CLASSES	1,014.30	
			TOTAL:	<u>1,803.20</u>	
SMART & FINAL	KITCHEN SUPPLIES	GENERAL FUND	POLICE ADMINISTRATION	184.97	
			TOTAL:	<u>184.97</u>	
SO CAL SANITATION, LLC	RESTROOM SERVICES	GENERAL FUND	PLAYGROUNDS	172.60	
			TOTAL:	<u>172.60</u>	
SOUTH COAST SUPPLY & GARDEN DAZE	SAFETY HAT	GENERAL FUND	PARK MAINTENANCE	9.69	
			TOTAL:	<u>9.69</u>	
SOUTHERN PACIFIC MASTERS ASSOCIATION	MEMBERSHIP FEE	GENERAL FUND	AQUATICS	44.00	
			TOTAL:	<u>44.00</u>	
STATE OF CALIFORNIA DEPARTMENT	FINGERPRINT NEW STAFF	GENERAL FUND	ADMINISTRATIVE SERVICE	64.00	
			TOTAL:	<u>64.00</u>	
KIRK STEPHENS	LATV INVENTORY	LOS ALAMITOS TV	LOS ALAMITOS TV	243.75	
			TOTAL:	<u>243.75</u>	
VERIZON CALIFORNIA, INC.	POLICE ALARMS	GENERAL FUND	COMMUNICATIONS TECHNOL	119.04	
			TOTAL:	<u>119.04</u>	
WEST PAYMENT CENTER	SUBSCRIPTION	GENERAL FUND	INVESTIGATION	102.85	
			TOTAL:	<u>102.85</u>	
YALE/CHASE EQUIPMENT & SERVICES, INC.	4 PASSENGER CARRIERS	GENERAL FUND	SPECIAL EVENTS	704.43	
	6 PASSENGER CARRIERS	GENERAL FUND	SPECIAL EVENTS	813.19	
			TOTAL:	<u>1,517.62</u>	

VENDOR SORT KEY	DESCRIPTION	FUND	DEPARTMENT	AMOUNT	B
ACE INDUSTRIAL, SUPPLY, INC.	TOOLS & SUPPLIES	GENERAL FUND	STREET MAINTENANCE	482.66	
			TOTAL:	482.66	
AT & T	BILL CYCLE 8/19-9/18	GENERAL FUND	COMMUNICATIONS TECHNOL	358.58	
			TOTAL:	358.58	
ANNETTE BROMEN	INSTRUCTOR - ART	GENERAL FUND	SPECIAL CLASSES	101.89	
			TOTAL:	101.89	
BUSINESS PRODUCTS DISTRIBUTORS	OFFICE SUPPLIES	GENERAL FUND	ADMINISTRATIVE SERVICE	15.29	
			TOTAL:	15.29	
CARTRIDGE WORLD OF LOS ALAMITOS	INK CARTRIDGE	GENERAL FUND	CITY MANAGER	77.57	
			TOTAL:	77.57	
CHARLES ABBOTT ASSOCIATES, INC.	BUILDING PERMIT FEES	GENERAL FUND	BUILDING INSPECTION	4,773.71	
	WQMP SERVICES	GENERAL FUND	BUILDING INSPECTION	483.00	
	NPDES INSPECTIONS	GENERAL FUND	NPDES	600.00	
			TOTAL:	5,856.71	
BOB COHEN	INSTRUCTOR - ADULT ED	GENERAL FUND	SPECIAL CLASSES	21.00	
			TOTAL:	21.00	
COMMUNITY SENIORSERV	NUTRITION TRANSPORTATION	GENERAL FUND	COMMUNITY SERVICES	63.92	
			TOTAL:	63.92	
COMPUTER SERVICE CO.	SIGNAL REPAIR	GENERAL FUND	STREET MAINTENANCE	155.58	
	SIGNAL REPAIR	GENERAL FUND	STREET MAINTENANCE	333.14	
	SIGNAL REPAIR	GENERAL FUND	STREET MAINTENANCE	158.43	
	SIGNAL REPAIR	GENERAL FUND	STREET MAINTENANCE	366.91	
	SIGNAL REPAIR	GENERAL FUND	STREET MAINTENANCE	1,304.76	
	SIGNAL REPAIR	GENERAL FUND	STREET MAINTENANCE	400.37	
	SIGNAL REPAIR	GENERAL FUND	STREET MAINTENANCE	96.10	
	SIGNAL REPAIR	GENERAL FUND	STREET MAINTENANCE	615.42	
			TOTAL:	3,430.71	
DAPEER, ROSENBLIT & LITVAK, LLP	MUNI CODE ENFORCE	GENERAL FUND	NEIGHBORHOOD PRESERVAT	799.75	
			TOTAL:	799.75	
DECKSIDE POOL SERVICE	EMERGENCY POOL REPAIR	GENERAL FUND	AQUATICS	3,894.75	
			TOTAL:	3,894.75	
DIGITAL ALLY	CAMERA MOUNTS	GARAGE FUND	GARAGE	158.85	
			TOTAL:	158.85	
EDUTAINMENT ARTS, LLC	INSTRUCTOR - CAMP	GENERAL FUND	SPECIAL CLASSES	573.30	
			TOTAL:	573.30	
FEDEX	SHIPPING	GENERAL FUND	CITY COUNCIL	25.48	
			TOTAL:	25.48	
FIRE SERVICE CORP.	ANNUAL INSPECTION	GENERAL FUND	BUILDING MAINTENANCE	819.38	
	BI-ANNUAL INSPECTION	GENERAL FUND	BUILDING MAINTENANCE	171.23	
			TOTAL:	990.61	
FUN ON THE FARM, INC.	INSTRUCTOR-HORSEBACK RIDE	GENERAL FUND	SPECIAL CLASSES	44.80	

VENDOR SORT KEY	DESCRIPTION	FUND	DEPARTMENT	AMOUNT	B
	INSTRUCTOR-HORSEBACK RIDE	GENERAL FUND	SPECIAL CLASSES	134.40	
			TOTAL:	179.20	
GANAHL LUMBER COMPANY	RAGS	GENERAL FUND	STREET MAINTENANCE	6.35	
	GLOVES	GENERAL FUND	STREET MAINTENANCE	4.84	
	GLOVES	GENERAL FUND	STREET MAINTENANCE	10.76	
	KEY	GENERAL FUND	PARK MAINTENANCE	4.29	
	IRRIGATION PARTS	GENERAL FUND	PARK MAINTENANCE	11.29	
	IRRIGATION PARTS	GENERAL FUND	PARK MAINTENANCE	12.25	
	LIGHT SWITCH	GENERAL FUND	BUILDING MAINTENANCE	17.86	
	BROOM	GENERAL FUND	BUILDING MAINTENANCE	14.32	
	BATTERIES	GARAGE FUND	GARAGE	204.71	
			TOTAL:	286.67	
GEMPLER'S	SHIPPING SAVER	GENERAL FUND	PARK MAINTENANCE	39.00	
	LANDSCAPING SUPPLIES	GENERAL FUND	PARK MAINTENANCE	592.96	
			TOTAL:	631.96	
GOLDEN STATE WATER COMPANY	BILL CYCLE 6/21-8/21	GENERAL FUND	STREET MAINTENANCE	571.13	
	BILL CYCLE 6/21-8/21	GENERAL FUND	PARK MAINTENANCE	400.86	
			TOTAL:	971.99	
GOVERNMENT FINANCE OFFICERS ASSOCIATIO	MEMBERSHIP DUES	GENERAL FUND	ADMINISTRATIVE SERVICE	190.00	
			TOTAL:	190.00	
HARTZOG & CRABILL, INC.	TRAFFIC ENGINEER SERVICES	GENERAL FUND	CITY ENGINEER	2,208.18	
	PLAN CHECK	GENERAL FUND	CITY ENGINEER	1,705.00	
			TOTAL:	3,913.18	
HI-WAY SAFETY, INC.	SAFETY VESTS	GENERAL FUND	STREET MAINTENANCE	189.05	
			TOTAL:	189.05	
CLAUDIA HINDU	INSTRUCTOR - ARTS & CRAFTS	GENERAL FUND	SPECIAL CLASSES	109.20	
	INSTRUCTOR - ARTS & CRAFTS	GENERAL FUND	SPECIAL CLASSES	135.20	
			TOTAL:	244.40	
JUDICIAL DATA SYSTEMS CORP.	CITATIONS	GENERAL FUND	TRAFFIC	266.85	
			TOTAL:	266.85	
NANCY KATO	INSTRUCTOR - GOLF	GENERAL FUND	SPECIAL CLASSES	1,881.60	
			TOTAL:	1,881.60	
KONICA MINOLTA BUSINESS SOLUTIONS	COPIER LEASE - P/D	GENERAL FUND	POLICE ADMINISTRATION	514.99	
			TOTAL:	514.99	
YING LIU	INSTRUCTOR - ART	GENERAL FUND	SPECIAL CLASSES	68.25	
	INSTRUCTOR - ART	GENERAL FUND	SPECIAL CLASSES	68.25	
			TOTAL:	136.50	
LOS ALAMITOS AUTO PARTS	LOCK KIT	GARAGE FUND	GARAGE	7.21	
	HEADLIGHT BULB	GARAGE FUND	GARAGE	15.07	
	BATTERY	GARAGE FUND	GARAGE	111.36	
			TOTAL:	133.64	
LOS ALAMITOS MEDICAL CENTER	BLOOD DRAWS 5/12	GENERAL FUND	PATROL	125.00	
	BLOOD DRAWS 6/12	GENERAL FUND	PATROL	50.00	

VENDOR SORT KEY	DESCRIPTION	FUND	DEPARTMENT	AMOUNT
	BLOOD DRAWS 7/12	GENERAL FUND	PATROL	100.00
			TOTAL:	275.00
MAD SCIENCE OF W. ORANGE COUNTY	INSTRUCTOR - SCIENCE CAMP	GENERAL FUND	SPECIAL CLASSES	85.80
	INSTRUCTOR - SCIENCE CAMP	GENERAL FUND	SPECIAL CLASSES	278.20
			TOTAL:	364.00
MAILFINANCE	POSTAGE MACHINE LEASE	GENERAL FUND	ADMINISTRATIVE SERVICE	166.50
			TOTAL:	166.50
MAR-CO EQUIPMENT COMPANY	FLOOR POLISHING PADS	GENERAL FUND	BUILDING MAINTENANCE	143.14
			TOTAL:	143.14
MAUREEN KANE & ASSOCIATES, INC.	TRAINING	GENERAL FUND	CITY MANAGER	1,280.00
			TOTAL:	1,280.00
MISC. VENDOR	REFUND - DAY CAMP	GENERAL FUND	NON-DEPARTMENTAL	45.00
	REFUND - EXERCISE CLASS	GENERAL FUND	NON-DEPARTMENTAL	54.00
	REFUND - CAMP	GENERAL FUND	NON-DEPARTMENTAL	177.00
	REFUND - OVERPAYMENT	GENERAL FUND	NON-DEPARTMENTAL	4.00
	REFUND - DANCE CLASS	GENERAL FUND	NON-DEPARTMENTAL	59.00
	REFUND - GOLF CAMP	GENERAL FUND	NON-DEPARTMENTAL	152.00
	REFUND - OVERPAYMENT	GENERAL FUND	NON-DEPARTMENTAL	44.00
	REFUND - DAY CAMP	GENERAL FUND	NON-DEPARTMENTAL	77.50
	REFUND - DAY CAMP	GENERAL FUND	NON-DEPARTMENTAL	75.00
	REFUND - OAK FIELD FEES	GENERAL FUND	NON-DEPARTMENTAL	360.00
	REFUND - OAK FIELD FEES	GENERAL FUND	NON-DEPARTMENTAL	787.50
	REFUND - SWIM LESSONS	GENERAL FUND	NON-DEPARTMENTAL	47.00
	REFUND - SWIM LESSONS	GENERAL FUND	NON-DEPARTMENTAL	64.00
			TOTAL:	1,946.00
NEWS ENTERPRISE	NOTICE OF ELECTION	GENERAL FUND	CITY MANAGER	53.44
	NOTICE OF ELECTION	GENERAL FUND	CITY MANAGER	45.13
	PUBLIC HEARING NOTICE	GENERAL FUND	PLANNING	97.38
			TOTAL:	195.95
NORM'S AUTOMOTIVE CENTER INC.	TAHOE REPAIRS	GARAGE FUND	GARAGE	228.25
	CHARGER REPAIRS	GARAGE FUND	GARAGE	820.16
			TOTAL:	1,048.41
OC HUMAN RELATIONS COUNCIL	ANNUAL DUES	GENERAL FUND	CITY COUNCIL	2,280.00
			TOTAL:	2,280.00
PACIFIC COACHWAYS CHARTER SERVICES	DAY CAMP TRANSPORTATION	GENERAL FUND	DAY CAMP	300.00
	DAY CAMP TRANSPORTATION	GENERAL FUND	DAY CAMP	300.00
	DAY CAMP TRANSPORTATION	GENERAL FUND	DAY CAMP	300.00
			TOTAL:	900.00
PACIFIC TELEMAGEMENT SERVICES	PAY PHONE	GENERAL FUND	COMMUNICATIONS TECHNOL	82.64
			TOTAL:	82.64
PAK WEST PAPER & PACKAGING	JANITORIAL SUPPLIES	GENERAL FUND	BUILDING MAINTENANCE	1,451.49
			TOTAL:	1,451.49
HELEN PARES	INSTRUCTOR - EXERCISE	GENERAL FUND	SPECIAL CLASSES	158.47
			TOTAL:	158.47

VENDOR SORT KEY	DESCRIPTION	FUND	DEPARTMENT	AMOUNT	B	
PETTY CASH	KEY TAG HOLDERS	GENERAL FUND	POLICE ADMINISTRATION	6.00		
	PARKING	GENERAL FUND	POLICE ADMINISTRATION	6.00		
	PARKING	GENERAL FUND	POLICE ADMINISTRATION	5.00		
	CHAMBER BREAKFAST	GENERAL FUND	POLICE ADMINISTRATION	20.00		
	KEYS	GENERAL FUND	POLICE ADMINISTRATION	37.02		
	PARKING	GENERAL FUND	POLICE ADMINISTRATION	3.75		
	PARKING	GENERAL FUND	POLICE ADMINISTRATION	5.00		
	RANGE SUPPLIES	GENERAL FUND	PATROL	16.33		
	RANGE SUPPLIES	GENERAL FUND	PATROL	4.18		
	LOCKER NAMEPLATE	GENERAL FUND	PATROL	10.78		
	HEADPHONES	GENERAL FUND	INVESTIGATION	10.23		
	PARKING	GENERAL FUND	RECORDS	1.00		
	UNIFORM ZIPPER	GENERAL FUND	TRAFFIC	16.00		
	CROSSING GUARD AD	GENERAL FUND	TRAFFIC	23.70		
				TOTAL:	164.99	
	REVENUE EXPERTS, INC.	CODE ENFORCE CITES	GENERAL FUND	NEIGHBORHOOD PRESERVAT	200.00	
			TOTAL:	200.00		
RICOH AMERICAS CORPORATION	DUPLICATOR INK	GENERAL FUND	RECREATION ADMINISTRAT	42.40		
	COPIER LEASE	GENERAL FUND	RECREATION ADMINISTRAT	560.30		
	COPIER ADMIN FEE	GENERAL FUND	RECREATION ADMINISTRAT	57.04		
	DUPLICATOR ADMIN FEE	GENERAL FUND	RECREATION ADMINISTRAT	37.63		
				TOTAL:	697.37	
ROSSMOOR CAR WASH	CAR WASHES - P/D	GARAGE FUND	GARAGE	261.97		
	CAR WASHES - REC	GARAGE FUND	GARAGE	20.00		
	CAR WASHES - P/W	GARAGE FUND	GARAGE	200.96		
	CAR WASHES - C/D	GARAGE FUND	GARAGE	9.00		
				TOTAL:	491.93	
SIR SPEEDY	DUMPSTER DAY DOOR HANGERS	GENERAL FUND	PLANNING	344.80		
			TOTAL:	344.80		
SKATEDOGS	INSTRUCTOR - SKATEBOARDING	GENERAL FUND	SPECIAL CLASSES	450.80		
	INSTRUCTOR - SKATEBOARDING	GENERAL FUND	SPECIAL CLASSES	563.50		
			TOTAL:	1,014.30		
SO CAL SANITATION, LLC	RESTROOM SERVICES	GENERAL FUND	SPORTS	252.86		
			TOTAL:	252.86		
SOUTHERN CALIFORNIA EDISON	TRAFFIC SIGS/ST LIGHTS	GENERAL FUND	STREET MAINTENANCE	47.15		
	SPRINKLERS	GENERAL FUND	PARK MAINTENANCE	201.57		
			TOTAL:	248.72		
SOUTHERN CALIFORNIA GAS	3614 FENLEY	GENERAL FUND	STREET MAINTENANCE	14.30		
	3191 KATELLA	GENERAL FUND	BUILDING MAINTENANCE	63.47		
	10911 OAK ST.	GENERAL FUND	BUILDING MAINTENANCE	47.01		
			TOTAL:	124.78		
SPRINT	ACTIVITY THRU 8/21/12	GENERAL FUND	CITY MANAGER	34.39		
	ACTIVITY THRU 8/21/12	GENERAL FUND	ADMINISTRATIVE SERVICE	34.39		
	ACTIVITY THRU 8/21/12	GENERAL FUND	COMMUNICATIONS TECHNOL	34.39		
	ACTIVITY THRU 8/21/12	GENERAL FUND	COMMUNITY DEVEL ADMIN	34.38		
	ACTIVITY THRU 8/21/12	GENERAL FUND	PUBLIC WORKS ADMIN	34.38		
	ACTIVITY THRU 8/21/12	GENERAL FUND	RECREATION ADMINISTRAT	34.38		

VENDOR SORT KEY	DESCRIPTION	FUND	DEPARTMENT	AMOUNT	B
			TOTAL:	206.31	
SUNNY SLOPE TREES	TREES	GENERAL FUND	PARK MAINTENANCE	252.14	
			TOTAL:	252.14	
JOHN UNDERWOOD	POOL DOCUMENTARY	LOS ALAMITOS TV	LOS ALAMITOS TV	1,250.00	
			TOTAL:	1,250.00	
USA MOBILITY WIRELESS, INC.	PAGER FEES	GENERAL FUND	PUBLIC WORKS ADMIN	20.08	
			TOTAL:	20.08	
WIRELESS TELEMATICS	MCAULIFFE FIELD LIGHTING	GENERAL FUND	SPORTS	600.00	
	MCAULIFFE FIELD LIGHTING	GENERAL FUND	SPORTS	600.00	
			TOTAL:	1,200.00	
POLLY WOMACK	INSTRUCTOR - NEEDLECRAFTS	GENERAL FUND	SPECIAL CLASSES	326.17	
			TOTAL:	326.17	
SHANNON ZEEMAN	INSTRUCTOR - SIGN LANGUAGE	GENERAL FUND	SPECIAL CLASSES	19.20	
			TOTAL:	19.20	
DIANN S. ZENDA	INSTRUCTOR - MAH JONGG	GENERAL FUND	SPECIAL CLASSES	214.24	
			TOTAL:	214.24	

===== FUND TOTALS =====

10	GENERAL FUND	40,423.05
28	LOS ALAMITOS TV	1,250.00
50	GARAGE FUND	2,037.54

	GRAND TOTAL:	43,710.59

VENDOR SORT KEY	DESCRIPTION	FUND	DEPARTMENT	AMOUNT	C
	REFUND - SWIM LESSONS	GENERAL FUND	NON-DEPARTMENTAL	54.00	
	REFUND - SWIM LESSONS	GENERAL FUND	NON-DEPARTMENTAL	36.00	
	REFUND - SWIM LESSONS	GENERAL FUND	NON-DEPARTMENTAL	54.00	
	REFUND - SWIM LESSONS	GENERAL FUND	NON-DEPARTMENTAL	18.00	
	REFUND - SWIM LESSONS	GENERAL FUND	NON-DEPARTMENTAL	18.00	
	REFUND - SWIM LESSONS	GENERAL FUND	NON-DEPARTMENTAL	18.00	
	REFUND - SWIM LESSONS	GENERAL FUND	NON-DEPARTMENTAL	36.00	
	REFUND - SWIM LESSONS	GENERAL FUND	NON-DEPARTMENTAL	21.00	
	REFUND - SWIM LESSONS	GENERAL FUND	NON-DEPARTMENTAL	21.00	
	REFUND - SWIM LESSONS	GENERAL FUND	NON-DEPARTMENTAL	18.00	
	REFUND - SWIM LESSONS	GENERAL FUND	NON-DEPARTMENTAL	18.00	
			TOTAL:	<u>1,626.00</u>	
TIME WARNER CABLE	P/D CABLE SERVICE	GENERAL FUND	COMMUNICATIONS TECHNOL	47.89	
			TOTAL:	<u>47.89</u>	
TOTALFUNDS BY HASLER	POSTAGE	GENERAL FUND	ADMINISTRATIVE SERVICE	1,000.00	
			TOTAL:	<u>1,000.00</u>	
VERIZON CALIFORNIA, INC.	BOC/FAX LINES	GENERAL FUND	COMMUNICATIONS TECHNOL	1,005.45	
			TOTAL:	<u>1,005.45</u>	
VERIZON WIRELESS	POLICE DEPARTMENT	GENERAL FUND	PATROL	39.08	
	COMMUNITY DEVELOPMENT	GENERAL FUND	NEIGHBORHOOD PRESERVAT	10.73	
	PUBLIC WORKS	GENERAL FUND	STREET MAINTENANCE	179.89	
			TOTAL:	<u>229.70</u>	

===== FUND TOTALS =====
 10 GENERAL FUND 13,741.12

 GRAND TOTAL: 13,741.12

City of Los Alamitos

Agenda Report Consent Calendar

September 17, 2012
Item No: 8C

To: Mayor Troy D. Edgar & Members of the City Council

Via: Angie Avery, City Manager

From: David L. Hunt, City Engineer
Steven A. Mendoza, Director of Community Development

Subject: Approval of Plans and Specifications, and Authorization to Bid for Pool Project (CIP No. 12/13-01)

Summary: This report recommends actions to begin facilitating the construction of various items of work at the pool site; including a new variable speed pool pump to save electrical costs, new underwater pool lights, painting the pool, and numerous other repairs to the pool facilities.

Recommendations:

1. Approve the plans and specifications for the construction of the Pool Improvement Project (CIP No. 12/13-01); and,
2. Authorize staff to advertise and solicit bid proposals.

Background

The City operates and maintains the pool located at the Joint Forces Training Base under contract with the State of California, specifically the Commander of the Joint Forces Training Base. It is a 20-year agreement, executed in 1996. The pool has over 200,000 annual visits by patrons from the north Orange County, California region.

The pool was constructed in 1943. Since 1996 the city has completed the following major repairs or improvements at the base.

- 1996 - New HVAC installation, Blg 57
- 1998 - Repairs to deck drains and lane markers painted
- 1999 - Perimeter lights and bleachers
- 2000 - Construction of restroom/locker room

- 2001 - Repair deck
- 2001 - Put in new fencing around pool and removed spa (where shade structure is now)
- 2002 - Completion of ticket booth and concession building, construction of a 225' sidewalk along the south perimeter of the wall, parking lot improvements, electrical improvements, deck drain hookups and internal and external landscaping
- 2007 - Repainted pool, changed lights, and added a chemical control unit, renovated men's and women's locker rooms
- 2011 - Installed new pool heater
- 2012 - Install pool deck shading structure

This proposed project consists of:

- New variable speed pool pump
- Clean deck surface and clean out pool drains and add new grate drains covers
- Fix automatic water level controller
- Repair broken dive blocks
- Repair lanes hooks
- Replace broken overflow / skimmer drains
- Fix broken pool tile
- Drain pool to fix pool leaks
- Paint bottom of pool, lane line and depth number
- Install new ADA Lift - one permanent and one portable
- New underwater pool lights and wiring

Discussion

Following is an approximate timeline for the completion of the Pool Project:

- 9/17/12 Approval of plans & specifications by the City Council
- 9/20/12 Advertise project
- 10/5/12 Bid opening
- 10/15/12 Award of contract
- 11/26/12 Start of construction
- 12/21/12 End of construction

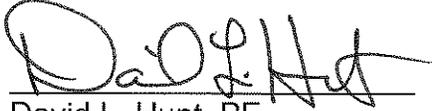
Fiscal Impact

This project was part of the City's 2012/2-13 CIP and was estimated to cost \$107,000 with the funding coming from the Pool Capital Improvements Reserve. The current construction estimate for this project is \$100,000. The Pool Capital Improvements Reserve currently has \$39,260 in it and is going to collect another approximately \$15,500 this fiscal year, for a total of \$54,760. Additionally, a donation from the Aquatics Foundation of \$52,000 is expected. This totals approximately \$106,760 for the project.

Recommendations

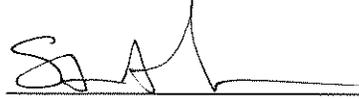
Approve the plans and specifications for the construction of the Pool Improvement Project (CIP No. 11/12-03) and authorize staff to advertise and solicit bid proposals.

Prepared By:



David L. Hunt, PE
City Engineer

Reviewed By:



Steven A. Mendoza
Director of Community Development

Approved By:



Angie Avery
City Manager

Attachment: 1. Plans and Specifications are available for review in the City Clerk's Office

City of Los Alamitos

**Agenda Report
Consent Calendar**

**September 17, 2012
Item No: 8D**

To: Mayor Troy D. Edgar & Members of the City Council
Via: Angie Avery, City Manager
From: Steven A. Mendoza, Community Development Director
Tony Brandyberry, Public Works Superintendent
Subject: Disposal of Surplus Equipment

Summary: Consideration of disposal of surplus equipment.

Recommendation: Declare the listed equipment as surplus, and authorize its disposal in accordance with the Los Alamitos Municipal Code.

Background

The Los Alamitos Municipal Code requires that prior to disposing of property the City Council shall first declare the items as surplus and then authorize staff to dispose of the items in accordance with the Los Alamitos Municipal Code Section 2.60.020. Once authorized by the City Council, staff will contact the City's contracted, auction services provider for disposal of the equipment.

Discussion

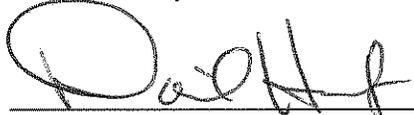
Staff recommends that City Council declare the following equipment as surplus. The estimated value has been established by The Kelly Blue Book value guide and recent actual auction pricing.

ITEM	QUANTITY	EST. VALUE
2000 Ford Mustang VIN# 1FAFP4049YF169769	1	\$2,000
2005 Chevrolet Tahoe Police Pursuit VIN# 1GNEC13Z15R185389	1	\$3,500
2007 Dodge Charger Police Pursuit VIN# 2B3KA43HX7H877990	1	\$4,500
Misc. computer equipment (towers, monitors): HP Compaq - USU428ONKP; MXD40709KL; USU42905WZ; MXD40705WR; MXD40705WM; USU42905X1; USU280WL6 Dell - 7F1S181	1 pallet	Recycled
Misc. Police vehicle equipment (obsolete)	2 pallets	Recycled

Fiscal Impact

The listed equipment has an estimated value of \$10,000.00. The City will realize some revenue when the items are sold at auction.

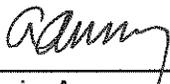
Prepared By:


 In Tony Brandyberry
 Public Works Superintendent

Submitted By:


 Steven A. Mendoza
 Community Development Director

Approved By:


 Angie Avery
 City Manager

City of Los Alamitos

Agenda Report
Consent Calendar

September 17, 2012
Item No: 8E

To: Mayor Troy D. Edgar & Members of the City Council
Via: Angie Avery, City Manager
From: Linda G. Magnuson, Interim Finance Director
Subject: Resolution No. 2012-19 – Designation of Interim City Treasurer

Summary: This report seeks consideration of a resolution designating Todd Mattern, Police Chief, as City Treasurer on an interim basis.

Recommendation: Adopt Resolution No. 2012-19, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS, CALIFORNIA, APPOINTING POLICE CHIEF, TODD MATTERN, AS CITY TREASURER OF THE CITY OF LOS ALAMITOS AND REPEALING RESOLUTION NO. 2007-23 IN ITS ENTIRETY."

Background

Due to staff transition, a new City Treasurer must be appointed on an interim basis until such time as the Finance Director position is filled.

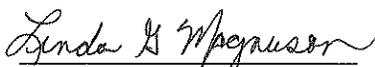
Discussion

Resolution No. 2012-19 repeals Resolution No. 2007-23 and designates Todd Mattern as City Treasurer.

Fiscal Impact

None.

Submitted By:


Linda G. Magnuson
Finance Department

Approved By:


Angie Avery
City Manager

Attachment: 1) Resolution No. 2012-19

RESOLUTION NO. 2012-19

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS, CALIFORNIA, APPOINTING POLICE CHIEF, TODD MATTERN, AS CITY TREASURER OF THE CITY OF LOS ALAMITOS AND REPEALING RESOLUTION NO. 2007-23 IN ITS ENTIRETY

WHEREAS, the City Charter of the City of Los Alamitos provides for a City Treasurer whose duties and responsibilities are more specifically therein defined; and a vacancy occurred in which the Police Chief was appointed as the City Treasurer on an interim basis until such time as the position of Director of Finance Director was filled.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS DOES RESOLVE AS FOLLOWS:

SECTION 1: The City Council of the City of Los Alamitos, California, finds that the above recitals are true and correct.

SECTION 2: That Police Chief, Todd Mattern, is hereby appointed as City Treasurer of the City of Los Alamitos.

SECTION 3: That the City Treasurer shall have all of the powers and duties as set forth in the Government Code of the State of California, and the City Charter and City Code of the City of Los Alamitos.

SECTION 4: That Resolution 2007-23 is hereby repealed in its entirety.

SECTION 5: The City Clerk shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 17th day of September, 2012.

TROY D. EDGAR, Mayor

ATTEST:

Angie Avery, City Clerk

APPROVED AS TO FORM:

Sandra Levin, City Attorney

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF LOS ALAMITOS)

I, Angie Avery, City Clerk of the City of Los Alamitos, do hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council held on the 17th day of September, 2012, by the following vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS: None
ABSENT: COUNCIL MEMBERS: None
ABSTAIN: COUNCIL MEMBERS: None

Angie Avery, City Clerk

City of Los Alamitos

**Agenda Report
Consent Calendar**

**September 17, 2012
Item No: 8F**

To: Mayor Troy D. Edgar & Members of the City Council

Via: Angie Avery, City Manager

From: Steven A. Mendoza, Community Development Director

Subject: Intent to Amend the Los Alamitos Municipal Code pertaining to the Call for Review and Appeals Processes

Summary: The Los Alamitos Municipal Code (LAMC) lacks a formal call for review process for the City Council to review actions of the Planning Commission. Furthermore, code sections related to the appeals process are in need of amending to remove ambiguities. The first step in doing so is for the City Council to adopt a resolution of intention. This report and corresponding resolution outlines the City Council's intent to amend various sections of the Municipal Code and sets a future public hearing date for the Planning Commission to consider.

Recommendation: Adopt Resolution No. 2012-20, entitled, "A RESOLUTION OF CITY COUNCIL OF THE CITY OF LOS ALAMITOS, CALIFORNIA, TO AMEND CHAPTER 17.68 AND OTHER VARIOUS SECTIONS OF THE MUNICIPAL CODE PERTAINING TO APPEALS AND CALL FOR REVIEW PROCESSING."

Background

On August 20, 2010, the Los Alamitos City Council directed staff to agendize for consideration a clearly defined Call for Review process providing the City Council with an alternative to appealing future decisions. This report and attached resolution moves the city forward in amending the City's Municipal Code pertaining to Appeals and Call for Review processing of Planning Commission decisions.

There are typically two ways to review previous actions of a Planning Commission; a Call for Review process and an Appeals process. Although the Los Alamitos Municipal Code (LAMC) alludes to a Call for Review process, it lacks clarity necessary for implementation. Additionally, sections of the Municipal Code that conflict with or are ambiguous require amending. This will result in clear processing of Appeals and future Calls for Review.

Due process requires that those hearing an appeal be impartial, neutral decision makers. Courts have therefore ruled that when a Council Member declares himself an interested party and states his disagreement with a Planning Commission decision, he negates the impartiality that due process requires of neutral decision makers. Many ordinances, including the Los Alamitos ordinance, require that an appellant state the portion of the decision with which the appellant disagrees and the basis for the disagreement. This statement itself negates the neutrality and impartiality of the appellant and disqualifies him from participating in the hearing of the appeal. As a result, a Council Member who appeals a decision must abstain from hearing the appeal, due to the appearance of bias and conflict of interest.

As a result, it is very common for cities to have an ordinance allowing City Council Members to call Planning Commission decisions for review without stating a view of the merits of the decision appealed. These ordinances resemble ordinances providing for appeals in that they provide the deadlines and format to call an item for review. However, they differ in that they do not require a statement of the error in the underlying decision and instead require only that the council member explain how the decision raises matters of sufficient import that the City Council ought to be involved in making the decision. These "call for review" procedures allow council members to initiate review of commission decisions without compromising their ability to participate.

Amending the Los Alamitos Municipal Code is a process that involves public input, a recommendation by the Planning Commission and then final action of the City Council. City Council's action will involve a public hearing and a second reading of the ordinance. The newly adopted chapters of the Municipal Code will be effective 30 days after the second reading. Staff has established a tentative calendar below.

LOS ALAMITOS MUNICIPAL CODE AMENDMENT SCHEDULE		
Step 1	September 17, 2012	Initiation by Planning Commission or City Council or application filed. Set Public Hearing Date
Step 2	September 24, 2012	Deadline to advertise Planning Commission Public Hearing in News Enterprise (10 days prior)
Step 3	October 8, 2012	Planning Commission Public Hearing
Step 4	November 5, 2012	Deadline to advertise City Council Public Hearing in News Enterprise (10 days prior)
Step 5	November 19, 2012	City Council Public Hearing and 1 st Reading of Ordinance
Step 6	December 17, 2012	2 nd Reading of Ordinance by City Council
Step 7	January 16, 2013	Ordinance effective (30 days after 2 nd Reading)

Adoption of this resolution directs staff to notice a Planning Commission Public Hearing for October 8, 2012.

Fiscal Analysis

None.

Reviewed By:

Approved By:

Steven A. Mendoza
Community Development Director



Angie Avery
City Manager

Attachment: 1. Resolution 2012-20

RESOLUTION NO. 2012-20

A RESOLUTION OF CITY COUNCIL OF THE CITY OF LOS ALAMITOS, CALIFORNIA, DECLARING ITS INTENT TO AMEND CHAPTER 17.68 AND OTHER VARIOUS SECTIONS OF THE MUNICIPAL CODE PERTAINING TO APPEALS AND CALL FOR REVIEW PROCESSING

WHEREAS, Chapter 17.68 of the Los Alamitos Municipal Code alludes to, but does not explicitly describe, the possibility that the Council can itself appeal a decision of the Planning Commission; and,

WHEREAS, Chapter 17.68 of the Los Alamitos Municipal Code also alludes to but does not explicitly describe a clearly defined Call for Review process; and,

WHEREAS, it is City Council's desire to have clearly defined municipal codes; and,

WHEREAS, during the August 20, 2012 City Council meeting the Los Alamitos City Council directed Staff to agendize for consideration a clearly defined Call for Review process providing the City Council with an alternative to appealing future decisions; and,

WHEREAS, the City Council adopts this resolution of intention as the first step in considering whether to modify Chapter 17.68 and other code sections related to Call for Review and Appeals.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS DOES RESOLVE AS FOLLOWS:

SECTION 1. The City Council of the City of Los Alamitos, California, finds that the above recitals are true and correct and incorporate them by reference herein.

SECTION 2. The City Council resolves to initiate consideration and set a Planning Commission hearing date for a City initiated Zoning Ordinance concerning Appeals and Call for Review for October 8, 2012, and directs Planning Commission to process such Zoning Ordinance Amendments according to applicable law and return to the City Council with a recommendation regarding the approval, approval with modifications, or disapproval of the amendments.

SECTION 3. The City Clerk shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 17th day of September, 2012.

Troy D. Edgar, Mayor

ATTEST:

Angie Avery, City Clerk

APPROVED AS TO FORM:

Sandra Levin, City Attorney

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF LOS ALAMITOS)

I, Angie Avery, City Clerk of the City of Los Alamitos, do hereby certify that the foregoing Resolution was adopted at a meeting of the City Council held on the 17th day of September, 2012, by the following vote to wit:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:
ABSTAIN: COUNCILMEMBERS:

Angie Avery, City Clerk

City of Los Alamitos

Agenda Report Discussion Items

September 17, 2012
Item No: 9A

To: Mayor Troy D. Edgar & Members of the City Council
From: Angie Avery, City Manager
Subject: Consolidated Disposal's Public Education and Outreach Program

Summary: This report provides the details related to the Public Education and Outreach Program conducted by Consolidated Disposal Services as a provision of its five-year contract.

Recommendation: Approve the Consolidated Disposal Public Education and Outreach Program for the period January 1, 2013 through December 31, 2013.

Background

In June 2010, the City of Los Alamitos entered into a contract for the Provision of Solid Waste Services with Consolidated Disposal Services (CDS). The contract took effect as of January 1, 2011. Section 6.03 of the contract (Attachment 1) requires Consolidated Disposal Services to prepare and submit an annual Public Education and Outreach Program ("Program") to the Council for approval no later than September 30 for the next calendar year.

The Program has a budget of \$280,000 over the five-year period. Over a four-month period in 2011, the Program was developed in conjunction with the City Manager's Office, Community Development, Recreation and Community Services, and Public Works. Each department provided insight to services that could be improved through outreach and education to both the residential and business communities. The Program was then forwarded to Consolidated Disposal for final concurrence before the program was finalized.

During the June 4, 2012, City Council Meeting, Council reviewed the Program and then requested that another review be scheduled in September each year (through September 2016) as stipulated in the contract between the City of Los Alamitos and Consolidated Disposal Services.

Discussion

The purpose of the Public Outreach and Education Services section of the contract is to have a plan for educating the residents and businesses regarding the environmental,

regulatory, and other benefits of participating in recycling; as well as, providing education regarding green waste, bulky waste, and holiday tree pickups.

Consolidated Disposal's Public Education and Outreach expenditures are divided into four categories: (Attachment 2)

1. City Events
2. Publications and Media
3. City Assets
4. Business Education

The \$280,000 allocated over the five-year term of the contract is structured that if expenditures are not spent in any given year, they are automatically rolled over to the next fiscal year.

The expenditure allocation over the five-year contract is as follows:

1. City Events such as Race on the Base, Fourth of July, and Multi-Family Neighborhood Clean Up days. Budget = \$151,875

Date	Amount Received To Date	Description
2011	\$7,500	Race on the Base Sponsorship
2011	\$15,000	4 th of July Sponsorship
2011	\$999.57	4 th of July Flags
2012	\$15,000	4 th of July Sponsorship
2012	\$10,000	Race on the Base Sponsorship
2012	\$232.74 (billed = \$922.34)	Multi-Family Clean Up Days – Dumpster Days (3 events held thus far)
TOTAL	\$48,732.31	

2. Publications and Media including the City's Recreation Services Brochure, Chamber Directory (City portion), LATV commercial for recycling education, Los Alamitos High School Athletics Broadcasts, and additional mailings as necessary. Budget = \$89,375

Date	Amount Received To Date	Description
2012	\$6,000	Quarterly Recreation Brochure
2012	\$6,500	Los Al High Athletic Broadcasts
TOTAL	\$12,500	

3. City Assets - Big Belly Solar Powered Trash Compactors at high traffic bus stops (west side of Los Alamitos Blvd adjacent to the high school and near McDonalds on Katella Avenue). Budget = \$20,000

o These will be researched and purchased in 2013.

4. Business Education - to ensure that Los Alamitos' business community is properly informed regarding recycling.

o The City has not billed for any of these funds as they were designed for Consolidated Disposal outreach to the business community through the Chamber of Commerce. Budget = \$18,750



Big Belly Solar Compactor

The abovementioned Public Education and Outreach Program was approved in a correspondence dated September 30, 2011, between the then City Manager and Consolidated Disposal Services (Attachment 3).

Fiscal Impact

There is no fiscal impact related to review of this item. The Public Outreach funds provided for in the City's contract with Consolidated Disposal saves the City money by augmenting programming and providing services that, in most cases, would not otherwise be provided.

Submitted and Approved By:



Angie Avery
City Manager

Attachments:

1. *Section 6.03 of Contract for the Provision of Solid Waste Services*
2. *Outreach Budget Spreadsheet.*
3. *September 30, 2011 Correspondence*

**Contract for the Provision of Solid Waste
Services with Consolidated Disposal Services
for the provision of Waste Collection within the
City of Los Alamitos**

Section 6.03

6.03 Public Outreach and Education Services

Contractor, at their own expense, shall prepare, submit and implement an annual (calendar year) Public Education and Outreach Program beyond the City's Public Education and Outreach Program. The proposed Program, including a budget, must be submitted annually for City approval no later than September 30 for the next calendar year. The Public Education and Outreach Program budget shall be no less than \$80,000 in the first year of service, and \$50,000 per year thereafter. Any amounts not actually expended in a given service year shall be carried over to, and expended in, the following year and shall be in addition to the minimum budget amount for the year in which they are expended. The program must include a minimum of four campaigns per calendar year, designed to increase diversion and resident participation. Campaigns should target certain Recyclable Materials or "problem" areas of the Service Area where improvements can be maximized. Targets of outreach should be based on local trends and recycling patterns based on information obtained by both the Contract Administrator and Contractor staff.

6.03.1 Implementation and Ongoing Education Services

In order to promote public education, in addition to any other materials it develops, Contractor shall create the following public education materials and programs at its expense, which will be distributed as indicated below. All brochures, mailings, and other educational materials are to be approved by City in advance of distribution.

- **Initial Mailing/Cart Options** – Contractor will prepare and mail (or be responsible for seeing that the City has mailed) an initial information packet to all Customers explaining the transition from the existing Solid Waste Handling Service program to the new program as defined by this Contract. The mailing will describe program changes, route changes, dates of program implementation, Recycling and diversion programs available, and other pertinent information.

Contractor will provide a reply card on which Customers may select the size Carts which they will be distributed.

- **Instructional "How-to" Packets** – An information packet shall be provided to each Customer at the start of service under this Contract and to each new Customer throughout the Contract term. Contractor may attach these packets to the Carts upon initial Cart distribution.

This packet shall: describe available services, including available Recycling and diversion programs; provide instructions for proper use of the Carts and Bins provided (such as how to place Carts or other permitted items for Collection, the types of materials to be placed in each Cart); detail holiday Collection schedules; and provide billing and customer service telephone numbers. This packet will contain updated information on how to use Containers, when, where and how to place Solid Waste for Collection, and who to contact with service or billing questions, and for Bulky Item Collection.

The packet should also clearly indicate what materials, such as syringes and other Household Hazardous Wastes (HHW), should not be disposed of in these Containers. This brochure shall include instructions on how Customers should dispose of HHW, such as information on the HHW drop-off facilities and other available programs.

- **LATV and Television Programming** – Contractor shall work with Los Alamitos Television (LATV) to prepare and air appropriate service announcements and programming on LATV to inform residents of available services, changes in service and the need for proper waste disposal, diversion and recycling. Prior to December 31, 2011, Contractor shall produce at least one (1) half hour television program promoting proper solid waste disposal and recycling to be aired on LATV. The Public Education and Outreach Program budget for the first service year shall include a payment to City of \$20,000 for the purchase of cameras and equipment for the local LATV studio, which payment shall be made on January 1, 2011. The equipment purchased shall be available to Contractor for use in preparing programming on LATV.
- **Container Labels and Hot Stamps** – Recycling and Green Waste Containers shall carry stickers/labels and hot stamps as described in Section 7.06.1.
- **Annual Newsletter** – Not less than once per year during each Rate Year, Contractor shall prepare and distribute to each Customer a brochure or newsletter promoting and explaining: all Solid Waste programs offered by City and Contractor (such as Recycling, Green Waste, Holiday Tree and Bulky Waste pick-ups) described in detail; the environmental, regulatory, and other benefits of participating in Recycling; how to properly dispose of Household Hazardous Waste such as syringes, paint, etc., through the County's program or other means; Collection schedules, including holiday schedules; customers service numbers; and the procedures to begin and terminate services. City may provide mailing labels from its billing system.
- **Corrective Action Notice** – Contractor shall develop a corrective action notification form for use in instances where a Customer sets out

inappropriate materials for Collection that explains the appropriate manner for Disposal of such items.

- **Website** – Contractor shall develop and maintain a website with a page specific to the City, to enable City's Customers to contact Contractor and to display holiday schedules, proper HHW disposal procedures, which materials are to be placed in Recycling Containers and other useful information. Contractor will assist the City in establishing a link on the City's website to Contractor's page.

6.03.2 Annual Collection Service Notice

Each year during the term of this Contract, the Contractor shall publish and distribute a notice to all Residential Customers regarding the Residential Service programs. The notice shall contain at a minimum; definitions of the materials to be collected, procedures for setting out the materials, service rates and discounts, maps of the Service Area indicating the days when Residential Refuse, Recycling and Green Waste Collection Services, Residential Bulky Waste Collection Services will be provided, and the City customer service phone number. The notice shall be provided in English and other languages as directed by the City and shall be distributed by the Contractor no later than December 15, 2010, during the first year of the Contract and no later than December 1 of each year thereafter.

6.03.3 Contractor Representative

Contractor shall retain on its staff an individual who shall, as part of his or her job function, routinely visit civic groups, school assemblies, homeowners' associations, multi-family complexes and businesses, to promote and explain the Recycling and other programs Contractor offers, and participate in demonstrations and civic events.

6.03.4 Community Events

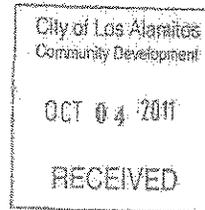
At the direction of City, Contractor shall participate in and promote Recycling and other diversion techniques at community events and local activities. Such participation would normally include providing, without cost, Collection and educational and publicity information promoting the goals of City's Solid Waste program.

Consolidated Disposal Service
 Outreach Budget for the City of Los Alamitos

Updated: 9/30/2011

	2011	2012	2013	2014	2015	TOTAL	% of Budget
City Events (inclusive of all associated costs)							
Race on the Base	\$ 8,100	\$ 10,600	\$ 13,100	\$ 13,100	\$ 15,600	\$ 60,500	54%
4th of July Sponsorship	\$ 15,600	\$ 15,600	\$ 15,600	\$ 15,600	\$ 15,600	\$ 78,000	
Annual Multi-Family Clean-Up Days	\$ 2,675	\$ 2,675	\$ 2,675	\$ 2,675	\$ 2,675	\$ 13,375	
Publications and Media							
Quarterly Recreation Brochure	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 30,000	32%
Chamber Directory	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 25,000	
LATV 30-minute commercial	\$ 4,000					\$ 4,000	
Los Al High Athletics Broadcast	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 32,500	
Additional Mailings as Necessary	\$ 2,500	\$ 2,500	\$ 2,875	\$ 2,500	\$ 2,500	\$ 12,875	
City Assets							
Big Belly Solar-Powered Compactors	\$ 20,000					\$ 20,000	7%
Business Education							
Annual Chamber Dues	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 3,750	7%
Chamber Event Sponsorships	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 12,500	
Commercial Recycling Education		\$ 2,500				\$ 2,500	
	\$ 68,625	\$ 54,625	\$ 50,000	\$ 54,625	\$ 52,125	\$ 280,000	

CONSOLIDATED DISPOSAL SERVICE
A Subsidiary of  **REPUBLIC SERVICES, INC.**



September 30, 2011

Mr. Jeff Stewart
City Manager
City of Los Alamitos
3191 Katella Avenue
Los Alamitos, CA 90720

2495 E. 68th Street
Long Beach, CA 90805
Facsimile (562) 531-4710

RE: Public Outreach Proposal

Dear Mr. Stewart:

While many people are familiar with the benefits of recycling, there remains a large segment of the population that continues to throw away recyclable materials. Our Agreement with the City of Los Alamitos includes a robust education and outreach program to increase recycling and thereby reduce the City's solid waste contributions to local landfills. Our outreach proposal, developed in cooperation with you and other City staff, was designed to educate both residents and businesses in Los Alamitos in a variety of public programs through the year 2015 with a total budget of \$280,000. Please review the below proposal and attached budget for approval.

The outreach proposal is designed in four primary areas including City Events; Publications and Media; City Assets; and Business Education.

City Events

By maintaining a visible presence in the community, Consolidated Disposal Services will act as a regular reminder for residents to properly dispose of their household waste and maximize their recycling efforts. Our participation in City Events includes sponsorship of the "Race on the Base" and the Independence Day celebration where Consolidated will staff booths to provide information and educational materials to all attendees.

In addition to sponsoring these cherished events, Consolidated will also provide the necessary promotion, materials and labor for annual clean-up events in specific multi-family neighborhoods to be determined by your staff.

Publications and Media

To ensure we reach every resident, Consolidated proposes advertisement in formats available to every household in Los Alamitos. Our full-page ads in the City's Quarterly Recreation Brochure and the Los Alamitos Chamber Directory will feature basic service and contact information, recycling tips and reminders to properly dispose of household hazardous waste.

Consolidated also proposes to utilize LATV, the City's public-access television channel, by producing a custom thirty-minute educational video to be shown throughout the year in addition to sponsoring LATV broadcast of all Los Alamitos High School athletic events during their regular season.

In addition, we plan to reserve funds every year for any additional mailings as necessary.

City Assets

Your staff identified another creative strategy to reach Los Alamitos residents and visitors in a public setting. The installation of solar-powered trash compactors in strategic locations (to be determined by City staff) throughout the City will elevate the awareness of proper disposal and provide a related benefit of minimizing labor expenditures related to servicing public containers. The available advertisement space on the solar compactors will provide additional opportunities to promote recycling in highly visible locations. These compactors, funded by Consolidated, would become City assets upon installation.

Business Education

The State of California reports the commercial sector generates approximately 68% of all waste in landfills, much of which can be recycled. To reduce the sector's landfill contributions, the state adopted mandatory commercial recycling through AB32, which requires implementation of commercial recycling programs by July 1, 2012.

Over the course of the next several months, Consolidated Disposal will work with the Los Alamitos Chamber of Commerce to educate and prepare local businesses for the impending regulations to ensure the City complies with State law. Our partnership with the Chamber will include sponsorship of several regular Chamber events that will provide opportunities to directly communicate with business owners and other key stakeholders. In addition, Consolidated proposes to host informational seminars or "Lunch and Learns" that will focus specifically on mandatory commercial recycling.

In total, these outreach programs will prove to effectively reduce your City's solid waste contributions to landfills and assist in meeting AB 939 diversion goals. The attached proposal serves as a guideline for expenditures through 2015 and should be updated at least annually to reflect actual costs incurred.

Please review and let me know if you have any questions regarding the proposal and related budget. I look forward to working with you to further increase recycling efforts throughout the City of Los Alamitos.

Sincerely,



Russell F. Dix
General Manager

City of Los Alamitos

Agenda Report Discussion Items

September 17, 2012
Item No: 9B

To: Mayor Troy Edgar & Members of the City Council
Via: Angie Avery, City Manager
From: Corey Lakin, Director of Recreation and Community Services
Subject: Holiday Decorations

Summary: This report requests the City Council appropriate funding from the Community Give Back funds in order to provide holiday decorations on 57 light poles throughout Los Alamitos for a three year period starting in November 2012.

Recommendation: Authorize the City Manager to execute a three-year contract with Dekra-Lite Industries Inc. not to exceed \$90,000 for the custom design, production, installation, removal, storage, and annual refurbishment of new lighted holiday banners and decorations.

Background

For a number of years, the City of Los Alamitos had a banner program contracted with Dekra-Lite to hang banners and decorations on the Southern California Edison light poles throughout the City. In 2008, the Holiday Banner program was eliminated from the budget due to the slowing economy and budget reductions. Since then, many members of the community and City Council have expressed a desire to have the holiday banner program reinstated to celebrate the holidays.

Discussion

With new technology and innovative designs, a new holiday banner program will provide a brighter and more vibrant celebration of the holiday season. Newly designed and personalized banners will line the two thoroughfares in the community, showing everyone who drives on Los Alamitos Boulevard and Katella Avenue that they are in Los Alamitos. The banners will have sayings like "Season's Greetings" and "Happy Holidays" accompanying "City of Los Alamitos."

The banners will be accompanied by unique and modern lighted holiday decorations. The types of holiday decorations varies greatly with numerous options of lighted décor with or without garland and with various lights, shapes and sizes. Based on discussions with various companies, soliciting proposals and looking at the decorations from the past, staff looked for longer lasting products with less rehabilitation needed, and décor that was

highly visible at night. While many companies have LED “silhouette” decorations, Dekra-Lite is the only company that offers the combination of excellent service, custom design and the unique and contemporary rope light Holiday Figures that staff is recommending for Los Alamitos. These distinctive products will allow the City to celebrate in style with a low maintenance product that accompanies the banners nicely, as seen in the attachments to this report. These figures entail:

LED Rope Light Holiday Figures

- LED Holiday Pole Mounts featuring a Snowman, Penguin and Stocking are on the opposite side of the light pole, offering a counter balance to the banner
- Highly visible in the evening from a distance since the entire figure lights up
- Modern technology – low voltage LED rope light
- Red vinyl would be wrapped around the light pole to accompany the decoration and banner
- Figures visible day or night
- Little rehabilitation needed on decorations and vinyl replaced annually (no charge for vinyl from Dekra-Lite)

After searching various banners and decorations, Dekra-Lite was the sole source who could provide both these uniquely manufactured LED rope light holiday figures, the individualized banners and vinyl wrap. The hardware used for displaying the banners and decorations are manufactured by Dekra-Lite and installed by Dekra-Lite employees, unlike many other companies who subcontract the installation. Their pricing for the common items like the vinyl and banners are very competitive, as the following companies were contacted to provide information, samples and costs of holiday banners and decorations:

Company	Design, Production, Installation, Removal and Storage of Banners, Hardware, Pole Wrap			LED Holiday Figures	TOTAL
	Year 1	Year 2	Year 3		
Dekra-Lite	\$ 14,500	\$ 11,056	\$ 11,056	\$ 49,523	\$ 86,135
Harrington Decorating Company, Inc.	\$ 25,295	\$ 13,822	\$ 13,822	N/A	N/A
AAA Flag & Banner	No Response				
Exterior Products Corp.	No Response				

Since Dekra-Lite is the sole supplier of these holiday figures, a sole source vendor purchase was used following Los Alamitos Municipal Code 2.60.070 Bidding stating: “Purchases of supplies and equipment shall be by bid procedures pursuant to Sections 2.60.030 and 2.60.040.” Dekra-Lite’s proposal is also highly competitive as they can provide the banners, hardware, pole wrap and labor at a very favorable price.

As a part of the contract, Dekra-Lite will:

- Customize the banners for the City of Los Alamitos and the banners will become the sole property of and be used exclusively by the City
- Install the banners and decorations in November before Thanksgiving and remove them in January after New Year’s Day annually (reinstalling the Banners of Honor at that time)

- Recondition and refurbish the decorations and banners annually in order to maintain their cleanliness and beauty
- Store all items inside the Dekra-Lite warehouse to prevent weathering or other damage
- Provide the same excellent service they provided the City in prior years, during which time they were prompt, reliable and responsive
- Offer these unique LED holiday figures
- After the three-year agreement, offer the City the opportunity to continue using the same products in future years (only cost is for refurbishment, installation, removal and storage), purchase new or replacement banners and/or decorations, or discontinue the program
- Offer a leasing program for the banners and decorations, however, the costs are approximately 35% more (this is even higher with other companies)

Since the recommended 57 holiday banners would not decorate every light pole within the City, the current Banners of Honor will remain on the other poles. Staff will contact all Banners of Honor donors to inform them of the two-month holiday decoration period in which their banner might be taken down. After the holidays, all Banners of Honor banners will be returned to their rightful pole for the remaining 10 months of the year.

Should the City Council decide not to go with a customized product and the LED rope light decorations, generic products are available. The City could obtain generic decorations, banners and hardware using a bid process and then retain a sub-contractor for the installation, removal and storage. Based upon discussions with vendors, though staff expects that the cost savings would be less than \$7,000 per year, the decorations would not create the impact or sense of identity desired and that decorations would not be possible for this holiday season. Most companies need 6-8 weeks to manufacture and receive all products prior to installation.

Fiscal Impact

The three-year contract with Dekra-Lite for design, production, installation, removal, storage, and annual refurbishment of the new holiday banners and decorations will cost less than \$90,000 and it is recommended the City Council set aside the funding for all three years from the \$358,000 Community Give Back funds.

Submitted By:



Corey Lakin
Director of Recreation and Community Services

Approved By:



Angie Avery
City Manager

- Attachments:
1. LED Holiday Pole Mounts – Snowman
 2. LED Holiday Pole Mounts – Stocking
 3. LED Holiday Pole Mounts – Penguin
 4. LED Holiday Pole Mounts on Los Alamitos Blvd.

5. *Holiday Banner and Decoration Installation Map*
6. *Professional Services Agreement with Dekra-Life*



78" Snowman LED Pole Mount
30in x 84in Holiday Fun banner

City of Los Alamitos 2012

Stacey Jordan
3102 W. Alton Ave. Santa Ana, CA 92704
phone: 800.436.3627 fax: 714.436.0612
staceyj@dekra-life.com www.dekra-life.com





87" Stocking with Candy LED Pole Mount
30in x 84in Snowman Greeting banner (red)

City of Los Alamitos 2012

Stacey Jordan
3102 W. Alton Ave. Santa Ana, CA 92704
phone: 800.436.3627 fax: 714.436.0612
staceyj@dekra-life.com www.dekra-life.com



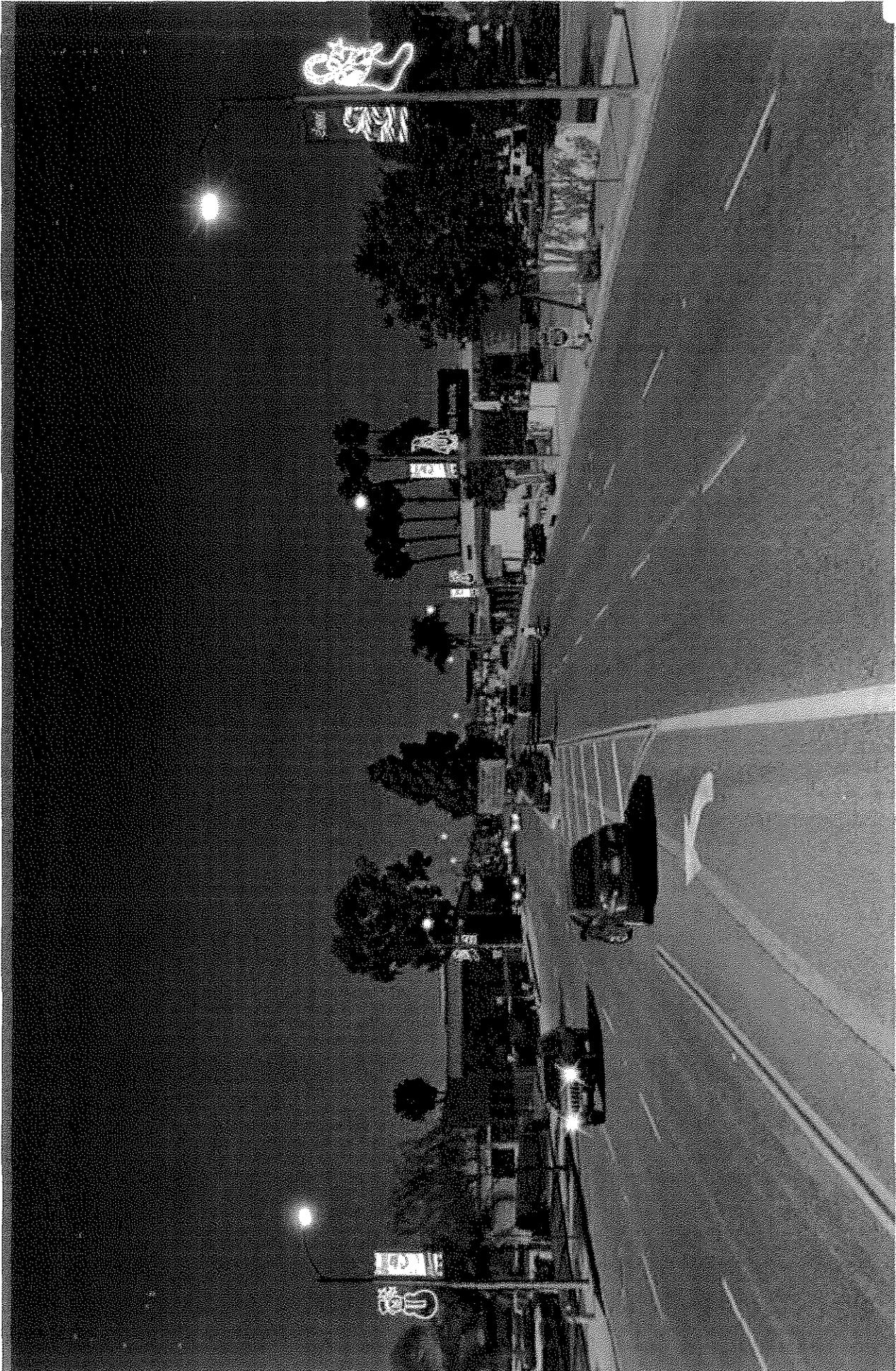


78" Penguin LED Pole Mount
30in x 84in Holiday Fun banner

City of Los Alamitos 2012

Stacey Jordan
3102 W. Alton Ave Santa Ana, CA 92704
phone: 800.436.3627 fax: 714.436.0612
staceyj@dekra-life.com www.dekra-life.com





City of Los Alamitos 2012

LED Holiday Pole Mounts
30in x 84in Holiday Banners

Stacey Jordan
3102 W. Alton Ave. Santa Ana, CA 92704
phone: 800.436.3627 fax: 714.436.0612
staceyj@dekra-life.com www.dekra-life.com



PROFESSIONAL SERVICES AGREEMENT
(City of Los Alamitos/ *Dekra-Lite Industries Inc.*)

1. IDENTIFICATION

THIS PROFESSIONAL SERVICES AGREEMENT (“Agreement”) is entered into by and between the City of Los Alamitos, a California municipal corporation (“City”), and Dekra-Lite Industries Inc., a corporation. (“Contractor”).

2. RECITALS

- 2.1 City has determined that it requires the following professional services from a Contractor: A full-service firm offering design, production, installation, removal, storage, and annual refurbishment of pole banners and decorations.
- 2.2 Contractor represents that it is fully qualified to perform such professional services by virtue of its experience and the training, education and expertise of its principals and employees. Contractor further represents that it is willing to accept responsibility for performing such services in accordance with the terms and conditions set forth in this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions herein contained, City and Contractor agree as follows:

3. DEFINITIONS

- 3.1 “Scope of Services”: Such professional services as are set forth in Contractor’s *September 6, 2012* proposal to City attached hereto as Exhibit A and incorporated herein by this reference.
- 3.2 “Approved Fee Schedule”: Such compensation rates as are set forth in Contractor’s *September 6, 2012* fee schedule to City attached hereto as Exhibit B and incorporated herein by this reference.
- 3.3 “Commencement Date”: **September 18, 2012.**
- 3.4 “Expiration Date”: **September 17, 2015.**

4. TERM

The term of this Agreement shall commence at 12:00 a.m. on the Commencement Date and shall expire at 11:59 p.m. on the Expiration Date unless extended by written agreement of the parties or terminated earlier in accordance with Section 17 (“Termination”) below.

5. CONTRACTOR’S SERVICES

- 5.1 Contractor shall perform the services identified in the Scope of Services. City

shall have the right to request, in writing, changes in the Scope of Services. Any such changes mutually agreed upon by the parties, and any corresponding increase or decrease in compensation, shall be incorporated by written amendment to this Agreement. In no event shall the total compensation and costs payable to Contractor under this Agreement exceed the sum of **ninety thousand Dollars (\$90,000)** unless specifically approved in advance and in writing by City.

- 5.2 Contractor shall perform all work to the highest professional standards of Contractor's profession and in a manner reasonably satisfactory to City. Contractor shall comply with all applicable federal, state and local laws and regulations, including the conflict of interest provisions of Government Code Section 1090 and the Political Reform Act (Government Code Section 81000 *et seq.*).
- 5.3 During the term of this Agreement, Contractor shall not perform any work for another person or entity for whom Contractor was not working at the Commencement Date if both (i) such work would require Contractor to abstain from a decision under this Agreement pursuant to a conflict of interest statute and (ii) City has not consented in writing to Contractor's performance of such work.
- 5.4 Contractor represents that it has, or will secure at its own expense, all personnel required to perform the services identified in the Scope of Services. All such services shall be performed by Contractor or under its supervision, and all personnel engaged in the work shall be qualified to perform such services. **Stacey Jordan, Account Executive** shall be Contractor's project administrator and shall have direct responsibility for management of Contractor's performance under this Agreement. No change shall be made in Contractor's project administrator without City's prior written consent.

6. COMPENSATION

- 6.1 City agrees to compensate Contractor for the services provided under this Agreement, and Contractor agrees to accept in full satisfaction for such services, payment in accordance with the Approved Fee Schedule and Section 5.1 of this Agreement above.
- 6.2 Contractor shall submit to City an invoice, on a monthly basis or less frequently, for the services performed pursuant to this Agreement. Each invoice shall itemize the services rendered during the billing period and the amount due. Within ten business days of receipt of each invoice, City shall notify Contractor in writing of any disputed amounts included on the invoice. Within thirty calendar days of receipt of each invoice, City shall pay all undisputed amounts included on the invoice. City shall not withhold applicable taxes or other payroll deductions from payments made to Contractor unless otherwise required by law.

- 6.3 Payments for any services requested by City and not included in the Scope of Services shall be made to Contractor by City on a time-and-materials basis using Contractor's standard fee schedule. Contractor shall be entitled to increase the fees in this fee schedule at such time as it increases its fees for its clients generally; provided, however, in no event shall Contractor be entitled to increase fees for services rendered before the thirtieth day after Contractor notifies City in writing of an increase in that fee schedule nor to claim payment other than in compliance with this Agreement, including Section 5.1 above.. Fees for such additional services shall be paid within sixty days of the date Contractor issues an invoice to City for such services

7. OWNERSHIP OF WRITTEN PRODUCTS

All reports, documents or other written material ("written products" herein) developed by Contractor in the performance of this Agreement shall be and remain the property of City without restriction or limitation upon use or dissemination by City. Contractor may take and retain copies of such written products as desired, but no such written products shall be the subject of a copyright application by Contractor.

8. RELATIONSHIP OF PARTIES

Contractor is, and shall at all times remain as to City, a wholly independent contractor. Contractor shall have no power to incur any debt, obligation, or liability on behalf of City or otherwise to act on behalf of City as an agent. Neither City nor any of its agents shall have control over the conduct of Contractor or any of Contractor's employees, except as set forth in this Agreement. Contractor shall not represent that it is, or that any of its agents or employees are, in any manner employees of City.

Under no circumstances shall Contractor look to the City as his employer. Contractor shall not be entitled to any benefits. City makes no representation as to the effect of this independent contractor relationship on Contractor's previously earned PERS retirement benefits, and Contractor specifically assumes the responsibility for making such a determination. Contractor shall be responsible for all reports and obligations including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation.

9. CONFIDENTIALITY

All data, documents, discussion, or other information developed or received by Contractor or provided for performance of this Agreement are deemed confidential and shall not be disclosed by Contractor without prior written consent by City. City shall grant such consent if disclosure is legally required. Upon request, all City data shall be returned to City upon the termination or expiration of this Agreement.

10. INDEMNIFICATION

- 10.1 The parties agree that City, its officers, agents, employees and volunteers should, to the fullest extent permitted by law, be protected from any and all loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, taxes, or any other cost arising out of or in any way related to the performance of this Agreement. Accordingly, the provisions of this indemnity provision are intended by the parties to be interpreted and construed to provide the City with the fullest protection possible under the law. Contractor acknowledges that City would not enter into this Agreement in the absence of Contractor's commitment to indemnify and protect City as set forth herein.
- 10.2 To the fullest extent permitted by law, Contractor shall indemnify, hold harmless, and when the City requests with respect to a claim provide a deposit for the defense of, and defend City, its officers, agents, employees and volunteers from and against any and all claims and losses, costs or expenses for any damage due to death or injury to any person, whether physical, emotional, consequential or otherwise, and injury to any property arising out of or in connection with Contractor's alleged negligence, recklessness or willful misconduct or other wrongful acts, errors or omissions of Contractor or any of its officers, employees, servants, agents, or subcontractors, or anyone directly or indirectly employed by either Contractor or its subcontractors, in the performance of this Agreement or its failure to comply with any of its obligations contained in this Agreement, except such loss or damage which is caused by the sole active negligence or willful misconduct of the City. Such costs and expenses shall include reasonable attorneys' fees due to counsel of City's choice, expert fees and all other costs and expenses of litigation.
- 10.3 City shall have the right to offset against any compensation due Contractor under this Agreement any amount due City from Contractor as a result of Contractor's failure to pay City promptly any indemnification arising under this Section 10 and any amount due City from Contractor arising from Contractor's failure either to (i) pay taxes on amounts received pursuant to this Agreement or (ii) comply with applicable workers' compensation laws.
- 10.4 The obligations of Contractor under this Section 10 are not limited by the provisions of any workers' compensation statute or similar act. Contractor expressly waives its statutory immunity under such statutes or laws as to City, its officers, agents, employees and volunteers.
- 10.5 Contractor agrees to obtain executed indemnity agreements with provisions identical to those set forth in this Section 10 from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Contractor in the performance of this Agreement. If Contractor fails to obtain such indemnity

obligations from others as required herein, Contractor agrees to be fully responsible and to indemnify, hold harmless and defend City, its officers, agents, employees and volunteers from and against any and all claims and losses, costs or expenses for any damage due to death or injury to any person and injury to any property resulting from any alleged intentional, reckless, negligent, or otherwise wrongful acts, errors or omissions of Contractor's subcontractors or any other person or entity involved by, for, with or on behalf of Contractor in the performance of this Agreement. Such costs and expenses shall include reasonable attorneys' fees incurred by counsel of City's choice.

- 10.6 City does not, and shall not, waive any rights that it may possess against Contractor because of the acceptance by City, or the deposit with City, of any insurance policy or certificate required pursuant to this Agreement. This hold harmless and indemnification provision shall apply regardless of whether or not any insurance policies apply to the claim, demand, damage, liability, loss, cost or expense.

11. INSURANCE

- 11.1 During the term of this Agreement, Contractor shall carry, maintain, and keep in full force and effect insurance against claims for death or injuries to persons or damages to property that may arise from or in connection with Contractor's performance of this Agreement. Such insurance shall be of the types and in the amounts as set forth below:
- 11.1.1 Comprehensive General Liability Insurance with coverage limits of not less than One Million Dollars (\$1,000,000) including products and operations hazard, contractual insurance, broad form property damage, independent Contractors, personal injury, underground hazard, and explosion and collapse hazard where applicable.
- 11.1.2 Automobile Liability Insurance for vehicles used in connection with the performance of this Agreement with minimum limits of One Million Dollars (\$1,000,000) per claimant and One Million dollars (\$1,000,000) per incident.
- 11.1.3 Worker's Compensation insurance if and as required by the laws of the State of California.
- 11.2 Contractor shall require each of its subcontractors to maintain insurance coverages that meet all of the requirements of this Agreement.
- 11.3 The policy or policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a rating of at least A:VII in the latest

edition of Best's Insurance Guide.

- 11.4 Contractor agrees that if it does not keep the aforesaid insurance in full force and effect, City may either (i) immediately terminate this Agreement; or (ii) take out the necessary insurance and pay the premium(s) thereon at Contractor's expense.
- 11.5 At all times during the term of this Agreement, Contractor shall maintain on file with City's Risk Manager a certificate or certificates of insurance showing that the policies required by this Agreement are in effect in the required amounts and naming the City and its officers, employees, agents and volunteers as additional insureds. Contractor shall file with City's Risk Manager such certificate(s) prior to commencement of work under this Agreement.
- 11.6 Contractor shall provide proof to the City's Risk Manager that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage at least two weeks prior to the expiration of the coverages.
- 11.7 The general liability and automobile policies of insurance required by this Agreement shall contain endorsements naming City and its officers, employees, agents and volunteers as additional insureds. All of the policies required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty days' prior written notice to City. Contractor agrees to require its insurer to modify the certificates of insurance to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, and to delete the word "endeavor" with regard to any notice provisions.
- 11.8 The insurance provided by Contractor shall be primary to any other coverage available to City. Any insurance or self-insurance maintained by City and/or its officers, employees, agents or volunteers, shall be in excess of Contractor's insurance and shall not contribute with it.
- 11.9 All insurance coverage provided pursuant to this Agreement shall not prohibit Contractor, and Contractor's employees, agents or subcontractors, from waiving the right of subrogation prior to a loss. Contractor hereby waives all rights of subrogation against the City.
- 11.10 Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of City, Contractor shall either reduce or eliminate the deductibles or self-insured retentions with respect to City, or Contractor shall procure a bond guaranteeing payment of losses and expenses.
- 11.11 Procurement of insurance by Contractor shall not be construed as a limitation of

Contractor's liability or as full performance of Contractor's duties to indemnify, hold harmless and defend under Section 10 of this Agreement.

12. MUTUAL COOPERATION

- 12.1 City shall provide Contractor with all pertinent data, documents and other requested information as is reasonably available for the proper performance of Contractor's services under this Agreement.
- 12.2 If any claim or action is brought against City relating to Contractor's performance in connection with this Agreement, Contractor shall render any reasonable assistance that City may require in the defense of that claim or action.

13. RECORDS AND INSPECTIONS

Contractor shall maintain full and accurate records with respect to all matters covered under this Agreement for a period of three years after the expiration or termination of this Agreement. City shall have the right to access and examine such records, without charge, during normal business hours. City shall further have the right to audit such records, to make transcripts therefrom and to inspect all program data, documents, proceedings, and activities.

14. PERMITS AND APPROVALS

Contractor shall obtain, at its sole cost and expense, all permits and regulatory approvals necessary for Contractor's performance of this Agreement. This includes, but shall not be limited to, professional licenses, encroachment permits and building and safety permits and inspections.

15. NOTICES

Any notices, bills, invoices, or reports required by this Agreement shall be deemed received on: (i) the day of delivery if delivered by hand, facsimile or overnight courier service during Contractor's and City's regular business hours; or (ii) on the third business day following deposit in the United States mail if delivered by mail, postage prepaid, to the addresses listed below (or to such other addresses as the parties may, from time to time, designate in writing).

If to City:
City of Los Alamitos
10911 Oak Street
Los Alamitos, CA 90720
Attn: Corey Lakin
Telephone: (562) 430-1073 x500
Facsimile: (562) 594-9657
clakin@cityoflosalamitos.org

If to Contractor:
Dekra-Lite Industries Inc.
3102 W. Alton Ave.
Santa Ana, CA 92704
Attn: Stacey Jordan
Telephone: (800) 436-3627 x249
Facsimile: (714) 436-0612
staceyj@dekra-lite.com

With courtesy copy to:

Sandra J. Levin, City Attorney
Colantuono & Levin, PC
300 South Grand Avenue, Suite 2700
Los Angeles, CA 90071-3137
Telephone: (213) 542-5707
Facsimile: (213) 542-5710

16. SURVIVING COVENANTS

The parties agree that the covenants contained in Section 9, Section 10, Paragraph 12.2 and Section 13 of this Agreement shall survive the expiration or termination of this Agreement.

17. TERMINATION

- 17.1. City may terminate this Agreement for any reason on five calendar days' written notice to Contractor. Contractor may terminate this Agreement for any reason on sixty calendar days' written notice to City. Contractor agrees to cease all work under this Agreement on or before the effective date of any notice of termination. All City data, documents, objects, materials or other tangible things shall be returned to City upon the termination or expiration of this Agreement.
- 17.2. If City terminates this Agreement due to no fault or failure of performance by Contractor, then Contractor shall be paid based on the work satisfactorily performed at the time of termination. In no event shall Contractor be entitled to receive more than the amount that would be paid to Contractor for the full performance of the services required by this Agreement.

18. GENERAL PROVISIONS

- 18.1 Contractor shall not delegate, transfer, subcontract or assign its duties or rights hereunder, either in whole or in part, without City's prior written consent, and any attempt to do so shall be void and of no effect. City shall not be obligated or liable under this Agreement to any party other than Contractor.
- 18.2 In the performance of this Agreement, Contractor shall not discriminate against any employee, subcontractor, or applicant for employment because of race, color, creed, religion, sex, marital status, sexual orientation, national origin, ancestry, age, physical or mental disability medical condition or any other unlawful basis.
- 18.3 The captions appearing at the commencement of the sections hereof, and in any paragraph thereof, are descriptive only and for convenience in reference to this Agreement. Should there be any conflict between such heading, and the section

or paragraph at the head of which it appears, the section or paragraph, and not such heading, shall govern construction of this Agreement. Masculine or feminine pronouns shall be substituted for the neuter form and vice versa, and the plural shall be substituted for the singular and vice versa, in any place or places herein in which the context requires such substitution(s).

- 18.4 The waiver by City or Contractor of any breach of any term, covenant or condition of this Agreement shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or any other term, covenant or condition of this Agreement. No term, covenant or condition of this Agreement shall be deemed to have been waived by City or Contractor unless in writing signed by one authorized to bind the party asserted to have consented to the waiver.
- 18.5 Contractor shall not be liable for any failure to perform if Contractor presents acceptable evidence, in City's sole judgment, that such failure was due to causes beyond the control and without the fault or negligence of Contractor.
- 18.6 Each right, power and remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise shall be cumulative and in addition to every other right, power, or remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise. The exercise, the commencement of the exercise, or the forbearance from the exercise by any party of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by such party of any of all of such other rights, powers or remedies. If legal action shall be necessary to enforce any term, covenant or condition herein contained, the party prevailing in such action, whether or not reduced to judgment, shall be entitled to its reasonable court costs, including any accountants' and attorneys' fees incurred in such action. The venue for any litigation shall be Orange County, California and Contractor hereby consents to jurisdiction in Orange County for purposes of resolving any dispute or enforcing any obligation arising under this Agreement.
- 18.7 If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, then such term or provision shall be amended to, and solely to, the extent necessary to cure such invalidity or unenforceability, and in its amended form shall be enforceable. In such event, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.
- 18.8 This Agreement shall be governed and construed in accordance with the laws of

the State of California.

18.9 All documents referenced as exhibits in this Agreement are hereby incorporated into this Agreement. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of any document incorporated herein by reference, the provisions of this Agreement shall prevail. This instrument contains the entire Agreement between City and Contractor with respect to the transactions contemplated herein. No other prior oral or written agreements are binding upon the parties. Amendments hereto or deviations herefrom shall be effective and binding only if made in writing and executed by City and Contractor.

TO EFFECTUATE THIS AGREEMENT, the parties have caused their duly authorized representatives to execute this Agreement on the dates set forth below.

“City”
City of Los Alamitos

“Contractor”
Dekra-Lite Industries Inc.

By _____
Troy Edgar, Mayor

By:  President
Jeffrey Lopez, President

Date: _____

Date: 9/13/12

By:  General Manager
Michael Sterling, General Manager

Date: 9/13/12

Attest:

By _____
Angie Avery, City Clerk

Date: _____

Approved as to form:

By _____
Sandra J. Levin, City Attorney

EXHIBIT A
SCOPE OF WORK

Design, produce, install, remove, store, and annually refurbish 57 holiday light pole banners and decorations.

Design Customized Banners

Finished Size: 30" W x 84" H
Material: Industrial grade, matte finish, two layers of 13 oz matte vinyl banner fabric, sewn back to back.
Finish: Re-enforced brass grommets and double stitched rod pockets
Color: 4-color process digital banners printed with UV ink
Warranty: 3 years
Design: Artwork for each banner selected by City of Los Alamitos staff and customized with "City of Los Alamitos" printed on both sides of each banner.

Pole Hardware

Material: "WindBreaker" Bracketing System constructed of an arched extruded aluminum-housing shoe, an extruded aluminum rod base, and fiberglass arm
Arms: 7/8" thick x 30" long Fiberglass banner arm, cantilevered for wind to spill off while maintaining taut banner
Strapping: Type 201, 3/4" stainless steel strapping
Wind: 70 mph sustained winds, not gusts guarantee
Warranty: 6 years

Decorations

57 Pole Mounts: 19 – 87" LED Stocking with Candy Pole Mount (19)
19 – 78" Penguin LED Pole Mount (19)
19 – 78" Snowman LED Pole Mount (19)
Pole Wrap: Red Vinyl Pole Wrap (6" x 50' to cover all 57 poles)

Labor

Schedule: Holiday decorations installed no earlier than 2 weeks before Thanksgiving and removed no later than 2 weeks after New Year's Day
Removal: Removal of current Banners of Honor banners from select 57 light poles (if applicable)
Installation: Installation of new banner and decoration on select 57 light poles
Storage: Clean and securely store Banners of Honor banners when off light poles
Re-Installation: When removing holiday banners and decorations, re-install Banners of Honor banners to exact pole where removed
Cleaning & Storage: Clean, refurbish and securely store all holiday banners and decorations during "off-season" and for up to one year past

Service: end of contract indoors at Dekra-Lite storage facility
Guarantee call back time not to exceed 24 hours
Respond to emergency calls within 6 hours with no additional charge for defective materials
Vandalism or acts of nature are subject to additional labor charges with no minimum number of hours

Workers: Must be Dekra-Lite employees, no subcontracting labor unless previously approved by City

Inspection: Dekra-Lite will inspect hardware and notify City of any damages, repairs and/or replacements necessary

Inventory: All hardware, banners, decorations, etc. is property of the City of Los Alamitos. An inventory of such shall be made available to the City upon request. For no less than one year after the conclusion of the contract, contractor will retain in storage banners and hardware at which time contractor and City can discuss further storage for a fee and/or contractor will return all property to the City of Los Alamitos at a designated area.

Time Frame Governing Installation and Removal of Banners

Holiday banners and decorations will be designed, produced and installed by mid-November 2012 and removed, cleaned and storage by mid-January. Banners of Honor banners will be removed, cleaned and stored during this time and reinstalled when holiday banners and decorations are removed in January 2013.

Under this agreement, the installation and removal process will repeat in November 2013/January 2014 and November 2014/January 2015.

In order to mitigate traffic problems occurring as a result of the installation/removal of the pole banners, the contractor shall complete and submit an "Encroachment Permit" (no fee) and adhere to the following schedule for such:

Available Hours- Banner Installation/Removal Allowed:

Monday through Friday 8:30 a.m. – 4:30 p.m. or 8:00 p.m. – 5:00 a.m.

Saturday and Sunday Anytime*

*Subject to final approval through the Encroachment Permit process.

EXHIBIT B
APPROVED FEE SCHEDULE

Dekra-Lite Industries Inc. will be paid for the design, production, installation, removal, storage, and annual refurbishment of pole banners and decorations according to the following schedule:

# of Banners	Item	Cost/Unit	Year 1	Year 2	Year 3
57	Banner 30"x84"	\$ 89.25	\$ 5,087.25		
	Hardware 30" Poles	73.85	4,209.45		
	Stocking w/Candy Cane	879.00	16,701.00	\$ 2,505.15	\$ 2,505.15
	Penguin	770.00	14,630.00	2,194.50	2,194.50
	Snowman	770.00	14,630.00	2,194.50	2,194.50
	Vinyl Pole Wrap	-	-	-	-
	Labor	73.00	4,161.00	4,161.00	4,161.00
	Tax	7.75%	4,604.95		
ANNUAL TOTAL			64,023.65	11,055.15	11,055.15
3-YEAR GRAND TOTAL			\$ 86,133.95		

Payments will be made to Dekra-Lite by the City of Los Alamitos upon receipt of an invoice according to the schedule below:

- 50% of Year 1 total or \$32,012 is due September 30, 2012
- Remaining balance is due upon installation of the holiday banners and decorations (approximately November 15, 2012)
- Year 2 and Year 3 payments are due upon installation of the holiday banners and decorations annually (approximately November 15, 2013 and November 15, 2014 respectively)

City of Los Alamitos

Agenda Report Discussion Items

September 17, 2012
Item No: 9C

To: Mayor Troy D. Edgar & Members of the City Council

From: Angie Avery, City Manager

Subject: Commitment of Resources to the Los Alamitos Unified School District for Renovation of Oak Middle School

Summary: Council appointed representatives Gerri Mejia and Marilyn Poe of the City/School District Working Group are recommending that the City Council commit \$300,000 to assist the Los Alamitos Unified School District with the renovation of the Oak Gymnasium and a Public Restroom Facility at Oak Middle School to benefit the community.

Recommendation:

Formally commit an amount not to exceed \$300,000 or one-third of the cost of renovation, whichever cost is lower, for the renovation of the Oak Gymnasium and a new Public Restroom Facility at Oak Middle School. Authorize the City Manager to enter into a funding and shared use agreement with the Los Alamitos Unified School District in a form acceptable to the City Attorney.

Background

In November 2008 School Bond Measure K was approved by the voters to bring many improvements to the Los Alamitos Unified School District schools. Since that time the District has been on an ambitious plan to renovate all the school sites on time and under budget. A general overview of the improvements at each campus is as follows:

- Replace, upgrade, and install electrical wiring/power and other infrastructure improvements to accommodate technology and computers in classrooms and libraries
- Replace outdated heating, ventilation, and air conditioning equipment with modern energy-efficient systems
- Modernize aging classrooms and media centers to meet current standards
- Increase instructional technology in classrooms and computer labs
- Improve athletic facilities at the secondary schools

The progress report on school construction is as follows:

School	Status
McGaugh Elementary School	Completed
McAuliffe Middle School	Completed
Los Alamitos Elementary School	Completed
Rossmoor Elementary School	Completed
Hopkinson Elementary School	Completed
Lee Elementary School	Scheduled to be completed in August 2013
Los Alamitos High School	Scheduled to be completed in January 2013
Oak Middle School	Scheduled to be completed in August 2014
Weaver Elementary School	Scheduled to be completed in August 2014
Laurel High School	Scheduled to be completed in August 2015

City/School Working Group

Two members of the City Council are appointed annually as representatives to the City/School District Working Group. Council member Gerri Mejia and Mayor Pro Tem Marilyn Poe are the current representatives. On the School District side, Board of Education members Dave Boyer and Diana Hill are the representatives. The purpose of the Working Group is to meet at least on a quarterly basis to discuss issues of common interest, most notably the shared use of facilities.

At the July 17, 2012 City/School meeting, representatives of the District unveiled preliminary plans for renovation of Oak Middle School that included items of great interest to the City including the Oak Gym and a new proposed restroom facility for users of Oak Field. School District representatives asked the City representatives if the City Council would be able to contribute funds for the renovation of either or both facilities.

Oak Gymnasium

The conversation regarding the Oak Gym was significant because the School District is not the sole owner of the Gymnasium and does not have an obligation to renovate the facility using Measure K bond funds. The Oak Gym was built in 1974 with funds provided by the County of Orange, the School District, the City, and the Youth Center. The Gym is on School District property, the District utilizes it during the daytime hours for Oak Middle School students and the City utilizes it after school, nights and weekends for community recreation purposes. Maintenance and repair to the facility have mostly been shared through the years between the District and the City with neither side taking the lead. Currently the Gym is in poor shape and in dire need of renovation.

Public Restroom Facility for Oak Field

The School District is also proposing to renovate an existing mechanical room separating the boys and girls locker rooms and turn it into a permanent Public Restroom Facility to serve late afternoon, night time and weekend users of Oak Field. As you

know, both Oak and McAuliffe fields get heavy use by local youth groups and do not have permanent restrooms. It is proposed that the building can accommodate three to four stalls each for both men and women and that these restrooms would be dedicated to community use only as the Oak students have their own restrooms for physical education students during the day.

Discussion

School District Time Line

The School District is on a tight time frame to determine the final elements that are to be included in the Oak Middle School modernization project. Through the City/School District Working Group, they have proposed to include in the project the renovation of two facilities that will directly benefit the community. Representatives Gerri Mejia and Marilyn Poe are recommending to the City Council that \$300,000 be committed to the School District for the renovation of the Oak Gymnasium and the Public Restroom Facility for Oak Field. At this time, the District has not gone out to bid for the Oak Middle School project, so final construction costs are not determined. Preliminary estimates, however, for the Oak field, parking lot, restroom and Gymnasium total over \$2 million. This amount does not include the other parts of the campus that will be modernized as well.

Funding and Joint Use Agreement

The City and School District would enter into a Funding and Joint Use Agreement to ensure that the parties' respective obligations are clearly defined.

Fiscal Impact

By approving this item, the City Council will commit to the Los Alamitos Unified School District the sum of up to \$300,000 for the renovation of the Oak Gym and a new Public Restroom Facility to serve Oak Field. The exact costs to renovate both facilities will be determined after the entire Oak Middle School campus modernization project has gone out to bid, and a contractor is selected. Construction is slated to start during June 2013 and continue until approximately August 2014. The City of Los Alamitos contribution is not to exceed one-third of the cost of the total of both facilities, and may be less than the committed \$300,000. The District will invoice the City for the committed funds, at which time the City Council will make a determination regarding the source of those funds.

Submitted and Approved By:



Angie Avery
City Manager

City of Los Alamitos

Agenda Report Discussion Items

September 17, 2012
Item No: 9D

To: Mayor Troy D. Edgar & Members of the City Council

Via: Angie Avery, City Manager

From: Cassandra Palmer, Support Services Manager

Subject: Coyote Activity Update

Summary: This report provides a review of coyote activity in and around the City of Los Alamitos and an update on mitigation efforts.

Recommendation: Receive and file.

Background

Despite aggressive mitigation measures, coyotes have increased in numbers and are now present in every major city in the contiguous United States. For several years, the City of Los Alamitos has experienced varying levels of coyote activity, which has included sightings and attacks on small pets. Coyotes have always been a part of the local environment; however, coyote encounters generally increase in Los Alamitos during the summer as the pups start to hunt on their own.

The City has implemented various mitigation measures in response to the presence of these urban coyotes. Among those are numerous public awareness campaigns and trapping. Although public awareness campaigns and other mitigation strategies have been in place for several years, most of these measures have resulted in limited success, primarily due to the accessibility of easy food sources.

The presence of coyotes in particular neighborhoods is generally related to the supply of food in those areas, therefore, removing food sources and other "attractants" is key to discouraging their presence. Coyotes are smart scavengers and will eat small animals, pet food, backyard fruit, and rotting garbage. Efforts to discourage coyotes from foraging for food in neighborhoods include securing garbage bins and keeping small pets indoors.

“Coyote Hazing” is a technique which employs the harassment of coyotes to re-instill their natural fear of humans. Coyote hazing methods vary but generally involve the use of air horns, banging pots and pans, or squirting it with a hose. Motion sensor lighting can also contribute to this effort. This process comes with the caveat that the food sources must be eliminated or it will not work.

Although the most effective and humane mitigation method is the removal of coyote attractants along with an assertive hazing program, this effort requires community-wide cooperation and residents must be vigilant about keeping their homes free of coyote attractants. Unfortunately, these methods generally do not work once the coyotes begin to act aggressively around humans.

Generally, when coyotes begin to take pets in the presence of their owners or approach humans in search of food, the activity is considered brazen and more assertive mitigation measures are implemented. The City utilizes an urban wildlife manager to determine the best strategy for managing the threats associated with the aggressive behavior. Wildlife experts suggest that trapping be considered when the coyotes become a public safety concern. Trapping has proven to be effective in reducing individual animal problems and contributes to reinstating the “fear of humans” in those coyotes living in densely populated areas. Elimination of the entire local coyote population is neither humane nor feasible; however, the removal of some can result in behavior modification of the remaining animals. Offering a short-term solution, trapping is implemented as a last resort and only for public safety reasons.

In the past, the City contracted with Animal Pest Management Services, Inc. for trapping. Animal Pest Management Services, Inc. is licensed by the California State Department of Fish & Game. The capture specialist, working with a wildlife biologist, deploys traps for a two-week period. Most often the yield is a few adolescent coyotes. Following a trapping cycle, coyote problems in Los Alamitos generally remain at bay for about two years.

Since the decision to implement a trapping program generally occurs in response to an urgent public safety concern, City staff implement the trapping under the City Manager’s authority. When implemented, the initial two-week trapping period cost is \$2,500, regardless of the number of coyotes caught. There is no cost to euthanize the captured coyotes but the City is financially responsible for damaged or missing traps. Since the economic cost of a single trapping cycle is negligible, funding for trapping and other mitigation efforts are included in the animal control budget each year. The decision to trap is a serious one with adverse ramifications; however, when necessary, the City does not hesitate to implement the measures necessary to protect community members and their families.

Discussion

City staff monitor coyote activity throughout the year by tracking sightings and logging pet attacks. Long Beach Animal Care Service also maintains a database of all coyote

encounters and a record of reported attacks on domesticated dogs and cats. Calls received at our City are reconciled with Long Beach Animal Care Service's database for a more accurate accounting of the activity. Although the number of formally reported incidents in Los Alamitos is small, it is likely that many incidents go unreported.

This year, at the time of this report, City staff had received only two calls about possible coyote attacks. One of these was about the disappearance of a litter of feral kittens in Old Town East and the other call recorded the discovery of a dead pet cat. As disturbing as this may be, this type of activity is considered normal coyote behavior.

As we monitor activity in the cities adjacent to Los Alamitos, it seems that coyotes are more active in the West Garden Grove area. According to the calls we received from Garden Grove residents, there have been more pet kills in that area than in what has been reported in Seal Beach, Rossmoor or the eastern part of Long Beach (Zip Code 90808). Again, this assumption is based only on "reported" activity so it might not be entirely accurate.

An adverse consequence of trapping is the increase in the local rodent populations following the removal of their predators. This year, the City received more complaints about gophers and skunks than in previous years. This coincides with the reduction in reported coyotes activity.

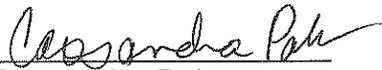
In the City of Los Alamitos, coyote activity usually peaks in the summer; however, staff remain vigilant in monitoring the activity throughout the year. When necessary, trapping has been implemented during the months of July or August in response to the increased boldness displayed by the coyotes. It is unusual for trapping to be warranted in consecutive years.

To assist staff in monitoring coyote activity, coyote contacts should be reported by calling Long Beach Animal Care Services (our service provider) at (562) 570-7387 or by visiting www.longbeach.gov/acs. Our City's website also has a link to that website.

Fiscal Impact

There is no fiscal impact associated with this report.

Submitted By:


Cassandra Palmer
Support Services Manager

Approved By:


Angie Avery
City Manager

Attachments: None

City of Los Alamitos

Agenda Report Discussion Item

September 17, 2012
Item No: 9E

To: Mayor Troy D. Edgar & Members of the City Council

Via: Angie Avery, City Manager

From: Steven A. Mendoza, Director of Community Development
Dave L. Hunt P.E., City Engineer

Subject: Revisiting the Modification of Various Intersections along Katella Avenue

Summary: During the August 20, 2012 Council Meeting, Mayor Edgar asked that the proposed modifications to various Katella Avenue intersections be revisited. The intersection modifications in question are signalization at Katella/Lexington and Katella/Enterprise and a proposed left hand turn pocket into 24-Hour Fitness commercial center. The Council is asked to provide direction to the City Manager whether to enter into negotiations to amend the Agreement between Los Alamitos, Cypress and Cottonwood Christian Church.

Recommendation: Direct the City Manager to re-enter negotiations with the City of Cypress and Cottonwood Church toward drafting a Settlement Agreement Amendment that would allow various Katella Avenue intersection modifications.

Background

During the August 20, 2012 Council Meeting, Mayor Troy Edgar requested Katella Avenue intersection modifications be placed on the agenda for reconsideration. The intersections were previously the subject of a July 18, 2011 City Council discussion. The intersections in question are Katella/Lexington, Katella/Enterprise and lastly, a proposed left hand turn pocket into 24 Hour Fitness located in the City of Cypress.

Discussion

The questions before Council on July 18, 2011, as they are today include 1) whether or not the City of Los Alamitos is interested in modifying the Katella/Lexington signal and 2) which concessions, if any, the City was prepared to discuss to obtain other parties' agreement.

Staff has had very preliminary discussions with the City of Cypress and Cottonwood Church. They are still in favor of the original staff report recommendations. Staff would like to obtain Council's permission to re-enter negotiations with all parties toward amending the Settlement Agreements to;

1. Remove the restriction at Lexington Drive at Katella Avenue to allow southbound Lexington Drive traffic to travel through the intersection to improve traffic flow in the surrounding neighborhoods.
2. Allow the eastbound Katella Avenue left-turn lane into the 24-Hour Fitness Center parking lot as shown on plans titled "City of Cypress, Department of Public Works, Median Improvements on Katella Avenue West of Siboney Street, Project No. 2008-XX." A City of Los Alamitos Encroachment Permit would need to be obtained by the City of Cypress on this project prior to the Katella Avenue at Lexington Drive modifications being made. The cost of the modifications would be paid for by the City of Cypress.
3. Authorize the City Engineer to issue an encroachment permit in the event of a future request by the Cottonwood Church to remove the existing signal at Katella/Cottonwood Way at the Church's expense and install a new signal at Katella Avenue/Enterprise Drive, with the funding share to be determined by the parties, provided CEQA and all other legal and code requirements are met.
4. The City of Cypress shall fund all CEQA related compliance related to items 2 and 3.
5. The City of Cypress will take the lead in drafting the amendment.

Once the City Manager is satisfied that all necessary terms have been negotiated, a proposed Amendment to the Settlement Agreement will be agendaized for City Council consideration.

Fiscal Impact

There will be legal fees and other administrative costs related to this action. Costs of actual construction will not be paid for by the City of Los Alamitos. Costs related to restriping Lexington Drive will be paid for by the City of Los Alamitos but are not expected to exceed \$1,000.00.

Prepared By:



Steven A. Mendoza
Community Development Director

Reviewed By:



David L. Hunt, PE
City Engineer

Approved By:

Angie Avery (Km)
Angie Avery
City Manager

Attachments:

1. July 18, 2011 Staff Report
2. Settlement and Mutual Release Agreement
3. Memorandum of Construction License Agreement
4. City of Cypress, Department of Public Works, Median Improvements on Katella Avenue West of Siboney Street, Project No. 2008-XX

City of Los Alamitos

**Agenda Report
Discussion Item**

**July 18, 2011
Item No: 8D**

To: Mayor Kenneth Stephens and Members of the City Council

Via: Jeffrey L. Stewart, City Manager

From: Steven Mendoza, Director of Community Development
Dave Hunt P.E., City Engineer

Subject: Steps Necessary to Modify Intersection at Lexington Drive and Katella Avenue to Allow Southbound Lexington Drive Traffic to Travel through the intersection into the Apartment Row Neighborhood.

Summary: On January 18, 2011 Councilmember Mejia requested staff to research methods of modifying the traffic signal at the intersection of Lexington Drive and Katella Avenue to allow southbound traffic to cross Katella Avenue into the Apartment Row neighborhood. In researching the issue, staff learned that the traffic signal was constructed to not allow through traffic on southbound Lexington Drive in compliance with the terms of a three-party agreement between the cities of Los Alamitos and Cypress, and Cottonwood Church. Because the modification, if effected would require a change in the street markings on Lexington Drive, immediately north of Katella Avenue, staff was obligated also to discuss the issue with Arrowhead Products, with whom the City has a separate agreement regarding traffic modifications.

Staff researched the request by Councilmember Mejia, determined that modification of the signal to allow southbound traffic on Lexington Drive, south of Katella Avenue would provide additional convenience to persons living in the Apartment Row and Carrier Row neighborhoods, and met with the affected parties seeking input and concurrence. Accordingly, staff has prepared draft letters to the City of Cypress, Cottonwood Church, and Arrowhead Products requesting the modification discussed above in exchange for modifications of the three-party agreement that reflects additional traffic modifications requested by the City of Cypress and Cottonwood Church.

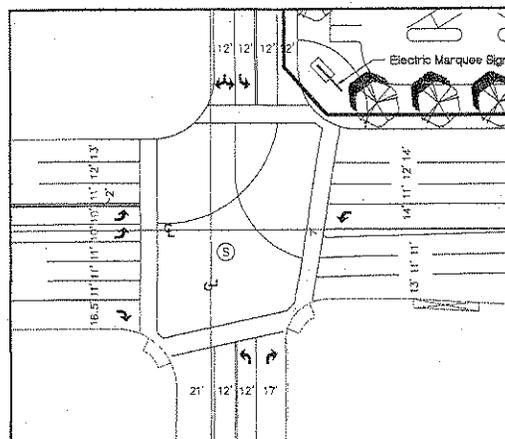
Recommendations: If the City Council desires that the lane configuration be changed to allow southbound Lexington Drive traffic to be able to drive through the Katella Avenue intersection, staff recommends that the City Manager be authorized to sign the attached letters to the City of Cypress, Cottonwood Church, and Arrowhead Products requesting those parties to take the actions necessary to amend the three-way agreement governing the configuration of the traffic signal at Katella Avenue and Lexington Drive.

Background

In March 2004, the Cypress City Council approved the proposed Cottonwood Christian Center Inc., ("Cottonwood") project to construct a seven building, 495,000 square foot church campus and three parking structures on a 31.07 acre parcel of land located on a portion of the Cypress Golf Course at the northeast corner of Katella Avenue and Lexington Drive in the City of Cypress. This action, referred to as the Cypress Approvals, resulted in litigation against the City of Cypress and Cottonwood by the City of Los Alamitos for failure to adequately identify and mitigate traffic impacts associated with the Cottonwood Project.

In July 2004 a Settlement and Mutual Release Agreement pertaining to the litigation was entered into by Cottonwood, City of Cypress and City of Los Alamitos. In essence, the Parties agreed to cooperate to develop the new Cottonwood Property in a manner consistent with the Traffic Improvement Plan (TIP) as shown in the attached Settlement Agreement. A summary of the TIP is as it relates to Lexington Drive and Katella Avenue is as follows:

Lexington Drive intersection at Katella Ave - This intersection will be modified in a number of ways. The existing driveway off Katella Avenue into Arrowhead Products will be eliminated, and the signal mast relocated easterly to serve the new alignment of Lexington Drive north of Katella Avenue. The signal shall continue to operate in the current split-phase manner. Cat track lane markings shall be incorporated to assist drivers with these turn movements and correct alignments to enter the appropriate lane after the turning movement. Dual left-turn pockets for the eastbound Katella Avenue to northbound Lexington Drive turn movement shall be provided. Traffic northbound on Lexington Drive, south of Katella Avenue, may turn right from the curb lane, and turn left or continue through this intersection from the center lane. Traffic southbound on Lexington Drive approaching this intersection may turn right or left onto Katella Avenue, but may not travel southbound through the intersection; appropriate directional signage shall be added. See Exhibit below.



Katella Ave. & Lexington Dr.
Scale: 1" = 20'

There are two sections in the Settlement Agreement that discuss that all Parties must agree in writing with any changes made to the Traffic Improvement Plans.

Discussion

The request from Councilmember Mejia was premised on the view that some residents in Apartment Row and Carrier Row would like the restriction at Lexington Drive at Katella Avenue to be removed and allow southbound traffic to travel through the intersection to improve traffic flow in their surrounding neighborhoods. Subsequent to that request, staff has received correspondence from local residents stating a similar request. However, as indicated above, to effect any change in the configuration of the traffic signal, it is necessary to gain compliance among all parties in the three-way agreement between Los Alamitos, Cypress and the Cottonwood Church.

City of Cypress

City staff met with the City of Cypress. Cypress indicated preliminary agreement to the change on the following conditions:

- 1) The City of Los Alamitos send a letter to Cypress, Cottonwood Church and Arrowhead Products requesting that the three-party agreements mentioned above be modified to allow southbound traffic on Lexington Drive to continue south through the intersection at Katella Avenue;
- 2) The letter should include Los Alamitos' willingness to modify Section 10 of the agreement to eliminate the annual traffic study requirement on northbound Lexington Drive from Katella Ave to Denni Street and the northbound Lexington Drive left-turns to Cerritos Avenue; substitute that requirement with a follow-up study in five (5) years and eliminate the requirement completely after five years if the traffic volumes do not exceed the following:
 - Northbound Lexington Drive from Katella to Denni Street:
 - Not exceed 175 vehicles for the weekday peak "am" hour and
 - Not exceed 250 vehicles for the weekday peak "pm" hour.
 - Northbound left turn vehicles from Lexington Drive onto Cerritos Drive:
 - Not exceed 440 vehicles during weekday peak "am" hour and
 - Not exceed 520 vehicles during weekday peak "am" hour.
- 3) Allow the eastbound Katella Avenue left-turn lane into the 24-Hour Fitness Center parking lot as shown on the attached plans titled "City of Cypress, Median Improvements on Katella Avenue West of Siboney Street". Additionally, Cypress is requesting that a City of Los Alamitos Encroachment Permit would be provided to the City Of Cypress on this project prior to the Katella Avenue at Lexington Drive modification being made.

Cottonwood Church

City staff met with Reverend Mike Wilson, Facilities & Property Development Manager. Reverend Wilson is requesting two items to be considered as a condition of approval for allowing the signal modifications to allow southbound Lexington Drive through traffic to cross Katella Avenue:

- 1) The Cottonwood Church owns the old railroad right of way north of Arrowhead Products and west of Lexington Drive, and would like to build a parking lot on it. In the City's General Plan it shows a future Class 1 Bike Path on this property and the parking lot request was denied in the past because of the bike path designation. The Church is requesting that a parking lot be allowed on this property.
- 2) A commitment from the City Council that the City will not oppose a future request by the Cottonwood Church to install a signal at the Church's expense at Katella Avenue and Enterprise Drive.

Arrowhead Products

City staff met with Ray Evans, Plant Engineer/Facilities Manager at Arrowhead Products. He said the President, himself, and the staff would very much like the change to allow southbound Lexington Drive traffic to be able to cross the Katella Avenue intersection.

The City's Traffic Engineer has evaluated the requests made by all parties and determined them to be reasonable. The southbound Lexington Drive through traffic across Katella Avenue would not create any delays in the signal and provide a safer means of entering the Apartment Row neighborhood. The eastbound left-turn request into the 24-Hour Fitness would not cause any slowdown in the movement along Katella Avenue and the signals on either side of this left-turn pocket would not be affected. If Cottonwood Church requests a new signal at Enterprise Drive it would be synchronized with all the signals on Katella Ave and therefore not affect the flow of traffic along Katella Avenue.

Recommendation

If the City Council desires that the lane configuration be changed to allow southbound Lexington Drive traffic to be able to drive through the Katella Avenue intersection, it would be appropriate to direct the City Manager to sign the attached letters to the City of Cypress, Cottonwood Christian Church and Arrowhead products to obtain the necessary approvals to amend the three-way agreements.

Prepared By:

Approved By:

David L Hunt, PE
City Engineer

Jeffrey L. Stewart
City Manager

Reviewed By:

Steven Mendoza
Community Development Director

- Attachments:*
- 1) *Settlement and Mutual Release Agreement*
 - 2) *Memorandum of Construction License Agreement*
 - 3) *City of Cypress, Department of Public Works, Median Improvements on Katella Avenue West of Siboney Street, Project No. 2008-XX*
 - 4) *Draft letter to the City of Cypress and Cottonwood Church*

SETTLEMENT AND MUTUAL RELEASE AGREEMENT

This Settlement and Mutual Release Agreement ("Agreement"), dated for reference purposes July 12, 2004, is entered into by and among Cottonwood Christian Center, Inc., a California non-profit religious corporation ("Cottonwood"), the City of Cypress, a charter city and municipal corporation ("Cypress"), and the City of Los Alamitos, a charter city and municipal corporation ("Los Alamitos"). Cottonwood, Cypress, and Los Alamitos are sometimes referred to in this Agreement individually as a "Party" and collectively as the "Parties."

RECITALS

A. Cottonwood is the owner of an approximate 31.07 acre parcel of land located on a portion of the Cypress Golf Course at the northeast corner of Katella Avenue and Lexington Drive, the legal description of which is set forth on Exhibit "B," attached hereto and incorporated herein by this reference (the "New Cottonwood Property"), and has entered into an agreement, dated as of February 24, 2003 (the "Cottonwood/Cypress Agreement"), to sell to Cypress an approximate 18 acre parcel of land on the northwest corner of Walker Street and Katella Avenue (the "Old Cottonwood Property").

B. Cottonwood plans to construct a new church campus on the New Cottonwood Property consisting of seven buildings, totaling approximately 495,000 square feet, and three parking structures known as the Cottonwood Christian Center Project (the "Cottonwood Project"). On or about January 12, 2004, Cypress prepared an initial study/draft mitigated negative declaration for the Project and circulated it with a notice of intent to adopt a mitigated negative declaration dated January 12, 2004. Cottonwood submitted various applications to Cypress in order to obtain the necessary approval(s) to build the Cottonwood Project.

C. On March 8, 2004, the Cypress City Council voted to approve the Cottonwood Project by, among other things, taking the following actions: (i) adopting Resolution No. 5742 which approved the Mitigated Negative Declaration/Mitigation Monitoring Program, Conditional Use Permit No. 2003-05, Design Review Committee Permit No. 2003-02, and Tentative Parcel Map No. 2003-138, and (ii) approved for first reading Ordinance No. 1053 for Development Agreement No. 2003-01 and Ordinance No. 1054 for Specific Plan Amendment 2003-01 (each such Ordinance was adopted, following a second reading, on March 22, 2004 and became effective April 22, 2004; and all of the foregoing approvals are hereinafter collectively referred to as the "Cypress Approvals").

D. On or about March 30, 2004, Los Alamitos filed a Verified Petition for Writ of Mandate and Complaint for Declaratory and Injunctive Relief against Cypress asserting causes of action arising out of and related to the Cottonwood Project and the Cypress Approvals in Orange County Superior Court, Case No. 04CC00136 (the "Los Alamitos Petition"). The Los Alamitos Petition named Cottonwood as a real party in interest.

E. In the interest of settlement and consistent with the terms of this Agreement, the Parties have agreed to cooperate to develop the New Cottonwood Property in a

manner consistent with the traffic improvement plan ("Traffic Improvement Plan"), depicted on Exhibit "A" attached hereto and incorporated herein by this reference.

F. The Parties have agreed to use this Agreement to achieve a full and complete resolution of all claims asserted by Los Alamitos in the Los Alamitos Petition and to eliminate, to the fullest extent possible, any further governmental impediments to the development of the Cottonwood Project.

NOW, THEREFORE, in full consideration of the terms set forth below, the Parties agree as follows:

AGREEMENT

1. RECITALS INCORPORATED

The foregoing Recitals are incorporated herein and made a part of this Agreement.

2. LEXINGTON DRIVE EXTENSION

(a) If the Cottonwood Project is pursued and constructed, Cottonwood and/or Cypress will cause to be constructed, at no cost or expense to Los Alamitos, an extension of Lexington Drive in substantial conformance with the Traffic Improvement Plan (the "Lexington Extension"). The Lexington Extension shall be completed before the first certificate of occupancy is issued for the Cottonwood Project.

(b) Cypress acknowledges that the allocation of the costs of constructing the Lexington Extension is one of the terms of the entitlements for the development of the New Cottonwood Property that will have to be resolved to Cottonwood's satisfaction as a condition of Cottonwood's obligation to close the sale of the Old Cottonwood Property, which acknowledgment by Cypress shall not be deemed to be a commitment or agreement by either Party regarding allocation of construction costs of the Lexington Extension.

(c) Cypress further acknowledges that construction of the Lexington Extension will require the consents of the owner of the property immediately west of the New Cottonwood Property and of the owner of the race track property immediately north of the New Cottonwood Property. Cypress agrees that, in addition to any other conditions of closing provided for in the Cottonwood/Cypress Agreement, Cottonwood's obligation to close the sale of the Old Cottonwood Property shall be conditioned on the granting of such consents on terms and conditions acceptable to Cottonwood in its sole and unfettered discretion.

(d) While Cypress and/or Cottonwood have agreed to construct the Lexington Extension, at no cost or expense to Los Alamitos, Los Alamitos has agreed to discuss, in good faith, the possibility of contributing toward the cost of such extension. This Agreement, however, is not conditioned in any way on the Parties reaching any understanding or agreement concerning Los Alamitos' contribution to such costs, and the failure of the Parties to reach an agreement shall not diminish or impair the rights of any Party under this Agreement in any way.

(e) Los Alamitos shall be solely responsible for the costs of maintenance and operation of the traffic signal at Katella Avenue and Lexington Drive.

3. **MODIFICATION OF COTTONWOOD'S PLANS REGARDING ENTERPRISE DRIVE**

Cypress and Cottonwood will abandon the previously contemplated eastbound left turn lane from eastbound Katella Avenue onto northbound Enterprise Drive, the contemplated southbound left turn lane from southbound Enterprise Drive onto eastbound Katella Avenue, and the contemplated traffic signal at Enterprise Drive. Instead, Cypress and/or Cottonwood will cause the extension of Enterprise Drive to be constructed, at no cost or expense to Los Alamitos, in substantial conformance with the Traffic Improvement Plan. Such improvements shall be completed before the first certificate of occupancy is issued for the Cottonwood Project.

4. **ADDITION OF COTTONWOOD WAY**

(a) In order to accommodate onsite traffic circulation, and in part to compensate for the elimination of an eastbound left turn lane and a signal at Enterprise Drive, Los Alamitos will permit, and Cottonwood will cause to be constructed, at no cost or expense to Los Alamitos and Cypress, a new entry point on or from Katella Avenue to the New Cottonwood Property, to be designated Cottonwood Way. Cottonwood Way will be configured in substantial conformance with the Traffic Improvement Plan, including a pedestrian crosswalk at the intersection of Katella Avenue. Such improvements shall be completed before the first certificate of occupancy is issued for the Cottonwood Project.

(b) The signal at the intersection of Cottonwood Way and Katella Avenue shall be a demand/response signal and will be synchronized within the Katella Avenue Smart Street parameters such that it is coordinated with the traffic signalization patterns at the intersection of Lexington Avenue and Katella Avenue. Cypress shall be solely responsible for the costs of maintenance and operation of the traffic signal at Katella Avenue and Cottonwood Way.

5. **COMMUNITY PARK**

The Parties acknowledge that Cypress has previously prepared a conceptual master plan for the redevelopment of the Los Alamitos Race Track & Golf Course Project Area (the "LART") which includes the possible construction of a 24-acre community park. Los Alamitos and Cypress agree that it may be beneficial to both communities to have this possible public park in the general vicinity of the New Cottonwood Property. To that end, Cypress and Los Alamitos agree to discuss, in good faith, the possible joint development of such a community park. This Agreement, however, is not conditioned in any way on Cypress and Los Alamitos reaching any understanding or agreement concerning such park, and the failure of Cypress and Los Alamitos to reach agreement shall not diminish or impair any Party's rights under this Agreement in any way.

6. CEQA REVIEW

(a) The Parties agree the Cottonwood Project, as further delineated in the Traffic Improvement Plan, is consistent with the Cypress Approvals such that the Cottonwood Project, as further delineated in the Traffic Improvement Plan, does not require any further review under the California Environmental Quality Act ("CEQA"). In any event, the Parties acknowledge and agree that if any further analysis or action is required under CEQA regarding the Cottonwood Project, Cypress shall act, at no cost or expense to Los Alamitos, as the "lead agency" in connection with such CEQA analysis or action, if any.

(b) Los Alamitos specifically agrees that the Cottonwood Project, as further delineated by the Traffic Improvement Plan, adequately addresses all of the concerns it has raised, whether based on CEQA or otherwise, and acknowledges that whatever environmental issues that were or are raised by the Cottonwood Project have been adequately mitigated by the conditions of approval adopted by Cypress on March 8, 2004 (the "Conditions of Approval"), as further delineated in the Traffic Improvement Plan. Accordingly, Los Alamitos covenants and agrees that it will not further challenge, participate in any challenge, join in any challenge, financially contribute to any challenge, nor will the law firm acting as the Los Alamitos City Attorney accept any engagement that would involve a further challenge to, the Cypress Approvals, as further delineated in the Traffic Improvement Plan, on the basis of CEQA or on any other grounds. Nothing herein, however, shall limit or impair any Party's ability to enforce the terms of this Agreement.

7. NOTICE REGARDING DEVELOPMENT OF ADJACENT PROPERTIES

Cypress agrees that, in the event an application for a discretionary land use entitlement is timely submitted and deemed complete to develop any property located within the LART, and to the extent that such application requires the giving of written notice to property owners within 300 feet of the property that is the subject of the application, Cypress will also give written notice, in the manner prescribed by law and current Cypress municipal practice, to the owners of the residential properties located in the areas east of Lexington Drive commonly known as the "New Dutch Haven" and "Carrier Row" neighborhoods. Cypress shall notify Los Alamitos not later than two (2) business days in advance of the time that Cypress is required to give notice to the owners of such residential properties, and Los Alamitos shall provide Cypress with mailing labels for this purpose. The obligation of Cypress to give the additional notice set forth herein shall not arise until after Los Alamitos has provided Cypress with the necessary mailing labels. Nothing herein will create any obligation to provide any additional notice with respect to this Agreement, the Cottonwood Project, or the implementation of any of the terms and conditions of this Agreement, including implementation of the Traffic Improvement Plan.

8. PERMITS FOR COTTONWOOD PROJECT AND TRAFFIC IMPROVEMENT PLAN

(a) Los Alamitos acknowledges that Cottonwood will need to obtain certain permits and approvals from Los Alamitos to construct some of the improvements contemplated by the Cottonwood Project, and that either Cypress or Cottonwood will also need

certain permits and approvals from Los Alamitos to implement the Traffic Improvement Plan. These permits and approvals may include, without limitation, construction easements, encroachment permits, grading and building permits relating to the design and construction, or modification, of the Lexington Extension, Cottonwood Way, and the extension of Enterprise Drive, together with related intersection, drainage, and pedestrian improvements.

(b) Los Alamitos acknowledges and agrees that these approvals and entitlements are ministerial in law and will be issued or approved without need for public hearing or discretionary review. With respect to the approval of ministerial permits, Los Alamitos agrees to issue the same not later than two (2) business days following submittal of a request for the same. With respect to the processing of plan check reviews, Los Alamitos agrees to complete such reviews within ten (10) business days following submittal of a request for the same.

(c) To the extent that any needed permits, approvals, or entitlements are not ministerial in law, Los Alamitos and its staff agree to cooperate in good faith with Cottonwood and/or Cypress in obtaining issuance of the same, and will, to the fullest extent allowed by law, expedite the processing of any such permits, approvals, or entitlements, and will, if required, support and recommend to the appropriate legislative body(ies) the issuance of any such permits, approvals, or entitlements.

9. CONDITIONS OF APPROVAL

Cypress and Cottonwood acknowledge that to the extent there may be conflicts between the terms of this Agreement and the terms of the Cottonwood Project's Conditions of Approval, the terms of this Agreement shall control.

10. COOPERATION BETWEEN CYPRESS AND LOS ALAMITOS REGARDING TRAFFIC FLOWS ON LEXINGTON

(a) Cypress and Los Alamitos both are committed to minimizing traffic in residential neighborhoods as a result of the construction of the Lexington Extension. To that end, within sixty (60) days of the effective date of this Agreement, Cypress and Los Alamitos agree to jointly fund (with each city paying one-half of such cost) and complete a traffic monitoring program for weekday and Sunday traffic (the "Existing Conditions Study") under terms and conditions jointly agreed to by the respective traffic engineers for these two Parties.

(b) This Existing Conditions Study shall study, using a 24 hour directional machine technology, the following arterial segments:

- (i) Lexington Drive between Cerritos Avenue and the former railroad right-of-way; and
 - (ii) Cerritos Avenue between Bloomfield Avenue and Denni Street; and
 - (iii) Cerritos Avenue between Denni Street and Moody Street;
- and

(iv) Denni Street between Cerritos Avenue and Ball Road.

(c) This Existing Conditions Study shall also study weekday "a.m." and "p.m." peak hour, and Sunday peak hour turning movement counts, including an Intersection Capacity Utilization ("ICU") analysis, for the intersections of Cerritos Avenue at Lexington Drive/Denni Street and Cerritos Avenue at Bloomfield Avenue.

(d) Twelve (12) months after Cottonwood is issued its first certificate of occupancy, Cypress and Los Alamitos shall jointly fund (with each city paying one-half of such cost) and complete a "Post-Cottonwood Conditions Study," which study shall consist of an up-date in the turning movement counts and an up-dated ICU analysis, all as required by Section 10(c), above, and peak hour turning movement counts and an ICU analysis for the intersection of Katella Avenue and Lexington Drive.

(e) Cypress shall have the right, in its sole and unfettered discretion and at Cypress' sole cost and expense, to divert northbound through traffic from Lexington Drive onto Cerritos Avenue if the Post-Cottonwood Conditions Study demonstrates that northbound Lexington Drive to Denni Street through vehicle trip counts for weekday peak "a.m." traffic exceeds 175 vehicles; provided, however, that, at the time of the installation of the traffic diversion measures noted below, diversion of northbound left turn vehicles from Lexington Drive onto Cerritos Drive during the weekday peak "a.m." hour will not, at that time, already exceed 440 vehicles. Such traffic diversion measures, if installed, shall include, but not be limited to, modified striping, pavement markings, signing, and traffic signal indicators at the intersection of Cerritos Avenue at Lexington Drive/Denni Street.

(f) Cypress shall have the right, in its sole and unfettered discretion and at Cypress' sole cost and expense, to divert northbound through traffic from Lexington Drive onto Cerritos Avenue if the Post-Cottonwood Conditions Study demonstrates that northbound Lexington Drive to Denni Street through vehicle trip counts for weekday peak "p.m." traffic exceeds 250 vehicles; provided, however, that, at the time of the installation of the traffic diversion measures noted below, diversion of northbound left turn vehicles from Lexington Drive onto Cerritos Drive during the weekday peak "p.m." hour will not, at that time, already exceed of 520 vehicles. Such traffic diversion measures, if installed, shall include, but not be limited to, modified striping, pavement markings, signing, and traffic signal indicators at the intersection of Cerritos Avenue at Lexington Drive/Denni Street.

(g) Twelve (12) months following completion of the Post-Cottonwood Conditions Study, Cypress and Los Alamitos agree to jointly fund (with each city paying one-half of such cost) and complete an up-dated peak hour turning movement count and ICU analysis for the intersection of Cerritos Avenue and Lexington Drive/Denni Street, which up-date shall be repeated annually (there shall be no mid-year up-dates) thereafter (the "Annual Post-Cottonwood Conditions Up-Dates").

(h) Following the completion of each Annual Post-Cottonwood Conditions Up-Date, Los Alamitos shall have the right, upon written request, to require Cypress to remove the traffic diversion measures authorized above, at Cypress' sole cost and expense, in the event that total northbound left turn vehicles from Lexington Drive onto Cerritos Drive

during the weekday peak "a.m." hour exceed 440 vehicles. Such removal shall be completed within sixty (60) days of receipt of the written request to do so from Los Alamitos; provided, however, that should Cypress advise Los Alamitos, in writing, of its desire to maintain such traffic diversion measures and of the willingness of Cypress to fund such intersection improvement measures as may be necessary to maintain the same level of service ("LOS") as will exist at the weekday peak "a.m." 440 vehicle diversion level, then Los Alamitos agrees to negotiate, in good faith, the retention of such diversion measures. This Agreement, however, is not conditioned in any way on the Parties reaching any understanding or agreement concerning Los Alamitos' willingness to maintain traffic diversion measures in the event that any Annual Post-Cottonwood Conditions Up-Date demonstrates that the total northbound left turn vehicles from Lexington Drive onto Cerritos Drive during the weekday peak "a.m." hour exceed 440 vehicles, and the failure of the Parties to reach an agreement on retention of such traffic diversion measures shall not diminish or impair the right of Los Alamitos to require removal of such traffic diversions measures in its sole and absolute discretion.

(i) Following the completion of each Annual Post-Cottonwood Conditions Up-Date, Los Alamitos shall have the right, upon written request, to require Cypress to remove the traffic diversion measures authorized above, at Cypress' sole cost and expense, in the event that total northbound left turn vehicles from Lexington Drive onto Cerritos Drive during the weekday peak "p.m." hour exceed 520 vehicles. Such removal shall be completed within sixty (60) days of receipt of the written request to do so from Los Alamitos; provided, however, that should Cypress advise Los Alamitos, in writing, of its desire to maintain such traffic diversion measures and of the willingness of Cypress to fund such intersection improvement measures as may be necessary to maintain the same level of service ("LOS") as will exist at the weekday peak "p.m." 520 vehicle diversion level, then Los Alamitos agrees to negotiate, in good faith, the retention of such diversion measures. This Agreement, however, is not conditioned in any way on the Parties reaching any understanding or agreement concerning Los Alamitos' willingness to maintain traffic diversion measures in the event that any Annual Post-Cottonwood Conditions Up-Date demonstrates that the total northbound left turn vehicles from Lexington Drive onto Cerritos Drive during the weekday peak "p.m." hour exceed 520 vehicles, and the failure of the Parties to reach an agreement on retention of such traffic diversion measures shall not diminish or impair the right of Los Alamitos to require removal of such traffic diversions measures in its sole and absolute discretion.

(j) Unless otherwise precluded by the TMA (as defined in paragraph 13), nothing in this Section 10 shall prevent Los Alamitos from commenting on or challenging (administratively or judicially) the traffic impacts of any proposed discretionary land use approval within the LART, including, but not limited to, commenting on or challenging (administratively or judicially) whether any pending discretionary land use approval warrants construction of additional lanes of traffic on Lexington Avenue north of the former rail-road right-of-way; provided, however, that if the traffic analysis prepared for any pending discretionary land use approval demonstrates that traffic resulting from such approval or project will not result in traffic diversion in excess of that specified in sub-sections (h) or (i), above, Los Alamitos shall not demand or seek to compel (either administratively or judicially) removal of any then-existing traffic diversion measures installed pursuant to this Section 10, if any, as a condition of Cypress' approval of any pending discretionary land use approval or project.

11. DISMISSAL OF LOS ALAMITOS' PETITION

Within five days of the Effective Date of this Agreement, Los Alamitos agrees to dismiss the Los Alamitos Petition with prejudice, subject to the Court entering an order pursuant to California Code of Civil Procedure Section 664.6 (or other appropriate section) retaining jurisdiction to enforce, to the extent necessary, the terms and conditions of this Agreement. In the event that this provision prevents Cottonwood from obtaining financing for the Cottonwood Project on commercially reasonable terms, the Parties agree to discuss, in good faith, a possible amendment to this Agreement to address alternative means of terminating the Los Alamitos Petition. This Agreement, however, is not conditioned in any way on the Parties reaching any understanding or agreement concerning an amendment to this Agreement, and the failure of the Parties to reach an agreement shall not diminish or impair the rights of any Party under this Agreement in any way.

12. SURVIVAL OF COTTONWOOD/CYPRESS AGREEMENT

Cottonwood and Cypress are parties to the Cottonwood/Cypress Agreement and to a Settlement and Mutual Release Agreement, dated February 24, 2003, providing, among other things, for the resolution of various disputes between Cottonwood and Cypress (the "Cottonwood/Cypress Settlement Agreement"). Except for the modification of the Cottonwood/Cypress Agreement provided for in Paragraph 2 above, Cypress and Cottonwood agree that this Agreement is not intended to alter, amend or effect the Cottonwood/Cypress Agreement or the Cottonwood/Cypress Settlement Agreement in any way, and Cottonwood and Cypress agree that except for such modification, the provisions of the Cottonwood/Cypress Agreement and the Cottonwood/Cypress Settlement Agreement shall survive, in their existing form, despite the execution of this Agreement.

13. TRAFFIC MITIGATION FEES

The Parties acknowledge and agree that Cottonwood shall have no obligation to pay any traffic mitigation fee within the meaning of that certain Cypress Business & Professional Center Traffic Mitigation Agreement, by and between Los Alamitos and Cypress (among others), dated August 20, 1990 ("TMA") as a result of the Cottonwood Project. Notwithstanding the foregoing, by entering into this Agreement, neither Cypress nor Los Alamitos waive any argument either city may have with respect to the TMA, the provisions of, obligations of, or interpretations to be given to the TMA, or the enforceability (or lack thereof) of the TMA.

14. MUTUAL RELEASES

Except as otherwise expressly provided in this Agreement, Cypress and Cottonwood, on the one hand, and Los Alamitos, on the other hand, for themselves, and for each and all of their respective successors in interest, assigns, heirs, executors, agents, representatives, consultants, transferees, predecessors, employees, affiliates, officers, directors, partners, co-venturers, attorneys, insurers, administrators, and all others who may take any interest in the matters herein released, hereby fully and forever release, acquit and discharge each other and all of their respective affiliates, parent and/or subsidiary companies, predecessors and successors, together with any and all past and present employees, agents (whether ostensible or actual),

officers, directors, shareholders, partners, assignees, representatives, consultants, attorneys, insurers, accountants and servants from any and all claims, demands, damages, costs, attorneys' fees, losses, rights, and causes of action of any character, nature, and kind, whether known or unknown, suspected or unsuspected, matured or contingent, which Cottonwood and Cypress on the one hand, and Los Alamitos on the other hand, now has or hereafter may have against any other Party by reason of any cause, occurrence, matter, or thing based upon the Los Alamitos Petition, or any cause of action that could have been asserted in the Los Alamitos Petition related to the Cottonwood Project and the Cypress Approvals ("Released Claims").

15. WAIVER OF CIVIL CODE SECTION 1542

Except as set forth herein, it is the intention of the parties hereto that the foregoing release shall be effective as a bar to all demands, liens, assignments, contracts, covenants, actions, suits, causes of action, obligations, costs, expenses, attorneys' fees, damages, losses, claims, controversies, judgments, orders and liabilities of any character, nature and kind, known or unknown, suspected or unsuspected based upon the Released Claims. In furtherance of this intention, Cypress, Cottonwood, and Los Alamitos expressly, knowingly, and voluntarily waive (except as otherwise expressly provided for in this Agreement), to the fullest extent permitted by law, all provisions, rights and benefits conferred upon them by the provisions of section 1542 of the California Civil Code, which provides as follows:

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

Cypress, Cottonwood, and Los Alamitos, expressly consent that, with respect to the Released Claims, this release shall be given full force and effect in accordance with each and all of its express terms and provisions, relating to unknown and unsuspected claims, demands, causes of action, if any, to the same effect as those terms and provisions relating to any other claims, demands and causes of action hereinabove specified.

Notwithstanding the foregoing, nothing stated in Paragraph 14 or in this Paragraph 15 shall release or be deemed to release any of the Parties from its executory obligations arising expressly under this Agreement.

By initialing below, each Party has read and understands the nature and effect of the releases given herein and of the waiver of Civil Code Section 1542 and has been advised by legal counsel of the nature and effect of the such releases and waiver or has knowingly chosen not to consult legal counsel in this regard.

Cottonwood
Initials: _____

Cypress
Initials: _____

Los Alamitos
Initials:

officers, directors, shareholders, partners, assignees, representatives, consultants, attorneys, insurers, accountants and servants from any and all claims, demands, damages, costs, attorneys' fees, losses, rights, and causes of action of any character, nature, and kind, whether known or unknown, suspected or unsuspected, matured or contingent, which Cottonwood and Cypress on the one hand, and Los Alamitos on the other hand, now has or hereafter may have against any other Party by reason of any cause, occurrence, matter, or thing based upon the Los Alamitos Petition, or any cause of action that could have been asserted in the Los Alamitos Petition related to the Cottonwood Project and the Cypress Approvals ("Released Claims").

15. WAIVER OF CIVIL CODE SECTION 1542

Except as set forth herein, it is the intention of the parties hereto that the foregoing release shall be effective as a bar to all demands, liens, assignments, contracts, covenants, actions, suits, causes of action, obligations, costs, expenses, attorneys' fees, damages, losses, claims, controversies, judgments, orders and liabilities of any character, nature and kind, known or unknown, suspected or unsuspected based upon the Released Claims. In furtherance of this intention, Cypress, Cottonwood, and Los Alamitos expressly, knowingly, and voluntarily waive (except as otherwise expressly provided for in this Agreement), to the fullest extent permitted by law, all provisions, rights and benefits conferred upon them by the provisions of section 1542 of the California Civil Code, which provides as follows:

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

Cypress, Cottonwood, and Los Alamitos, expressly consent that, with respect to the Released Claims, this release shall be given full force and effect in accordance with each and all of its express terms and provisions, relating to unknown and unsuspected claims, demands, causes of action, if any, to the same effect as those terms and provisions relating to any other claims, demands and causes of action hereinabove specified.

Notwithstanding the foregoing, nothing stated in Paragraph 14 or in this Paragraph 15 shall release or be deemed to release any of the Parties from its executory obligations arising expressly under this Agreement.

By initialing below, each Party has read and understands the nature and effect of the releases given herein and of the waiver of Civil Code Section 1542 and has been advised by legal counsel of the nature and effect of the such releases and waiver or has knowingly chosen not to consult legal counsel in this regard.

Cottonwood
Initials: _____

Cypress
Initials:  _____

Los Alamitos
Initials: _____

officers, directors, shareholders, partners, assignees, representatives, consultants, attorneys, insurers, accountants and servants from any and all claims, demands, damages, costs, attorneys' fees, losses, rights, and causes of action of any character, nature, and kind, whether known or unknown, suspected or unsuspected, matured or contingent, which Cottonwood and Cypress on the one hand, and Los Alamitos on the other hand, now has or hereafter may have against any other Party by reason of any cause, occurrence, matter, or thing based upon the Los Alamitos Petition, or any cause of action that could have been asserted in the Los Alamitos Petition related to the Cottonwood Project and the Cypress Approvals ("Released Claims").

15. WAIVER OF CIVIL CODE SECTION 1542

Except as set forth herein, it is the intention of the parties hereto that the foregoing release shall be effective as a bar to all demands, liens, assignments, contracts, covenants, actions, suits, causes of action, obligations, costs, expenses, attorneys' fees, damages, losses, claims, controversies, judgments, orders and liabilities of any character, nature and kind, known or unknown, suspected or unsuspected based upon the Released Claims. In furtherance of this intention, Cypress, Cottonwood, and Los Alamitos expressly, knowingly, and voluntarily waive (except as otherwise expressly provided for in this Agreement), to the fullest extent permitted by law, all provisions, rights and benefits conferred upon them by the provisions of section 1542 of the California Civil Code, which provides as follows:

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

Cypress, Cottonwood, and Los Alamitos, expressly consent that, with respect to the Released Claims, this release shall be given full force and effect in accordance with each and all of its express terms and provisions, relating to unknown and unsuspected claims, demands, causes of action, if any, to the same effect as those terms and provisions relating to any other claims, demands and causes of action hereinabove specified.

Notwithstanding the foregoing, nothing stated in Paragraph 14 or in this Paragraph 15 shall release or be deemed to release any of the Parties from its executory obligations arising expressly under this Agreement.

By initialing below, each Party has read and understands the nature and effect of the releases given herein and of the waiver of Civil Code Section 1542 and has been advised by legal counsel of the nature and effect of the such releases and waiver or has knowingly chosen not to consult legal counsel in this regard.

Cottonwood
Initials:

Cypress
Initials:

Los Alamitos
Initials:

16. ACCORD AND SATISFACTION

This Agreement constitutes an accord and satisfaction as to all outstanding issues between the Parties that arise from or are based on the Released Claims.

17. LATER DISCOVERED FACTS

The Parties acknowledge that they may hereafter discover facts different from or in addition to those they now know or believe to be true with respect to the claims, demands, causes of action, obligations and liabilities that are the subject of the releases set forth hereinabove, and the Parties expressly agree to assume the risk of the possible discovery of additional or different facts, and agree that this Agreement shall be and remain effective in all respects regardless of such additional or different facts.

18. CHOICE OF FORUM AND APPLICABLE LAW

The Parties agree that venue is proper in Orange County in any action brought concerning this Agreement. The Parties further agree that any action brought concerning this Agreement shall be governed by the laws of the State of California.

19. COMPROMISE OF DISPUTED CLAIMS

The Parties acknowledge that the Parties admit no liability or responsibility to each other with respect to the Released Claims. The Parties specifically deny any such liability or responsibility. The Parties acknowledge that the promises, covenants and release set forth in this Agreement are in consideration of a settlement and compromise.

20. ADDITIONAL REPRESENTATIONS AND WARRANTIES

Each Party represents and warrants to each other Party that it has not assigned or transferred or purported to assign or transfer to any person, firm, entity, or corporation any claim, demand, right, damage, liability, debt, account, action, cause of action, or any other matter herein released or discharged, and they respectively have the full right and authority to enter into this Agreement. The Parties agree to indemnify and hold one another harmless against any claim, demand, right, damage, debt, liability, account, action, cause of action, cost or expense, including attorneys' fees actually paid or incurred, arising out of or in connection with any such transfer or assignment or any such purported or claimed transfer or assignment in violation of this representation and warranty.

Each Party represents and warrants to each other Party that it has the ability to carry out the obligations assumed and promised hereunder, and is not presently aware of any pending event which would, or could, hamper, hinder, delay, or prevent its timely performance of said obligations.

21. SUCCESSORS AND ASSIGNS

This Agreement, and all the terms and provisions hereof, are for the benefit of each of the Parties and shall be binding upon and shall inure to the benefit of the Parties and their respective successors and assigns.

22. ATTORNEYS' FEES

Each Party shall bear its own attorneys' fees and costs in connection with the Los Alamitos Petition and this Agreement. However, in the event any Party to this Agreement commences any legal proceeding concerning any aspect of this Agreement, including, but not limited to, the interpretation or enforcement of any of its provisions, the prevailing party shall be entitled to recover its expert witness fees, reasonable attorneys' fees, and all other costs and expenses incurred in connection with the action or proceeding. The "prevailing party" means the party determined by the court to have most nearly prevailed, even if such party did not prevail in all matters, not necessarily the one in whose favor a judgment is rendered. If the court fails or refuses to make a determination of the prevailing party, the party who is awarded costs of suit shall also be deemed to be the prevailing party for purposes of awarding attorneys' fees.

23. SEVERABILITY

Each of the Parties hereto acknowledges and agrees that the terms and conditions of this Agreement are valid, binding, and enforceable as to it. In the event, however, that any term, provision, covenant, or condition of this Agreement shall be declared invalid, void, or unenforceable by a final judgment or other final judicial determination, such portion shall be deemed severed from this Agreement, and the remaining parts shall remain in full force and effect so long as the economic and legal substance of the transaction contemplated thereby is not affected in any manner materially adverse to any Party to this Agreement. Upon any binding determination that any term or other provision of this Agreement is invalid, void, or unenforceable, the Parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties hereto as closely as possible in an acceptable and legally enforceable manner in order that the transaction contemplated hereby may be effected to the full extent possible.

24. SPECIFIC PERFORMANCE

The Parties expressly acknowledge and agree that no adequate remedy is available at law for breach of this Agreement and that, in addition to any other remedies available, to the extent this Agreement continues in existence, specific performance of this Agreement may be ordered and/or a breach hereof may be enjoined, or both.

25. COUNTERPARTS

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

26. SECTION HEADINGS

The captions, subject, section and paragraph headings in this Agreement are included for convenience and reference only. They do not form a part hereof, and do not in any way modify, interpret, or reflect the intent of the parties. Said headings shall not be used to construe or interpret any provision of this Agreement.

27. RIGHT TO CONSULT WITH ATTORNEY, TERMS UNDERSTOOD

The Parties acknowledge that each has read this Agreement; that each fully understands his rights, privileges and duties under this Agreement; and that each enters into this Agreement freely and voluntarily. Each Party further acknowledges that each has had the opportunity to consult with an attorney of his or her choice to explain the terms of this Agreement and the consequences of signing it.

28. NO PRESUMPTION AGAINST DRAFTING PARTY

This Agreement and the provisions contained herein shall not be construed or interpreted for or against any Party hereto because said Party drafted or caused the Party's legal representative to draft any of its provisions.

29. WAIVER

The failure of any Party to enforce any provision of this Agreement shall not be construed as a waiver of any such provision, nor shall such failure prevent such Party thereafter from enforcing such provision or any other provision of this Agreement. The rights and remedies granted all Parties herein are cumulative and the election of one right or remedy shall not constitute a waiver of such Party's right to assert all other legal remedies available under this Agreement or otherwise provided by law.

30. FURTHER ACTS AND AMENDMENTS

Each Party to this Agreement agrees to perform all further acts and execute all further documents necessary to carry out the intent and purposes of this Agreement. Each Party further agrees that no change(s) shall be made to the Traffic Improvement Plan without the prior written consent of all Parties to this Agreement, which consent shall not be unreasonably withheld; provided, however, that no party to this Agreement shall be required to consent to changes to the Traffic Improvement Plan which would result in a substantial deviation from the street alignment, extensions or connections, lane configuration, or number of lanes set forth in such plan.

31. NOTICES

All notices, requests, demands and other communications required to or permitted to be given under this Agreement shall be in writing and shall be conclusively deemed to have been duly given (a) when hand delivered to the other Party; or (b) when received when sent by facsimile at the address and number set forth below (provided that any notice given by facsimile

shall be deemed received on the next business day if such notice is received after 5:00 p.m. (recipient's time) or on a nonbusiness day); or (c) three business days after the same have been deposited in a United States post office with first class or certified mail return receipt requested postage prepaid and addressed to the Parties as set forth below; or (d) the next business day after same have been deposited with a national overnight delivery service reasonably approved by the Parties (Federal Express, Overnite Express Parcel Service, and DHL WorldWide Express being deemed approved by the Parties), postage prepaid, addressed to the Parties as set forth below with next business day delivery guaranteed (or to such other address as the Party to whom notice is to be given may have furnished to the other in writing in accordance herewith):

If to Cottonwood:

Cottonwood Christian Center, Inc.
3311 Sausalito Street
Los Alamitos, California 90720
Attention: Pastor Bayless Conley
Phone: (562) 493-4442
Fax: (562) 493-1963

With a copy to:

Sheppard, Mullin, Richter & Hampton LLP
650 Town Center Drive, 4th Floor
Costa Mesa, California 92626-1925
Attention: R. Marshall Tanner, Esq. and
Sean P. O'Connor, Esq.
Phone: (714) 513-5100
Fax: (714) 513-5130

If to Cypress:

City of Cypress
5275 Orange Avenue
Cypress, CA 90630
Attention: Jill Ingram-Guertin, City Clerk
Phone: (714) 229-6683
Fax: (714) 229-6682

With a copy to:

Aleshire & Wynder, LLP
18881 Von Karman
Irvine, CA 92612
Attention: William W. Wynder, Esq.
Phone: (949) 223-1170
Fax: (949) 223-1180

and

Rutan & Tucker, LLP
611 Anton Boulevard, Fourteenth Floor
Costa Mesa, California 92626-1931
Attention: Dan Slater, Esq.
Phone: (714) 641-3437
Fax: (714) 546-9035

and

Community Development Department
City of Cypress
5275 Orange Ave.
Cypress, CA 90630
Attention: David Belmer
Phone: (714) 229-6720
Fax: (714) 229-0154

If to Los Alamitos:

City of Los Alamitos
3191 Katella Avenue
Los Alamitos, California 90720
Attention: Robert C. Dominguez
Phone: (562) 431-3538
Fax: (562) 493-1255

With a copy to:

Best, Best & Krieger, LLP
5 Park Plaza, Suite 1500
Irvine, CA 92614
Attention: Dean Derleth, Esq.
Phone: (949) 263-2600
Fax: (949) 260-0972

32. NONDISCRIMINATION

Cypress, Cottonwood and Los Alamitos each covenants that in their respective performance of this Agreement they shall not discriminate against person or group of persons on account of any impermissible classification including but not limited to race, color, religion,

gender, marital status, national origin, or ancestry, to the extent such discrimination violates applicable law.

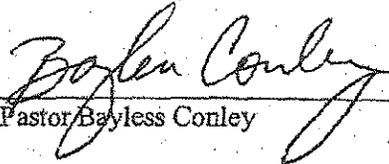
33. ENTIRE AGREEMENT; AMENDMENT

This Agreement supersedes all prior negotiations and understanding of any kind with respect to the subject matter hereof between the Parties and contains all the terms and provisions of the agreement between the Parties with respect to the subject matter hereof. The Parties acknowledge that there are no oral understandings, statements or stipulations between any of them bearing upon the effect of this Agreement which have not been incorporated herein. No waiver, modification, amendment, discharge or change in the terms of this Agreement shall be valid unless the same is in writing signed by the Party against which the enforcement of such waiver, modification, amendment, discharge or charge is sought. This Agreement may be amended by agreement of the Parties hereto by an instrument in writing signed by all the Parties after approval of such amendment by the governing boards of each Party hereto.

IN WITNESS WHEREOF, the Parties hereto have each executed this Agreement on the date indicated below, with the latest of the dates set next to the signatures of the Parties being the effective date of this Agreement (the "Effective Date").

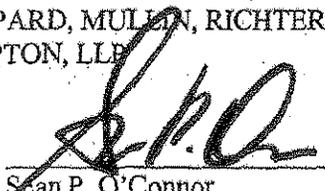
COTTONWOOD CHRISTIAN CENTER, INC.

DATE: 7-19-04

BY: 
Pastor Bayless Conley

APPROVED AS TO FORM:

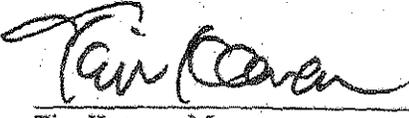
SHEPPARD, MULLEN, RICHTER &
HAMPTON, LLP

BY: 
Sean P. O'Connor
Attorneys for Cottonwood Christian Center

[Signatures Continued on Following Page]

CITY OF CYPRESS

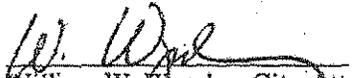
DATE: 7/20/04

BY: 
Tim Keenan, Mayor

ATTEST:

BY: 
Jill R. Guertin, City Clerk

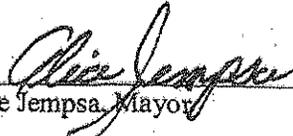
APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP

BY: 
William W. Wynder, City Attorney

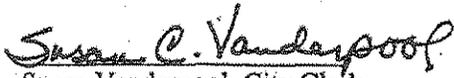
[Signatures Continued on Following Page]

CITY OF LOS ALAMITOS

DATE: 7-16-04

BY: 
Alice Jemsa, Mayor

ATTEST:

BY: 
Susan Vanderpool, City Clerk

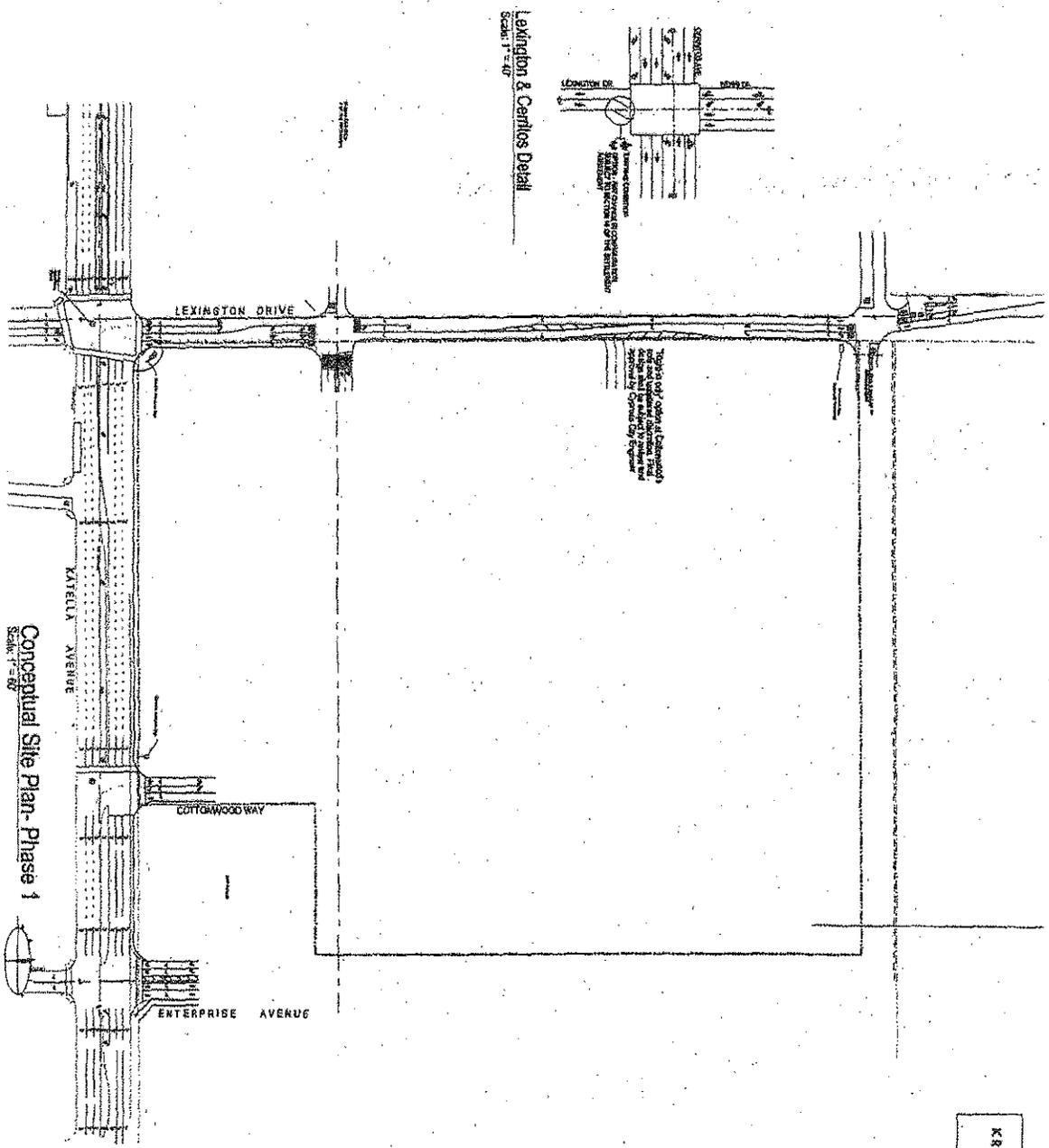
APPROVED AS TO FORM:
BEST, BEST & KRIEGER

BY: 
Dean Berleth
Attorneys for the City of Los Alamitos

EXHIBIT "A"

TRAFFIC IMPROVEMENT PLAN

[SEE ATTACHED SHEETS 1 THROUGH 3]



Conceptual Site Plan - Phase 1
Scale: 1" = 80'

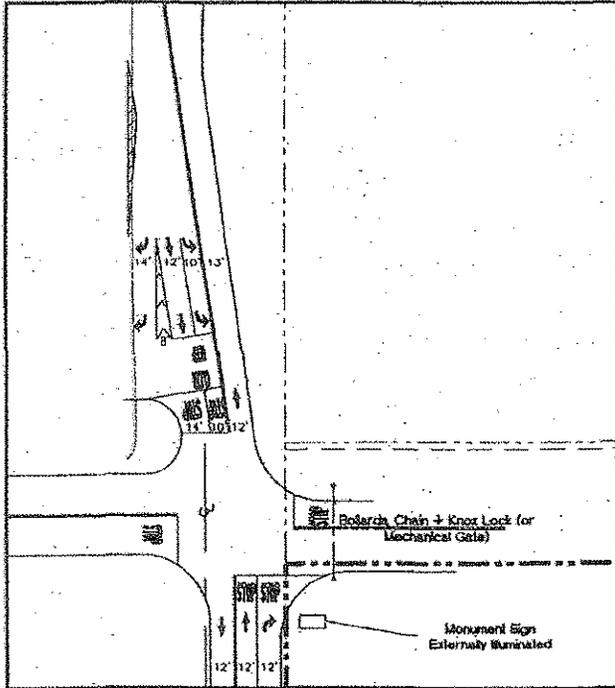
Lexington & Center Detail
Scale: 1" = 40'



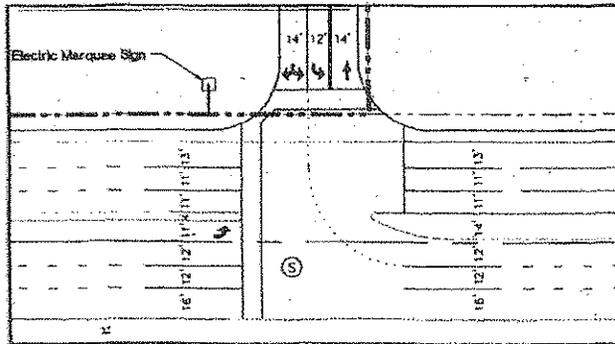
Cottonwood Christian Center
Cypress CA

Exhibit A
SHEET 1 OF 3
01.15.24

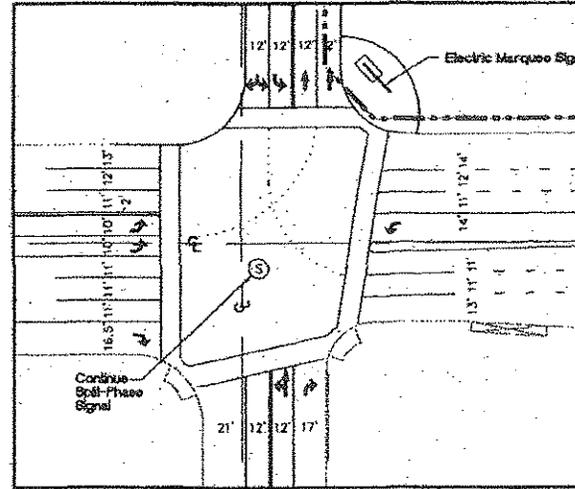




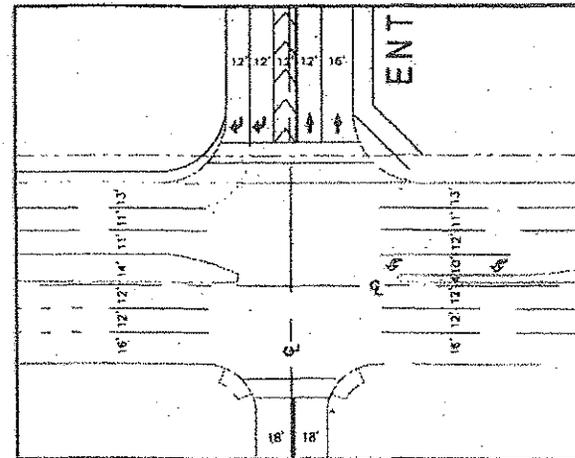
Lexington Dr. & Railroad R.O.W.
Scale: 1" = 20'



Katella Ave. & Cottonwood Wy.
Scale: 1" = 20'



Katella Ave. & Lexington Dr.
Scale: 1" = 20'



Katella Ave. & Enterprise Ave.
Scale: 1" = 20'



Cottonwood Christian Center
 cypress CA

Exhibit A
SHEET 2 OF 3

Notes on Traffic Improvement Plan:

1. **Lexington Drive intersection at the former Union Pacific Railroad Right-of-Way** - This new intersection shall be a four-way configuration, allowing through traffic on Lexington Drive, north- and southbound, in a 2-lane configuration (one travel lane in each direction). Turn pockets shall be provided on Lexington Drive for southbound left turns, and northbound right turns, into the Cottonwood Christian Center Project site. In addition, a fourth leg of this intersection shall provide 2-lane access to property owned by Cottonwood Christian Center west of Lexington Drive. North- and southbound turn movements onto Lexington Drive shall be allowed through this intersection for traffic entering from the east and west. The intersection shall be governed by all-way Stop signs. The intersection shall be skewed with respect to north/south traffic to allow for the transition from the east 1/2 section of Lexington south on this intersection to the west 1/2 section of Lexington north of this intersection. No on-street parking shall be permitted in this area.
2. **Lexington Drive roadway segment between the Union Pacific Railroad Right-of-Way and the southerly Lexington Drive intersection with the Cottonwood driveway** - This paved roadway segment shall be approximately 36 feet wide curb face to curb face, allowing one lane northbound and one lane southbound with a variable striped median. At the southern end, a left-turn pocket will allow turns into the Cottonwood Project, and on the north end right turns into the Project will be accommodated from a turn pocket. Pavement striping shall be added to allow for northbound traffic to transition from the easternmost lane to the center lane, thus allowing for creation of both turn pockets in this roadway segment. No on-street parking shall be permitted in this area.
3. **Lexington Drive intersection at the new east-west oriented Cottonwood Driveway into the Project site** - This intersection shall be a three- or four-way intersection, depending on the ultimate location of a new point-of-access driveway for Arrowhead Products and shall be a fully controlled intersection with stop signs and related limit line lane markings for traffic in all directions. As illustrated on Sheet 1 of 3, Arrowhead Products may gain access at this intersection of Lexington and the Cottonwood Driveway. In the alternative, a new right-in/right-out only driveway may be created for Arrowhead Products somewhere between this driveway and the former Union Pacific Railroad Right-of-Way mentioned in Item 2, above. A left-turn pocket for southbound Lexington traffic will be provided for entry into the Cottonwood Driveway. The northbound curb lane will be right-turn only into the Cottonwood Driveway.
4. **Lexington Drive roadway segment between the Cottonwood driveway and Kaitella** - This roadway segment shall be comprised of four approximately 12' wide lanes. At the Lexington/Cottonwood Driveway intersection, the westernmost curb lane shall be southbound, the next lane for northbound left turns into Arrowhead Products, the third lane east shall be dual through/right-turn and the fourth lane shall be right-turn only into the Cottonwood Driveway. Nearest Kaitella, there shall be a southbound right or left-turning lane adjacent to the western curb adjoined by a left-only center lane east of the curb lane, while the easterly two lanes shall both be for northbound traffic.
5. **Lexington Drive intersection at Kaitella** - This intersection will be modified in a number of ways. The existing driveway off Kaitella Avenue into Arrowhead Products will be eliminated, and the signal mast relocated easterly to serve the new alignment of Lexington Drive south of Kaitella. The signal shall continue to operate in the current split-phase manner. Car track lane markings shall be incorporated to assist drivers with these turn movements and correct alignments to enter the appropriate lane after the turning movement. Dual left-turn pockets for the eastbound Kaitella to northbound Lexington turn movement shall be provided. Traffic northbound on Lexington south of Kaitella may turn right from the curb lane, and turn left or continue through this intersection from the center lane. Traffic southbound on Lexington approaching this intersection may turn right or left onto Kaitella, but may not travel southbound through the intersection; appropriate directional signage shall be added.
6. **Cottonwood Way intersection at Kaitella** - This new private drive shall have a three-lane 40' wide paved cross-section, with the westernmost curb lane allowing right and left turns for southbound Cottonwood Way traffic onto Kaitella. The center lane at this intersection shall be left-only turn movements onto Kaitella, and the eastern lane shall be for northbound traffic. A new Kaitella eastbound left turn pocket shall be created for this intersection. The new signal at this intersection shall be interconnected to the one at Lexington Drive, operate on a demand basis, and synchronized to function within the parameters of the Kaitella Smart Street Program.
7. **Enterprise Drive intersection at Kaitella** - This new intersection shall have a five-lane 64' wide paved cross-section on the north side of Kaitella. The two westernmost southbound lanes shall allow for right-turn only movements. The center lane shall be channeled (striped) out of use, and the two easternmost lanes shall be for northbound traffic. There shall be no signal at this intersection, nor any left-turn movements/pockets for eastbound Kaitella traffic onto Enterprise Drive north of Kaitella.
8. **Lexington/Danni intersection at Carrizo Avenue** - Refer to Section 10 of the Settlement Agreement.

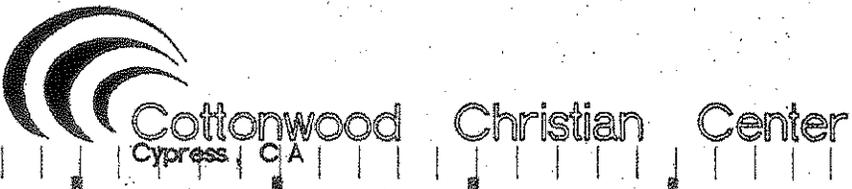
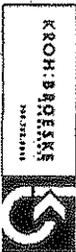


EXHIBIT "B"

LEGAL DESCRIPTION
NEW COTTONWOOD PROPERTY

[SEE 1 ATTACHED PAGE]

PARCEL A:

PARCEL I, AS SHOWN ON EXHIBIT "B" ATTACHED TO LOT LINE ADJUSTMENT NO. LL 2003-03 RECORDED DECEMBER 31, 2003 AS INSTRUMENT NO. 2003001534655 OF OFFICIAL RECORDS OF ORANGE COUNTY, CALIFORNIA.

EXCEPTING THEREFROM A PORTION OF THE LAND, ALL MINERALS AND ALL MINERAL RIGHTS OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED UNDERLYING THE PROPERTY, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, OIL AND GAS AND RIGHTS THERETO, TOGETHER WITH THE SOLE, EXCLUSIVE AND PERPETUAL RIGHT TO EXPLORE FOR, REMOVE AND DISPOSE OF SAID MINERALS BY ANY MEANS OR METHODS SUITABLE TO GRANTOR, ITS SUCCESSORS AND ASSIGNS, BUT WITHOUT ENTERING UPON OR USING THE SURFACE OF THE PROPERTY, AND IN SUCH MANNER AS NOT TO DAMAGE THE SURFACE OF THE PROPERTY, OR INTERFERE WITH THE USE THEREOF BY GRANTEE, ITS SUCCESSORS OR ASSIGNS, PROVIDED HOWEVER, THAT GRANTOR, ITS SUCCESSORS OR ASSIGNS, WITHOUT THE PRIOR WRITTEN PERMISSION OF THE GRANTEE, ITS SUCCESSORS OR ASSIGNS, SHALL NOT CONDUCT ANY MINING ACTIVITIES OF WHATSOEVER NATURE ABOVE A PLANE FIVE HUNDRED FEET (500') BELOW THE SURFACE OF THE PROPERTY, AS RESERVED BY UNION PACIFIC RAILROAD COMPANY, A DELAWARE CORPORATION IN QUITCLAIM RECORDED DECEMBER 31, 2003 AS INSTRUMENT NO. 2003001534651 OF OFFICIAL RECORDS.

PARCEL A-1:

A PERPETUAL NON-EXCLUSIVE BASEMENT FOR VEHICULAR INGRESS, EGRESS AND ACCESS, AND FOR BACKING, MANEUVERING AND TURNING OF VEHICLES, AS SET FORTH IN THAT CERTAIN RECIPROCAL BASEMENT AGREEMENT RECORDED DECEMBER 31, 2003 AS INSTRUMENT NO. 2003001534665 OF OFFICIAL RECORDS OF ORANGE COUNTY, CALIFORNIA.

PARCEL B:

LEXINGTON DRIVE, AS SHOWN AND DEDICATED ON PARCEL MAP NO. 90-241 FILED IN BOOK 259, PAGES 1 TO 12 INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF ORANGE COUNTY, CALIFORNIA.

PARCEL C:

THAT PORTION OF THE SOUTHWEST QUARTER OF SECTION 20, TOWNSHIP 4 SOUTH, RANGE 11 WEST, IN THE RANCHO LOS ALAMITOS, AS SHOWN ON MAP NO. 2 ATTACHED TO THE FINAL DECREE OF PARTITION OF SAID RANCHO, A CERTIFIED COPY OF WHICH WAS RECORDED FEBRUARY 2, 1891 IN BOOK 14, PAGE 31 OF DEEDS, RECORDS OF ORANGE COUNTY, CALIFORNIA, INCLUDED WITHIN A STRIP OF LAND SIXTY (60) FEET WIDE, CONVEYED TO SOUTHERN PACIFIC RAILROAD COMPANY JANUARY 13, 1897 IN BOOK 29, PAGE 328 OF DEEDS, RECORDS OF ORANGE COUNTY, CALIFORNIA, SAID PORTION BEING BOUNDED EASTERLY BY THE EASTERLY LINE OF SAID SOUTHWEST QUARTER AND BOUNDED WESTERLY BY A LINE PARALLEL WITH AND 1260.00 FEET WESTERLY OF SAID EASTERLY LINE OF SAID SOUTHWEST QUARTER.

EXCEPTING THEREFROM ALL MINERALS AND ALL MINERAL RIGHTS OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED UNDERLYING THE PROPERTY, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, OIL AND GAS AND RIGHTS THERETO, TOGETHER WITH THE SOLE, EXCLUSIVE AND PERPETUAL RIGHT TO EXPLORE FOR, REMOVE AND DISPOSE OF SAID MINERALS BY ANY MEANS OR METHODS SUITABLE TO GRANTOR, ITS SUCCESSORS AND ASSIGNS, BUT WITHOUT ENTERING UPON OR USING THE SURFACE OF THE PROPERTY, AND IN SUCH MANNER AS NOT TO DAMAGE THE SURFACE OF THE PROPERTY, OR INTERFERE WITH THE USE THEREOF BY GRANTEE, ITS SUCCESSORS OR ASSIGNS, PROVIDED HOWEVER, THAT GRANTOR, ITS SUCCESSORS OR ASSIGNS, WITHOUT THE PRIOR WRITTEN PERMISSION OF THE GRANTEE, ITS SUCCESSORS OR ASSIGNS, SHALL NOT CONDUCT ANY MINING ACTIVITIES OF WHATSOEVER NATURE ABOVE A PLANE FIVE HUNDRED FEET (500') BELOW THE SURFACE OF THE PROPERTY, AS RESERVED BY UNION PACIFIC RAILROAD COMPANY, A DELAWARE CORPORATION IN QUITCLAIM RECORDED DECEMBER 31, 2003 AS INSTRUMENT NO. 2003001534651 OF OFFICIAL RECORDS

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

Sheppard Mullin Richter & Hampton LLP
650 Town Center Drive, 4th Floor
Costa Mesa, CA 92626
Attention: Susan Matsuda

THIS SPACE ABOVE FOR RECORDER'S USE

MEMORANDUM OF CONSTRUCTION LICENSE AGREEMENT

THIS MEMORANDUM OF CONSTRUCTION LICENSE AGREEMENT ("Memorandum") is made as of October 16, 2006 by and among COTTONWOOD CHRISTIAN CENTER, INC., a California nonprofit corporation ("Cottonwood"), the CITY OF CYPRESS, a charter city and municipal corporation organized and existing under the Constitution of the State of California ("Cypress," and together with Cottonwood, "Licensees") and ARROWHEAD PRODUCTS CORPORATION, a Delaware corporation ("Arrowhead").

1. Cottonwood is the owner of a fee interest in property located in the City of Cypress, County of Orange, State of California, more particularly described in Exhibit A attached hereto and incorporated herein (the "Cottonwood Property"). Arrowhead is the holder of leasehold interest in that certain real property adjacent to the Cottonwood Property and located in the City of Los Alamitos, County of Orange, State of California, more particularly described in Exhibit B attached hereto and incorporated herein (the "Arrowhead Property").

2. Licensees and Arrowhead entered into that certain Construction License Agreement dated as of September 3, 2004 (the "Original Agreement") regarding Licensee's access rights over the Arrowhead Property for the purpose of constructing an extension of Lexington Drive starting at Katella Avenue and then proceeding along the boundary line between the Cottonwood Property and the Arrowhead Property to and through an abandoned right of way formerly owned by Union Pacific.

3. Arrowhead hereby grants to Licensees, and Licensees hereby accept from Arrowhead, a temporary and exclusive license for construction activities on, over and across a twenty foot wide strip along the eastern boundary of the Arrowhead Property starting at Katella Avenue and ending at a former Union Pacific right of way approximately 1200 feet north of Katella Avenue for the term and on the terms, conditions and provisions set forth in the Original Agreement, as amended by that certain First Amendment to Construction License Agreement dated October 16, 2006 between Licensees and Arrowhead (collectively, the "License Agreement"). All the terms, conditions and provisions of the License Agreement are incorporated into this Memorandum as though fully set forth herein.

4. This Memorandum is prepared for the purpose of recordation and in no way modifies or otherwise affects the terms, conditions and provisions of the License Agreement.

IN WITNESS WHEREOF, Licensees and Arrowhead have executed this Memorandum as of the date set forth above.

LICENSEES:

COTTONWOOD CHRISTIAN CENTER,
INC., a California nonprofit corporation

By: Michael C. Wilson
Name: Michael G. Wilson
Title: Project Director

CITY OF CYPRESS

By: Lidia Sondhi
Name: LIDIA SONDHI
Title: Mayor

ATTEST:

Denise Basham
Denise Basham, City Clerk

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: W. Wynder
William W. Wynder, City Attorney

[Signatures Continued on Next Page]

ARROWHEAD:

ARROWHEAD PRODUCTS
CORPORATION, a Delaware corporation

By: 
Brian Williams, President

Acknowledged and consented to this ____ day of
October, 2006 by

TINICUM CORPORATION, a Delaware
corporation

By: _____
John V. Curci, Chief Financial Officer

ARROWHEAD:

ARROWHEAD PRODUCTS
CORPORATION, a Delaware corporation

By: _____
Brian Williams, President

Acknowledged and consented to this 17th day of
October, 2006 by

TINICUM CORPORATION, a Delaware
corporation

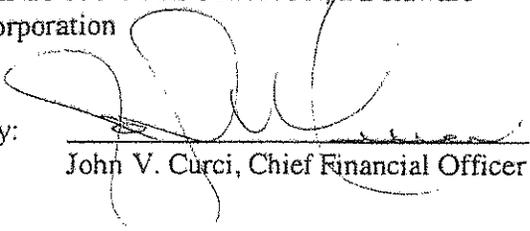
By: 
John V. Curci, Chief Financial Officer

EXHIBIT A
COTTONWOOD PROPERTY

PARCEL 1

ALL THAT CERTAIN LAND SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF ORANGE, CITY OF CYPRESS, DESCRIBED AS FOLLOWS:

PARCEL 1, AS SHOWN ON EXHIBIT "B" ATTACHED TO LOT LINE ADJUSTMENT NO. LL 2003-03 RECORDED DECEMBER 31, 2003 AS INSTRUMENT NO. 2003001534655 OF OFFICIAL RECORDS OF ORANGE COUNTY, CALIFORNIA.

PARCEL 2

ALL THAT CERTAIN LAND SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF ORANGE, CITY OF CYPRESS, DESCRIBED AS FOLLOWS:

THAT PORTION OF LEXINGTON DRIVE, AS SHOWN AND DEDICATED ON PARCEL MAP NO. 90-241 FILED IN BOOK 259, PAGES 1 TO 12, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF ORANGE COUNTY, CALIFORNIA, SAID PORTION BEING BOUNDED NORTHERLY BY THE SOUTHERLY LINE OF THE SOUTHERN PACIFIC RAILROAD SHOWN ON SAID PARCEL MAP AND BOUNDED SOUTHERLY BY THE NORTHERLY LINE OF KATELLA AVENUE, 70.00 FEET WIDE, AS SHOWN ON SAID PARCEL MAP.

PARCEL 3

ALL THAT CERTAIN LAND SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF ORANGE, CITY OF LOS ALAMITOS, DESCRIBED AS FOLLOWS:

THAT PORTION OF THE SOUTHWEST QUARTER OF SECTION 20, TOWNSHIP 4 SOUTH, RANGE 11 WEST, IN THE RANCHO LOS ALAMITOS, AS SHOWN ON MAP NO. 2 ATTACHED TO THE FINAL DECREE OF PARTITION OF SAID RANCHO, A CERTIFIED COPY OF WHICH WAS RECORDED FEBRUARY 2, 1891 IN BOOK 14, PAGE 31 OF DEEDS, RECORDS OF ORANGE COUNTY, CALIFORNIA, INCLUDED WITHIN A STRIP OF LAND SIXTY (60) FEET WIDE, CONVEYED TO SOUTHERN PACIFIC RAILROAD COMPANY JANUARY 13, 1897 IN BOOK 29, PAGE 328 OF DEEDS, RECORDS OF ORANGE COUNTY, CALIFORNIA, SAID PORTION BEING BOUNDED EASTERLY BY THE EASTERLY LINE OF SAID SOUTHWEST QUARTER AND BOUNDED WESTERLY BY A LINE PARALLEL WITH AND 1260.00 FEET WESTERLY OF SAID EASTERLY LINE OF SAID SOUTHWEST QUARTER.

EXHIBIT B

ARROWHEAD PROPERTY

AN ESTATE FOR A TERM OF YEARS TERMINATING ON DECEMBER 31, 2011 AND AFFECTING THE BELOW DESCRIBED REAL PROPERTY:

PARCEL 1:

THAT PORTION OF THE SOUTHWEST QUARTER OF SECTION 20, TOWNSHIP 4 SOUTH, RANGE 11 WEST, IN THE RANCHO LOS ALAMITOS, CITY OF LOS ALAMITOS, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON MAP NO. 2 ATTACHED TO THE FINAL DECREE OF PARTITION OF SAID RANCHO, A CERTIFIED COPY OF WHICH WAS RECORDED FEBRUARY 2, 1891 IN BOOK 14, PAGE 31 OF DEEDS OF ORANGE COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTH LINE OF SAID SECTION 20, SOUTH 89° 48' 10" EAST 2141.01 FEET FROM THE SOUTHWEST CORNER OF SAID SECTION; THENCE NORTH 0° 11' 42" EAST 1290.77 FEET PARALLEL WITH THE WESTERLY LINE OF SAID SECTION TO THE SOUTH LINE OF THE SOUTHERN PACIFIC RAILROAD COMPANY RIGHT OF WAY, 60.00 FEET WIDE; THENCE SOUTH 89° 48' 10" EAST 500.00 FEET ALONG SAID SOUTH LINE TO THE EAST LINE OF SAID SOUTHWEST QUARTER; THENCE SOUTHERLY 1290.77 FEET TO THE SOUTH QUARTER CORNER OF SAID SECTION; THENCE NORTH 89° 48' 10" WEST 500.00 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL BUILDINGS, STRUCTURES AND OTHER IMPROVEMENTS (INCLUDING THE BUILDING FIXTURES THEREIN, NOW OR HEREAFTER LOCATED ON AND PERMANENTLY ANNEXED TO THE LAND), AS EXCEPTED IN A CONVEYANCE FROM FEDERAL-MOGUL CORPORATION, A MICHIGAN CORPORATION, THE SUCCESSOR TO FEDERAL-MOGUL-BOWER BEARINGS, INC. TO KATELLA CORPORATION, A CALIFORNIA CORPORATION DATED DECEMBER 31, 1981 AND RECORDED JANUARY 7, 1982 AS INSTRUMENT NO. 82-005151, OFFICIAL RECORDS.

EXCEPT ALL OIL, GAS, HYDROCARBONS AND MINERALS LOCATED MORE THAN 500.00 FEET BELOW THE SURFACE OF THE ABOVE DESCRIBED LAND, PROVIDED, HOWEVER, THAT NEITHER GRANTORS, THEIR HEIRS, SUCCESSORS OR ASSIGNS SHALL HAVE ANY RIGHT WHATEVER TO USE ANY PART OF SAID LAND LYING LESS THAN 500.00 FEET FROM THE SURFACE THEREOF FOR THE PURPOSE OF EXPLORING FOR OR PRODUCING OIL, GAS, HYDROCARBONS OR MINERALS FROM SAID LAND, OR FOR ANY OTHER PURPOSE WHATEVER, AS RESERVED IN THE DEED FROM FRANK VESSELS AND GRACE M. VESSELS, RECORDED JULY 29, 1955 IN BOOK 3157, PAGE 203, OFFICIAL RECORDS.

PARCEL 2:

THAT PORTION OF THE SOUTHWEST QUARTER OF SECTION 20, TOWNSHIP 4 SOUTH, RANGE 11 WEST, IN THE RANCHO LOS ALAMITOS, CITY OF LOS ALAMITOS, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP FILED IN DECREE OF PARTITION IN THE SUPERIOR COURT OF LOS ANGELES COUNTY, CALIFORNIA, CASE NO. 13527, A CERTIFIED COPY OF THE FINAL DECREE OF SAID CASE HAVING BEEN RECORDED FEBRUARY 2, 1891 IN BOOK 14, PAGE 31 OF DEEDS OF SAID ORANGE COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF THE LAND DESCRIBED IN THE DEED TO FEDERAL-MOGUL-BOWER BEARINGS, INC., RECORDED JANUARY 12, 1961 IN BOOK 5586, PAGE 217, OFFICIAL RECORDS; THENCE NORTH 89° 48' 10" WEST 500.00 FEET ALONG THE SOUTH LINE OF SAID SECTION; THENCE NORTH 0° 11' 42" EAST 1290.77 FEET PARALLEL WITH THE WESTERLY LINE OF SAID LAND, TO THE SOUTH LINE OF THE SOUTHERN PACIFIC RAILROAD COMPANY RIGHT OF WAY (60.00 FEET WIDE); THENCE SOUTH 89° 48' 10" EAST 500.00 FEET ALONG SAID SOUTH LINE TO THE NORTHWEST CORNER OF SAID LAND; THENCE SOUTH 0° 11' 42" WEST 1290.77 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL BUILDINGS, STRUCTURES AND OTHER IMPROVEMENTS (INCLUDING THE BUILDING FIXTURES THEREIN, NOW OR HEREAFTER LOCATED ON AND PERMANENTLY ANNEXED TO THE LAND), AS EXCEPTED IN A CONVEYANCE FROM FEDERAL-MOGUL CORPORATION, A MICHIGAN CORPORATION, THE SUCCESSOR TO FEDERAL-MOGUL-BOWER BEARINGS, INC. TO KATELLA CORPORATION, A CALIFORNIA CORPORATION DATED DECEMBER 31, 1981 AND RECORDED JANUARY 7, 1982 AS INSTRUMENT NO. 82-005151, OFFICIAL RECORDS.

EXCEPT ALL OIL, GAS, HYDROCARBONS AND MINERALS LOCATED MORE THAN 500.00 FEET BELOW THE SURFACE OF THE ABOVE DESCRIBED LAND, PROVIDED, HOWEVER, THAT NEITHER GRANTORS, THEIR HEIRS, SUCCESSORS OR ASSIGNS SHALL HAVE ANY RIGHT WHATEVER TO USE ANY PART OF SAID LAND LYING LESS THAN 500.00 FEET FROM THE SURFACE THEREOF FOR THE PURPOSE OF EXPLORING FOR OR PRODUCING OIL, GAS, HYDROCARBONS OR MINERALS FROM SAID LAND, OR FOR ANY OTHER PURPOSE WHATEVER, AS RESERVED IN THE DEED FROM FRANK VESSELS AND GRACE M. VESSELS, RECORDED JULY 29, 1955 IN BOOK 3157, PAGE 203, OFFICIAL RECORDS.

PARCEL 1:

THAT PORTION OF THE SOUTHWEST QUARTER OF SECTION 20, TOWNSHIP 4 SOUTH, RANGE 11 WEST, IN THE RANCHO LOS ALAMITOS, CITY OF LOS ALAMITOS, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON MAP NO. 2 ATTACHED TO THE FINAL DECREE OF PARTITION OF SAID RANCHO, A CERTIFIED COPY OF WHICH WAS RECORDED FEBRUARY 2, 1891 IN BOOK 14, PAGE 31 OF DEEDS OF ORANGE COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTH LINE OF SAID SECTION 20, SOUTH 89° 48' 10" EAST 2141.01 FEET FROM THE SOUTHWEST CORNER OF SAID SECTION; THENCE NORTH 0° 11' 42" EAST 1290.77 FEET PARALLEL WITH THE WESTERLY LINE OF SAID SECTION TO THE SOUTH LINE OF THE SOUTHERN PACIFIC RAILROAD COMPANY RIGHT OF WAY, 60.00 FEET WIDE; THENCE SOUTH 89° 48' 10" EAST 500.00 FEET ALONG SAID SOUTH LINE TO THE EAST LINE OF SAID SOUTHWEST QUARTER; THENCE SOUTHERLY 1290.77 FEET TO THE SOUTH QUARTER CORNER OF SAID SECTION; THENCE NORTH 89° 48' 10" WEST 500.00 FEET TO THE POINT OF BEGINNING.

EXCEPT ALL OIL, GAS, HYDROCARBONS AND MINERALS LOCATED MORE THAN 500.00 FEET BELOW THE SURFACE OF THE ABOVE DESCRIBED LAND, PROVIDED, HOWEVER, THAT NEITHER GRANTORS, THEIR HEIRS, SUCCESSORS OR ASSIGNS SHALL HAVE ANY RIGHT WHATEVER TO USE ANY PART OF SAID LAND LYING LESS THAN 500.00 FEET FROM THE SURFACE THEREOF FOR THE PURPOSE OF EXPLORING FOR OR PRODUCING OIL, GAS, HYDROCARBONS OR MINERALS FROM SAID LAND, OR FOR ANY OTHER PURPOSE WHATEVER, AS RESERVED IN THE DEED FROM FRANK VESSELS AND GRACE M. VESSELS, RECORDED JULY 29, 1955 IN BOOR 3157, PAGE 203, OFFICIAL RECORDS.

PARCEL 2:

THAT PORTION OF THE SOUTHWEST QUARTER OF SECTION 20, TOWNSHIP 4 SOUTH, RANGE 11 WEST, IN THE RANCHO LOS ALAMITOS, CITY OF LOS ALAMITOS, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP FILED IN DECREE OF PARTITION IN THE SUPERIOR COURT OF LOS ANGELES COUNTY, CALIFORNIA, CASE NO. 13527, A CERTIFIED COPY OF THE FINAL DECREE OF SAID CASE HAVING BEEN RECORDED FEBRUARY 2, 1891 IN BOOK 14, PAGE 31 OF DEEDS OF SAID ORANGE COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF THE LAND DESCRIBED IN THE DEED TO FEDERAL-MOGUL-BOWER BEARINGS, INC., RECORDED JANUARY 12, 1961 IN BOOK 5586, PAGE 217, OFFICIAL RECORDS; THENCE NORTH 89° 48' 10" WEST 500.00 FEET ALONG THE SOUTH LINE OF SAID SECTION; THENCE NORTH 0° 11' 42" EAST 1290.77 FEET PARALLEL WITH THE WESTERLY LINE OF SAID LAND, TO THE SOUTH LINE OF THE SOUTHERN PACIFIC RAILROAD COMPANY RIGHT OF WAY (60.00 FEET WIDE); THENCE SOUTH 89° 48' 10" EAST 500.00 FEET ALONG SAID SOUTH LINE TO THE NORTHWEST CORNER OF SAID LAND; THENCE SOUTH 0° 11' 42" WEST 1290.77 FEET TO THE POINT OF BEGINNING.

EXCEPT ALL OIL, GAS, HYDROCARBONS AND MINERALS LOCATED MORE THAN 500.00 FEET BELOW THE SURFACE OF THE ABOVE DESCRIBED LAND, PROVIDED, HOWEVER, THAT NEITHER GRANTORS, THEIR HEIRS, SUCCESSORS OR ASSIGNS SHALL HAVE ANY RIGHT WHATEVER TO USE ANY PART OF SAID LAND LYING LESS THAN 500.00 FEET FROM THE SURFACE THEREOF FOR THE PURPOSE OF EXPLORING FOR OR PRODUCING OIL, GAS, HYDROCARBONS OR MINERALS FROM SAID LAND, OR FOR ANY OTHER PURPOSE WHATEVER, AS RESERVED IN THE DEED FROM FRANK VESSELS AND GRACE M. VESSELS, RECORDED JULY 29, 1955 IN BOOK 3157, PAGE 203, OFFICIAL RECORDS.

ACKNOWLEDGMENTS

STATE OF _____)
)
COUNTY OF _____)

On _____, 2006, before me, _____,
a Notary Public, personally appeared _____,
personally known to me (or proved to me on the basis of satisfactory evidence) to be the
person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that
he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their
signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s)
acted, executed the instrument.

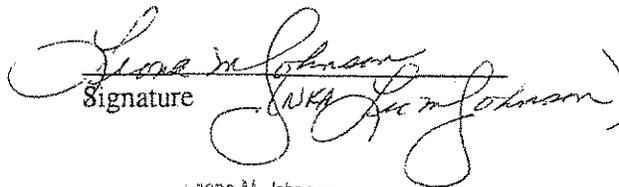
WITNESS my hand and official seal.

Signature

STATE OF Ohio)
)
COUNTY OF Cuyahoga)

On October 17, 2006, before me, Leona M Johnson aka Lee M Johnson
a Notary Public, personally appeared John V. Curci, C.F.O.,
personally known to me (or proved to me on the basis of satisfactory evidence) to be the
person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that
he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their
signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s)
acted, executed the instrument.

WITNESS my hand and official seal.


Signature

Leona M. Johnson
Notary Public for the State of Ohio
My Commission Expires 09/23/07

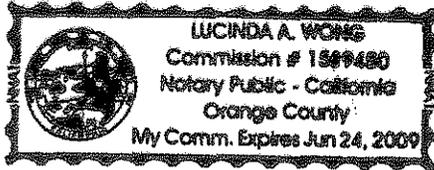
ACKNOWLEDGMENTS

STATE OF California)
)
COUNTY OF Orange)

On Oct. 18, 2006, before me, Lucinda A. Wong,
a Notary Public, personally appeared Michael G. Wilson,
personally known to me (or proved to me on the basis of satisfactory evidence) to be the
person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that
he/~~she~~/they executed the same in his/~~her~~/their authorized capacity(ies), and that by his/~~her~~/their
signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s)
acted, executed the instrument.

WITNESS my hand and official seal.

Lucinda A. Wong
Signature



STATE OF _____)
)
COUNTY OF _____)

On _____, 2006, before me, _____,
a Notary Public, personally appeared _____,
personally known to me (or proved to me on the basis of satisfactory evidence) to be the
person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that
he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their
signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s)
acted, executed the instrument.

WITNESS my hand and official seal.

Signature

FIRST AMENDMENT TO CONSTRUCTION LICENSE AGREEMENT

This First Amendment to Construction License Agreement (the "First Amendment") is made and entered as of October 16, 2006 among COTTONWOOD CHRISTIAN CENTER, INC., a California nonprofit corporation ("Cottonwood"), the CITY OF CYPRESS, a charter city and municipal corporation organized and existing under the Constitution of the State of California ("Cypress," and together with Cottonwood, the "Licensees"), and ARROWHEAD PRODUCTS CORPORATION, a Delaware corporation ("Arrowhead").

RECITALS

A. Licensees and Arrowhead entered into that certain Construction License Agreement dated as of September 3, 2004 (the "Original Agreement") covering property located in the Cities of Los Alamitos and Cypress, California. Capitalized terms used in this First Amendment shall, unless otherwise defined or the context otherwise requires, have the same meaning as capitalized terms used in the Original Agreement.

B. The Licensees and Arrowhead desire to amend the Original Agreement on the terms and conditions of this First Amendment.

AGREEMENT

NOW, THEREFORE, with reference to the foregoing and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Licensees and Arrowhead hereby agree as follows:

1. Affirmation of Obligations. Licensees and Arrowhead hereby affirm each and every one of its obligations under the Original Agreement, as modified by this First Amendment.

2. License Duration. The term of the License shall be extended to end the earlier of: (a) June 30, 2008, or (b) the date of completion of both the Lexington Extension and the restoration of the Construction Area.

3. Construction. Section 3 of the Original Agreement is hereby deleted in its entirety and replaced with the following paragraph:

"3. Construction.

(a) Cottonwood and Cypress shall construct the Improvements based on construction plans approved by the applicable government authority. Development of the Cottonwood Property is scheduled to commence soon after the Effective Date, with construction of the Improvements to be done in accordance with Cottonwood's construction schedule. Cottonwood and Cypress shall utilize the Construction Area in such a manner as to reasonably minimize any interference with, and so as not to interrupt, the operation of any other portions of the Arrowhead Property.

(b) Before or concurrently with such removal (if necessary) of the existing fencing so that use of the Construction Area can commence, Cottonwood and Cypress shall obtain a permit for (if a permit is required) and install (at the cost and expense of Cottonwood and Cypress as mutually agreed between them) temporary fencing that shall maintain a secure perimeter with respect to the Construction Area and the affected portion of the Arrowhead Property described in Section 6 below. Neither of the Licensees, however, shall be responsible or liable for the security, or any breach of security, of the Arrowhead Property during the period the temporary fencing is in place, their responsibility being limited to the installation of such temporary fencing. Licensees shall complete the Improvements, or those portions of the Improvements whose construction requires use of the Construction Area, not later than six (6) months after the existing fencing is removed and the temporary fencing is installed."

4. Construction. Section 6 of the Original Agreement is hereby deleted in its entirety and replaced with the following paragraph:

"6. Arrowhead Driveways and Other Street Improvements.

(a) Cottonwood shall construct, at Cottonwood's sole cost and expense, a three-lane driveway on the Arrowhead Property in the location shown on Exhibit C attached hereto, which is near the northeast corner of the Arrowhead Property. Cottonwood and Cypress shall construct, at their cost and expense as mutually agreed between them, the curb cuts and drive apron connecting such three-lane driveway to Lexington Avenue. The "drive apron" means the sloped portion of a driveway connecting to the street.

(b) Cottonwood and Cypress shall construct, at their cost and expense as mutually agreed between them, a two-lane driveway on the Arrowhead Property in the location shown on Exhibit C attached hereto, which is near the southeast corner of the Arrowhead Property. Cottonwood and Cypress shall construct, at their cost and expense as mutually agreed between them, the curb cuts and drive apron connecting such two-lane driveway to Lexington Avenue.

(c) Cottonwood and Cypress shall be responsible for, at their cost and expense as mutually agreed between them, the installation of street and entrance lighting in the form of staggered light poles alternating between the west side and east side of Lexington Drive as generally shown on Exhibit C attached hereto.

(d) The City of Los Alamitos requires that Arrowhead abandon Arrowhead's use of the existing driveway located near the intersection of Lexington Drive and Katella Avenue (the "Katella Driveway"). Cottonwood and Cypress shall be responsible, at their cost and expense as mutually agreed between them, for the following: (i) removing the drive apron portion of the Katella Driveway, adjacent sidewalk and curb, and nearby traffic signals, (ii) constructing and installing the new sidewalk and curb in the area at or near the drive apron of the Katella Driveway, and (iii) relocating any water, fire, sewer or other utility lines to the extent such relocation is necessary to complete the work described the aforementioned subsections (i) and (ii).

(e) Cottonwood, at its sole cost and expense, shall remove the existing asphalt portion of the Katella Driveway as shown on Exhibit C, except for that section which is to provide a handicap accessible wheel chair path (also as shown on Exhibit C). Cottonwood shall, at its sole cost and expense, seed with grass the area of the Katella Driveway where the asphalt was removed (as shown on Exhibit C) to create a lawn area and install a system connecting with Arrowhead's existing sprinkler system to irrigate such lawn area. Arrowhead agrees to cooperate with the abandonment of the Katella Driveway at such time as Arrowhead is able to have full access to the new driveways on Lexington Drive constructed pursuant to this Section 6.

(f) The location of the improvements required to be constructed under this Section 6 shall be subject to the approval and changes required by the City of Los Alamitos. Cypress acknowledges and agrees that no further permits or approvals will be required to be obtained by Cottonwood from Cypress to complete all the work described in this Section.

(g) The installation and construction work under this Section 6 shall be completed in a good and workmanlike manner.

(h) If the obligations under this Section 6 have not been fulfilled, the obligations of the parties under Sections 6, 8 and 9 of this License Agreement shall survive the expiration or termination of this License Agreement until such time as the work specifically described in this Section 6 is completed, as reasonably determined by Cottonwood and the City; provided, however, with respect to matters arising from such work, Section 8 of this License Agreement shall survive one year after such work has been completed."

5. Indemnification. The last sentence of Section 8 of the Original Agreement is hereby amended by replacing "ninety (90) days" with "one (1) year."

6. Exhibits. The Original Agreement is hereby amended by deleting Exhibits A, B and C and replacing them with Exhibits A, B and C attached hereto and made a part hereof.

7. Entire Agreement. This First Amendment constitutes the entire understanding and agreement between the parties with respect to the matters set forth herein, and supersedes all prior negotiations, agreements or understandings with respect to such subject matter, and can be amended, supplemented or changed only by written instrument signed by the parties hereto.

8. Continuation of License. Except as hereinabove amended, the terms and conditions of the Original Agreement shall remain the same and the Original Agreement, as amended by this First Amendment, shall continue in full force and effect.

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

COTTONWOOD CHRISTIAN CENTER, a
California nonprofit corporation

By: _____
Name: _____
Title: _____

CITY OF CYPRESS

By: Lydia Sondhi
Name: LYDIA SONDHI
Title: Mayor

ATTEST:

Denise Basham
Denise Basham, City Clerk

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: W. Wynder
William W. Wynder, City Attorney

ARROWHEAD PRODUCTS CORPORATION,
a Delaware Corporation

By: Brian Williams
Brian Williams, President

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

COTTONWOOD CHRISTIAN CENTER, a
California nonprofit corporation

By: Michael G. Wilson
Name: Michael G. Wilson
Title: Project Director

CITY OF CYPRESS

By: Lydia Sondhi
Name: LYDIA SONDHI
Title: Mayor

ATTEST:

Denise Basham
Denise Basham, City Clerk

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: W. Wynder
William W. Wynder, City Attorney

ARROWHEAD PRODUCTS CORPORATION,
a Delaware Corporation

By: _____
Brian Williams, President

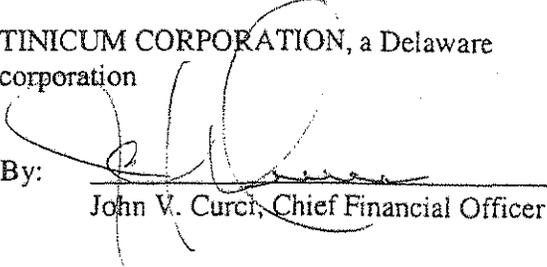
ACKNOWLEDGEMENT AND CONSENT

In connection with that certain Construction License Agreement dated September 3, 2004 among Arrowhead Products Corporation, a Delaware corporation ("Arrowhead"), Cottonwood Christian Center, Inc., a California nonprofit corporation ("Cottonwood"), and the City of Cypress, a charter city and municipal corporation organized and existing under the Constitution of the State of California ("Cypress"), as amended by that certain First Amendment to Construction License Agreement between Arrowhead, Cottonwood and Cypress dated October 16, 2006 (collectively, the "Agreement"), the undersigned, as the sole owner of the fee interest to the Arrowhead Property and the holder of any and all reversionary rights to the Arrowhead Property, hereby acknowledges and consents to the execution of the Agreement and the grant by Arrowhead to Cottonwood and Cypress of the License described therein. All capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement.

The undersigned further acknowledges and agrees that the Arrowhead Property shall be subject to the License in accordance with the terms and conditions contained in the Agreement, notwithstanding the occurrence of an event, if any, terminating the lease pursuant to which Arrowhead occupies the Arrowhead Property.

IN WITNESS WHEREOF, the undersigned has executed this Acknowledgement and Consent as of October 17, 2006.

TINICUM CORPORATION, a Delaware
corporation

By: 

John V. Curci, Chief Financial Officer

EXHIBIT A

COTTONWOOD PROPERTY

PARCEL 1

ALL THAT CERTAIN LAND SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF ORANGE, CITY OF CYPRESS, DESCRIBED AS FOLLOWS:

PARCEL 1, AS SHOWN ON EXHIBIT "B" ATTACHED TO LOT LINE ADJUSTMENT NO. LL 2003-03 RECORDED DECEMBER 31, 2003 AS INSTRUMENT NO. 2003001534655 OF OFFICIAL RECORDS OF ORANGE COUNTY, CALIFORNIA.

PARCEL 2

ALL THAT CERTAIN LAND SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF ORANGE, CITY OF CYPRESS, DESCRIBED AS FOLLOWS:

THAT PORTION OF LEXINGTON DRIVE, AS SHOWN AND DEDICATED ON PARCEL MAP NO. 90-241 FILED IN BOOK 259, PAGES 1 TO 12, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF ORANGE COUNTY, CALIFORNIA, SAID PORTION BEING BOUNDED NORTHERLY BY THE SOUTHERLY LINE OF THE SOUTHERN PACIFIC RAILROAD SHOWN ON SAID PARCEL MAP AND BOUNDED SOUTHERLY BY THE NORTHERLY LINE OF KATELLA AVENUE, 70.00 FEET WIDE, AS SHOWN ON SAID PARCEL MAP.

PARCEL 3

ALL THAT CERTAIN LAND SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF ORANGE, CITY OF LOS ALAMITOS, DESCRIBED AS FOLLOWS:

THAT PORTION OF THE SOUTHWEST QUARTER OF SECTION 20, TOWNSHIP 4 SOUTH, RANGE 11 WEST, IN THE RANCHO LOS ALAMITOS, AS SHOWN ON MAP NO. 2 ATTACHED TO THE FINAL DECREE OF PARTITION OF SAID RANCHO, A CERTIFIED COPY OF WHICH WAS RECORDED FEBRUARY 2, 1891 IN BOOK 14, PAGE 31 OF DEEDS, RECORDS OF ORANGE COUNTY, CALIFORNIA, INCLUDED WITHIN A STRIP OF LAND SIXTY (60) FEET WIDE, CONVEYED TO SOUTHERN PACIFIC RAILROAD COMPANY JANUARY 13, 1897 IN BOOK 29, PAGE 328 OF DEEDS, RECORDS OF ORANGE COUNTY, CALIFORNIA, SAID PORTION BEING BOUNDED EASTERLY BY THE EASTERLY LINE OF SAID SOUTHWEST QUARTER AND BOUNDED WESTERLY BY A LINE PARALLEL WITH AND 1260.00 FEET WESTERLY OF SAID EASTERLY LINE OF SAID SOUTHWEST QUARTER.

EXHIBIT B

ARROWHEAD PROPERTY

AN ESTATE FOR A TERM OF YEARS TERMINATING ON DECEMBER 31, 2011 AND AFFECTING THE BELOW DESCRIBED REAL PROPERTY:

PARCEL 1:

THAT PORTION OF THE SOUTHWEST QUARTER OF SECTION 20, TOWNSHIP 4 SOUTH, RANGE 11 WEST, IN THE RANCHO LOS ALAMITOS, CITY OF LOS ALAMITOS, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON MAP NO. 2 ATTACHED TO THE FINAL DECREE OF PARTITION OF SAID RANCHO, A CERTIFIED COPY OF WHICH WAS RECORDED FEBRUARY 2, 1891 IN BOOK 14, PAGE 31 OF DEEDS OF ORANGE COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTH LINE OF SAID SECTION 20, SOUTH 89° 48' 10" EAST 2141.01 FEET FROM THE SOUTHWEST CORNER OF SAID SECTION; THENCE NORTH 0° 11' 42" EAST 1290.77 FEET PARALLEL WITH THE WESTERLY LINE OF SAID SECTION TO THE SOUTH LINE OF THE SOUTHERN PACIFIC RAILROAD COMPANY RIGHT OF WAY, 60.00 FEET WIDE; THENCE SOUTH 89° 48' 10" EAST 500.00 FEET ALONG SAID SOUTH LINE TO THE EAST LINE OF SAID SOUTHWEST QUARTER; THENCE SOUTHERLY 1290.77 FEET TO THE SOUTH QUARTER CORNER OF SAID SECTION; THENCE NORTH 89° 48' 10" WEST 500.00 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL BUILDINGS, STRUCTURES AND OTHER IMPROVEMENTS (INCLUDING THE BUILDING FIXTURES THEREIN, NOW OR HEREAFTER LOCATED ON AND PERMANENTLY ANNEXED TO THE LAND), AS EXCEPTED IN A CONVEYANCE FROM FEDERAL-MOGUL CORPORATION, A MICHIGAN CORPORATION, THE SUCCESSOR TO FEDERAL-MOGUL-BOWER BEARINGS, INC. TO KATELLA CORPORATION, A CALIFORNIA CORPORATION DATED DECEMBER 31, 1981 AND RECORDED JANUARY 7, 1982 AS INSTRUMENT NO. 82-005151, OFFICIAL RECORDS.

EXCEPT ALL OIL, GAS, HYDROCARBONS AND MINERALS LOCATED MORE THAN 500.00 FEET BELOW THE SURFACE OF THE ABOVE DESCRIBED LAND, PROVIDED, HOWEVER, THAT NEITHER GRANTORS, THEIR HEIRS, SUCCESSORS OR ASSIGNS SHALL HAVE ANY RIGHT WHATSOEVER TO USE ANY PART OF SAID LAND LYING LESS THAN 500.00 FEET FROM THE SURFACE THEREOF FOR THE PURPOSE OF EXPLORING FOR OR PRODUCING OIL, GAS, HYDROCARBONS OR MINERALS FROM SAID LAND, OR FOR ANY OTHER PURPOSE WHATSOEVER, AS RESERVED IN THE DEED FROM FRANK VESSELS AND GRACE M. VESSELS, RECORDED JULY 29, 1955 IN BOOK 3157, PAGE 203, OFFICIAL RECORDS.

PARCEL 2:

THAT PORTION OF THE SOUTHWEST QUARTER OF SECTION 20, TOWNSHIP 4 SOUTH, RANGE 11 WEST, IN THE RANCHO LOS ALAMITOS, CITY OF LOS ALAMITOS, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP FILED IN DECREE OF PARTITION IN THE SUPERIOR COURT OF LOS ANGELES COUNTY, CALIFORNIA, CASE NO. 13527, A CERTIFIED COPY OF THE FINAL DECREE OF SAID CASE HAVING BEEN RECORDED FEBRUARY 2, 1891 IN BOOK 14, PAGE 31 OF DEEDS OF SAID ORANGE COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF THE LAND DESCRIBED IN THE DEED TO FEDERAL-MOGUL-BOWER BEARINGS, INC., RECORDED JANUARY 12, 1961 IN BOOK 5586, PAGE 217, OFFICIAL RECORDS; THENCE NORTH 89° 48' 10" WEST 500.00 FEET ALONG THE SOUTH LINE OF SAID SECTION; THENCE NORTH 0° 11' 42" EAST 1290.77 FEET PARALLEL WITH THE WESTERLY LINE OF SAID LAND, TO THE SOUTH LINE OF THE SOUTHERN PACIFIC RAILROAD COMPANY RIGHT OF WAY (60.00 FEET WIDE); THENCE SOUTH 89° 48' 10" EAST 500.00 FEET ALONG SAID SOUTH LINE TO THE NORTHWEST CORNER OF SAID LAND; THENCE SOUTH 0° 11' 42" WEST 1290.77 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL BUILDINGS, STRUCTURES AND OTHER IMPROVEMENTS (INCLUDING THE BUILDING FIXTURES THEREIN, NOW OR HEREAFTER LOCATED ON AND PERMANENTLY ANNEXED TO THE LAND), AS EXCEPTED IN A CONVEYANCE FROM FEDERAL-MOGUL CORPORATION, A MICHIGAN CORPORATION, THE SUCCESSOR TO FEDERAL-MOGUL-BOWER BEARINGS, INC. TO KATELLA CORPORATION, A CALIFORNIA CORPORATION DATED DECEMBER 31, 1981 AND RECORDED JANUARY 7, 1982 AS INSTRUMENT NO. 82-005151, OFFICIAL RECORDS.

EXCEPT ALL OIL, GAS, HYDROCARBONS AND MINERALS LOCATED MORE THAN 500.00 FEET BELOW THE SURFACE OF THE ABOVE DESCRIBED LAND, PROVIDED, HOWEVER, THAT NEITHER GRANTORS, THEIR HEIRS, SUCCESSORS OR ASSIGNS SHALL HAVE ANY RIGHT WHATEVER TO USE ANY PART OF SAID LAND LYING LESS THAN 500.00 FEET FROM THE SURFACE THEREOF FOR THE PURPOSE OF EXPLORING FOR OR PRODUCING OIL, GAS, HYDROCARBONS OR MINERALS FROM SAID LAND, OR FOR ANY OTHER PURPOSE WHATEVER, AS RESERVED IN THE DEED FROM FRANK VESSELS AND GRACE M. VESSELS, RECORDED JULY 29, 1955 IN BOOK 3157, PAGE 203, OFFICIAL RECORDS.

PARCEL 1:

THAT PORTION OF THE SOUTHWEST QUARTER OF SECTION 20, TOWNSHIP 4 SOUTH, RANGE 11 WEST, IN THE RANCHO LOS ALAMITOS, CITY OF LOS ALAMITOS, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON MAP NO. 2 ATTACHED TO THE FINAL DECREE OF PARTITION OF SAID RANCHO, A CERTIFIED COPY OF WHICH WAS RECORDED FEBRUARY 2, 1891 IN BOOK 14, PAGE 31 OF DEEDS OF ORANGE COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTH LINE OF SAID SECTION 20, SOUTH 89° 48' 10" EAST 2141.01 FEET FROM THE SOUTHWEST CORNER OF SAID SECTION; THENCE NORTH 0° 11' 42" EAST 1290.77 FEET PARALLEL WITH THE WESTERLY LINE OF SAID SECTION TO THE SOUTH LINE OF THE SOUTHERN PACIFIC RAILROAD COMPANY RIGHT OF WAY, 60.00 FEET WIDE; THENCE SOUTH 89° 48' 10" EAST 500.00 FEET ALONG SAID SOUTH LINE TO THE EAST LINE OF SAID SOUTHWEST QUARTER; THENCE SOUTHERLY 1290.77 FEET TO THE SOUTH QUARTER CORNER OF SAID SECTION; THENCE NORTH 89° 48' 10" WEST 500.00 FEET TO THE POINT OF BEGINNING.

EXCEPT ALL OIL, GAS, HYDROCARBONS AND MINERALS LOCATED MORE THAN 500.00 FEET BELOW THE SURFACE OF THE ABOVE DESCRIBED LAND, PROVIDED, HOWEVER, THAT NEITHER GRANTORS, THEIR HEIRS, SUCCESSORS OR ASSIGNS SHALL HAVE ANY RIGHT WHATEVER TO USE ANY PART OF SAID LAND LYING LESS THAN 500.00 FEET FROM THE SURFACE THEREOF FOR THE PURPOSE OF EXPLORING FOR OR PRODUCING OIL, GAS, HYDROCARBONS OR MINERALS FROM SAID LAND, OR FOR ANY OTHER PURPOSE WHATEVER, AS RESERVED IN THE DEED FROM FRANK VESSELS AND GRACE M. VESSELS, RECORDED JULY 29, 1955 IN BOOR 3157, PAGE 203, OFFICIAL RECORDS.

PARCEL 2:

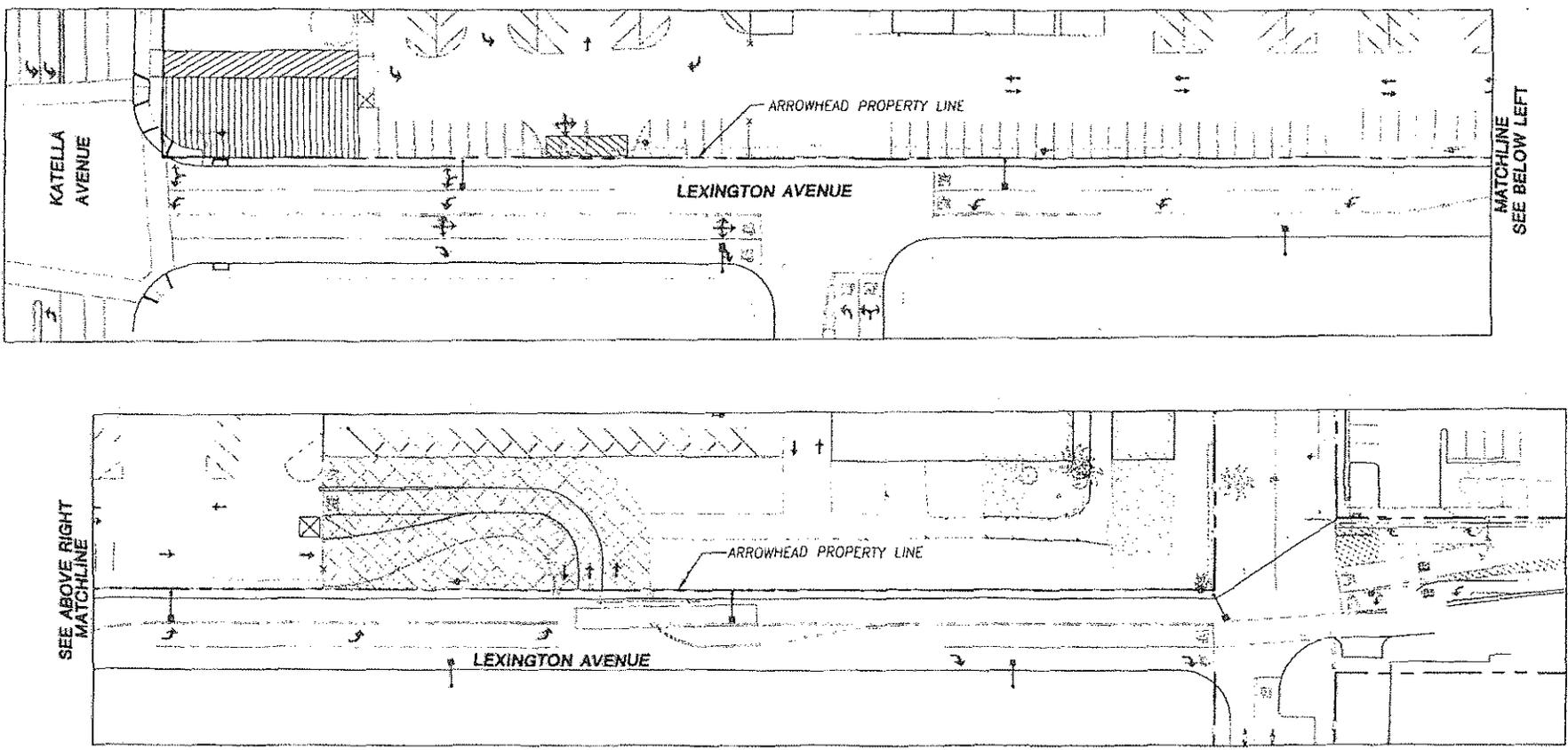
THAT PORTION OF THE SOUTHWEST QUARTER OF SECTION 20, TOWNSHIP 4 SOUTH, RANGE 11 WEST, IN THE RANCHO LOS ALAMITOS, CITY OF LOS ALAMITOS, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP FILED IN DECREE OF PARTITION IN THE SUPERIOR COURT OF LOS ANGELES COUNTY, CALIFORNIA, CASE NO. 13527, A CERTIFIED COPY OF THE FINAL DECREE OF SAID CASE HAVING BEEN RECORDED FEBRUARY 2, 1891 IN BOOK 14, PAGE 31 OF DEEDS OF SAID ORANGE COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF THE LAND DESCRIBED IN THE DEED TO FEDERAL-MOGUL-BOWER BEARINGS, INC., RECORDED JANUARY 12, 1961 IN BOOK 5586, PAGE 217, OFFICIAL RECORDS; THENCE NORTH 89° 48' 10" WEST 500.00 FEET ALONG THE SOUTH LINE OF SAID SECTION; THENCE NORTH 0° 11' 42" EAST 1290.77 FEET PARALLEL WITH THE WESTERLY LINE OF SAID LAND, TO THE SOUTH LINE OF THE SOUTHERN PACIFIC RAILROAD COMPANY RIGHT OF WAY (60.00 FEET WIDE); THENCE SOUTH 89° 48' 10" EAST 500.00 FEET ALONG SAID SOUTH LINE TO THE NORTHWEST CORNER OF SAID LAND; THENCE SOUTH 0° 11' 42" WEST 1290.77 FEET TO THE POINT OF BEGINNING.

EXCEPT ALL OIL, GAS, HYDROCARBONS AND MINERALS LOCATED MORE THAN 500.00 FEET BELOW THE SURFACE OF THE ABOVE DESCRIBED LAND, PROVIDED, HOWEVER, THAT NEITHER GRANTORS, THEIR HEIRS, SUCCESSORS OR ASSIGNS SHALL HAVE ANY RIGHT WHATEVER TO USE ANY PART OF SAID LAND LYING LESS THAN 500.00 FEET FROM THE SURFACE THEREOF FOR THE PURPOSE OF EXPLORING FOR OR PRODUCING OIL, GAS, HYDROCARBONS OR MINERALS FROM SAID LAND, OR FOR ANY OTHER PURPOSE WHATEVER, AS RESERVED IN THE DEED FROM FRANK VESSELS AND GRACE M. VESSELS, RECORDED JULY 29, 1955 IN BOOK 3157, PAGE 203, OFFICIAL RECORDS.

EXHIBIT C
LEXINGTON EXTENSION RIGHT OF WAY

[See Attached]



LEGEND:

- 8(a) THREE LANE DRIVEWAY AND A.C. PAVEMENT AT ENTRANCE WITH STRIPING
- 8(b) TWO LANE DRIVEWAY
- 8(c) STREET LIGHTING WITH LIGHT POLES ALTERNATING BETWEEN EAST AND WEST SIDES OF THE STREET
- 8(d) PORTION OF EXISTING ASPHALT DRIVEWAY WHICH IS TO REMAIN FOR HANDICAP ACCESSIBLE PATH
- 8(e) REMOVE INTERFERING PORTION OF EXISTING ASPHALT DRIVEWAY. INSTALL NEW GRASS AREA WITH SPRINKLERS ATTACHED TO ARROWHEAD'S EXISTING SPRINKLER SYSTEM. GRASS REPLACES REMOVED DRIVEWAY SECTION.

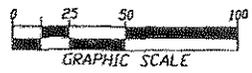


EXHIBIT "C"
ARROWHEAD DRIVEWAY AND
OTHER STREET IMPROVEMENTS

FUSCOE
ENGINEERING
14795 Van Korman, Suite 100
Irvine, California 92604
Tel: 949 474-1940 • Fax: 949-474-5315
www.fuscoe.com

INDEMNITY AGREEMENT

This agreement to indemnify ("Indemnity Agreement") is made by and between INDUSTRIAL MANUFACTURING COMPANY LLC, a Delaware limited liability company and successor in interest to Vesper Corporation ("Indemnitor"), as the parent corporation of Arrowhead Products Corporation, a Delaware corporation ("Arrowhead"), on the one hand, and COTTONWOOD CHRISTIAN CENTER, INC., a California corporation ("Cottonwood"), and the CITY OF CYPRESS ("the City") ("Indemnitees") on the other hand (collectively, the "Parties").

WHEREAS Arrowhead, Cottonwood, and the City entered into a Construction License Agreement dated September 3, 2004 (the "Original Agreement"), as amended by that certain First Amendment to Construction License Agreement dated October 16, 2006 between Arrowhead, Cottonwood and the City (the "First Amendment," and together with the Original Agreement, the "Agreement"), affecting property adjacent to the Cottonwood Property that is the subject of a leasehold interest held by Arrowhead ("Arrowhead Property");

WHEREAS fee title to the Arrowhead Property is held by Tincum Corporation, a Delaware corporation and affiliate of Indemnitor ("Tincum"), pursuant to a deed dated as of and recorded on October 29, 1993 in the Official Records of Orange County, California as Instrument No. 93-0740211, under which Katella Avenue Associates ("Katella") retained an estate for years ending on December 31, 2006;

WHEREAS Katella is not a signatory to the Agreement; and

WHEREAS Cottonwood and the City, in entering into the Agreement, are relying upon assurances by Indemnitor that Katella need not be a signatory to the Agreement for it to be effective in granting the licenses and other rights provided for therein;

NOW, therefore, for valuable consideration for which receipt is acknowledged, the Parties agree as follows:

1. The defined terms in this Indemnity Agreement shall be given the same meaning as those provided in the Agreement unless otherwise provided.
2. Indemnitor hereby makes the following representations and warranties to Cottonwood and the City: (i) Tincum has the sole right, as owner of the Arrowhead Property, to execute the Acknowledgement and Consent attached as page 10 to the Original Agreement and page 5 of the First Amendment, and to execute a consent to a memorandum of the Agreement; (ii) Arrowhead has no obligation under the lease by which it occupies the Arrowhead Property to obtain the consent of Katella to grant the rights provided for in the Agreement; and (iii) the rights granted to Cottonwood and the City under the Agreement shall not be impaired or affected in any way by the failure of Katella or any other entity (other than Tincum) to execute such Acknowledgement and Consent or to otherwise give its consent to the Agreement.
3. Indemnitor agrees to indemnify and hold harmless the Indemnitees from and against any and all claims, costs, expenses (including expert witness fees and reasonable

attorneys' fees), demands, fines, causes of action (including those made or asserted by any third party, including a governmental agency), losses, damages, judgments or liabilities which may be suffered or sustained by the either of the Indemnities on account of a breach of the representation and warranty set forth in this Indemnity Agreement. This indemnification is limited solely to the representation and warranty set forth in this Indemnity Agreement and does not otherwise affect or amend the existing and future obligations and rights of any of the parties under the Agreement.

4. The terms of this Indemnity Agreement shall remain confidential and may not be disclosed to the extent permitted by law and except for in the enforcement of the Indemnity Agreement, and in no event may this Indemnity Agreement be recorded. This Indemnity Agreement shall become effective on the date last signed and shall terminate at the conclusion of the applicable statute of limitations following the later of (a) June 30, 2008 (as such date may be extended pursuant to the terms of the Agreement or by an agreement by the parties to the Agreement), or (b) the termination of the Agreement or the provisions thereunder.

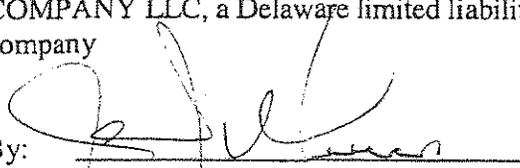
5. The persons executing this Indemnity Agreement on behalf of each of the parties hereto represent and warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Indemnity Agreement on behalf of said party, (iii) by so executing this Indemnity Agreement, such party is formally bound to the provisions of this Indemnity Agreement, and (iv) that entering into this Indemnity Agreement does not violate any provision of any other agreement to which said party is bound.

6. This Indemnity Agreement shall be governed by and construed under the internal laws of the State of California without regard to conflicts of law principles. The Orange County Superior Court shall have exclusive jurisdiction over any litigation between the parties hereto concerning this Indemnity Agreement.

INDUSTRIAL MANUFACTURING
COMPANY LLC, a Delaware limited liability
company

Date: October 17, 2006

By: _____


John V. Carci,
Vice President and Secretary

COTTONWOOD CHRISTIAN CENTER, INC.,
a California corporation

Date: October ____, 2006

By: _____
Name: _____
Title: _____

[Signatures continued on next page]

attorneys' fees), demands, fines, causes of action (including those made or asserted by any third party, including a governmental agency), losses, damages, judgments or liabilities which may be suffered or sustained by the either of the Indemnities on account of a breach of the representation and warranty set forth in this Indemnity Agreement. This indemnification is limited solely to the representation and warranty set forth in this Indemnity Agreement and does not otherwise affect or amend the existing and future obligations and rights of any of the parties under the Agreement.

4. The terms of this Indemnity Agreement shall remain confidential and may not be disclosed to the extent permitted by law and except for in the enforcement of the Indemnity Agreement, and in no event may this Indemnity Agreement be recorded. This Indemnity Agreement shall become effective on the date last signed and shall terminate at the conclusion of the applicable statute of limitations following the later of (a) June 30, 2008 (as such date may be extended pursuant to the terms of the Agreement or by an agreement by the parties to the Agreement), or (b) the termination of the Agreement or the provisions thereunder.

5. The persons executing this Indemnity Agreement on behalf of each of the parties hereto represent and warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Indemnity Agreement on behalf of said party, (iii) by so executing this Indemnity Agreement, such party is formally bound to the provisions of this Indemnity Agreement, and (iv) that entering into this Indemnity Agreement does not violate any provision of any other agreement to which said party is bound.

6. This Indemnity Agreement shall be governed by and construed under the internal laws of the State of California without regard to conflicts of law principles. The Orange County Superior Court shall have exclusive jurisdiction over any litigation between the parties hereto concerning this Indemnity Agreement.

INDUSTRIAL MANUFACTURING
COMPANY LLC, a Delaware limited liability
company .

Date: October ____, 2006

By: _____
John V. Curci,
Vice President and Secretary

COTTONWOOD CHRISTIAN CENTER, INC.,
a California corporation

Date: October 18, 2006

By: M. Wilson
Name: Michael G. Wilson
Title: Project Director

[Signatures continued on next page]

CITY OF CYPRESS

Date: October 23, 2006

By: Lydia Sondhi
Name: LYDIA SONDH
Title: Mayor

ATTEST:

Denise Basham
Denise Basham, City Clerk

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: W. W. Wynder
William W. Wynder, City Attorney

