Welcome to a meeting of the Board of Directors of the Rancho Simi Recreation and Park District. The Park District welcomes citizen participation. If you would like to speak, please follow these simple steps.

Fill out a green Speaker Card, available at the sign-in table, and hand the card to the Recording Secretary or Board of Directors.

If the item you would like to speak about is not on the Agenda, be prepared to speak when the Board Chair calls for “Public Discussion”. The Chair will call the names appearing on the Speaker Cards. If you do not hear your name called, please make this fact known, so that you may be recognized.

If the item you would like to speak about is on the Agenda, the Board Chair will announce the item, request a report from staff, ask Board Members if they have any questions or comments, and then ask if there are any other people in attendance who would like to comment on the item.

When recognized, please speak from the podium. Be professional. Speakers are generally allowed a maximum of five (5) minutes to comment. Depending upon the circumstances, the Board Chair may increase or decrease speaker time. At the conclusion of public comments, the Board Chair will thank the speaker(s) for participating.

The Board Chair may also determine appropriate action, if any, to be taken in response to comments received. Comments will be listened to, questions may be answered, speakers may be requested to further discuss the matter with staff, or an item could be added to a future Agenda or referred to a Board Committee, among other things. Items listed on the Agenda that require action will likely be voted upon by the Board of Directors.

We appreciate your attendance and hope to see you again.

YOUR BOARD OF DIRECTORS

Chair
Elaine Freeman

Vice Chair
Gene Hostetler

Director
Dee Dee Cavanaugh

Director
Mark Johnson

Director
Kate O’Brien

STAFF

District Manager
Larry Peterson
I. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

II. ROLL CALL

III. PUBLIC DISCUSSION (ITEMS NOT ON THE AGENDA)

IV. APPROVAL OF MINUTES
   A. Regular Meeting – November 19, 2015

V. SCHEDULED ITEMS AND PUBLIC HEARINGS
   A. Presentation of the Part-time Employee of the Month for November 2015 to Linsey Mead

VI. CONSENT AGENDA**
   A. Approval of Check Registers: 11/13/15, 11/27/15 (payroll);
      11/15/15 (payables)
   B. Receive and File Special District Board Member / Trustee Handbook Produced by the California Special Districts Association

** Matters listed under the Consent Agenda are considered routine and shall be acted upon without discussion by one motion, unless discussion is desired. In that event, the items will be removed from the Consent Agenda.

VII. CONTINUED BUSINESS
   None

VIII. NEW BUSINESS
   A. Discussion and Possible Approval of a Purchase and Sale Agreement Between the Rancho Simi Recreation and Park District, Area Housing Authority of the County of Ventura, and USA Properties for the Purchase and Sale of the District’s Property Located at 1692 Sycamore Drive in Simi Valley
   B. Approval of Agreement, as Revised, for Recreational Use of County of Ventura Oak Park Property by Rancho Simi Recreation and Park District
   C. Approval of Award of Contract for Tree Pruning Services at Various District Parks

IX. WRITTEN COMMUNICATIONS
   None
X. REPORTS BY BOARD MEMBERS

XI. REPORT BY DISTRICT MANAGER

XII. CLOSED SESSION

A. Closed Session Pursuant to Government Code Section 54957.6

Conference with Labor Negotiator:
Agency Negotiators: District Manager and Director of Administration
Employee Organization: Rancho Simi Recreation and Park District Employees Association (“Bargaining Unit”)

B. Closed Session Pursuant to Government Code Section 54956.8

Conference with Real Property Negotiator:
Re: Land Disposition: Property Located in Ventura County at 1692 Sycamore Drive, Simi Valley, Ca
Assessor Parcel Numbers: 642-0-231-285
                      642-0-231-295
                      642-0-280-075
                      642-0-280-085
                      642-0-280-095

Agency Negotiators: District Manager, Director of Planning and Maintenance and Legal Counsel
Negotiating Parties: Area Housing Authority/USA Properties
Under Negotiation: Price and Terms of Payment

C. Closed Session Pursuant to Government Code Section 54956.8

Conference with Real Property Negotiator:
Re: Land Acquisition: Property Located in Ventura County at 1750 Tapo Street, Simi Valley, Ca
Assessor Parcel Number: 644-0-140-595

Negotiating Parties: District Manager, Director of Planning and Maintenance and Legal Counsel

Report and Instructions to Staff Regarding Price and Terms of Payment

XIII. ADJOURNMENT

If any individual has a disability that may require accommodation to participate in this meeting, please contact Human Resources at 805/584-4400. Upon advance notification of the need for accommodation, reasonable arrangements will be made to provide accessibility to the meeting.
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RANCHO SIMI RECREATION AND PARK DISTRICT
Interoffice Memorandum

Date: December 3, 2015
To: District Manager
From: Director of Administration
Re: Presentation of the Part-Time Employee of the Month for November 2015 to Linsey Mead

PART-TIME EMPLOYEE OF THE MONTH FOR NOVEMBER 2015

The Part-Time Employee of the Month for November 2015 is Linsey Mead. Linsey is an After School Club Director at Township; this is her second award for Employee of the Month.

NOMINATION NARRATION

The person who nominated Linsey had this to say, I would like to nominate Linsey Mead as part-time employee of the month. In addition to being an amazing Director at Township elementary for the past 8 years, she is just a great team player. All of us Directors should be thankful to have her on our team. Because of her, all of our paperwork is taken care of. Our copies are made and organized to our liking. She goes out of her way to organize our CPR and First Aid training, works with our crazy schedules as well as our staff's schedules. She has organized safety / first aid backpacks for all of our sites. I think she is a wonderful example of what a Director should be. Not to mention she has done all of this while getting a Bachelor's degree in Communication with an emphasis in public relations and advertising. And now, she is back in school getting her teaching credentials. Just an all-around awesome person!

BOARD ACTION

Linsey has been invited to attend the December 3, 2015 board meeting to receive a plaque and a check for $75.00 from the board chair.

Theresa Pennington
Director of Administration
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RANCHO SIMI RECREATION AND PARK DISTRICT
INTEROFFICE MEMORANDUM

DATE: December 3, 2015

TO: Board of Directors

FROM: District Manager

SUBJECT: Receive and File Special District Board Member/Trustee Handbook
Produced by the California Special Districts’ Association

SUMMARY

As you know the District is a member of the California Special Districts’ Association ("CSDA"). District Board and staff members participate in the governance of that organization and also on fiscal, legislative and other matters affecting special districts in California. The District has also benefitted from the various educational opportunities provided by CSDA during its annual conference and also throughout the year in the form of publications, seminars and webinars. The attached Special District Board Member/Trustee Handbook represents the latest educational effort by CSDA. This Handbook provides valuable information to Board Members and others in several subject areas, including: ethics, Brown Act, and the role and responsibilities of Board members, the District Manager and staff.

BOARD ACTION REQUESTED

Staff recommends the Board receive and file the Special District Board Member/Trustee Handbook Produced by the California Special Districts’ Association.

Larry Peterson
District Manager
CONTENTS

02  WHAT YOU SHOULD KNOW AS A BOARD MEMBER/TRUSTEE
   Commitment and Responsibilities
   Accountability: The Role of Staff & the General Manager
   "Why Governance is Important"

05  LEARNING MORE ABOUT SPECIAL DISTRICTS

07  ETHICS LAWS FOR ELECTED AND APPOINTED OFFICIALS

08  THE RALPH M. BROWN ACT

09  YOUR ROLE AS A SPECIAL DISTRICT ADVOCATE

12  CALIFORNIA SPECIAL DISTRICTS ASSOCIATION
   Benefits and Services
   Educational Opportunities
   A More Active and Visible Approach

16  THE MEDIA
   Key Messages
   Responses to Tough Questions
Board Member/Trustee Roles

Make and approve district policy
Set the direction of the district
Make decisions
Establish strategic goals and objectives
Be an advocate for special districts
WHAT YOU SHOULD KNOW
as a Special District Board Member/Trustee

Commitment and Responsibilities
As a board member or trustee for a special district, you have committed to serve the best interests of the community, provide services that are essential to the community and represent the people who placed you into office.

With a strong commitment, there are a number of responsibilities as a board member/trustee on a special district board. Some of these will be identified and detailed in this handbook so that you will have an even better understanding of special districts and your role as a board member/trustee.

One of the most significant responsibilities as a board member/trustee is to understand that the board is a team and you need to work together as such. Understanding the dynamics of the group as well as the individual perspectives and opinions of the other board members that you sit with is crucial to the success of the team and district you represent. This united approach will help to strengthen the district and provide the grounds for maintaining a clear vision of the future, a unity of purpose and a cohesive board of board members/trustees.

Additionally, the board of board members/trustees typically has specific responsibilities that coincide with their overall role as board members/trustees. For example, in the area of human resources, the board’s charge is to support and assess the performance of the general manager, approve personnel policies, establish salary structure and benefits packages, approve job descriptions and organizational structure, and establish a strong communications link between the board and general manager.

Another example of specific responsibilities can be seen when taking a look at some of the financial aspects of the district. Typically, the board will ensure that sound fiscal policy exists and that practices and controls are in place so that the district, staff, general manager, and board have direct accountability to their constituents. Furthermore, a board may be involved in such things as the approval of the annual budget, developing reserve guidelines, establishing financial goals, reviewing district finances, developing capital improvement plans, setting rates and fees, and the like.

Clearly, as demonstrated above, being a board member/trustee on a special district board entails a commitment to being actively involved in setting the direction of the district and, most importantly, serving the best interests of the community and the constituents that the district serves.

Accountability
Special districts, governing officials, and management are accountable to the voters and customers who use their services. Every special district must submit annual financial reports to the California State Controller and also must follow state laws pertaining to public meetings, bonded debt, record keeping, conflict of interest, and elections. Special districts are also required to submit salary data annually to the State Controller.

The role of staff and the general manager
The roles of the staff and general manager are very different from that of the board members/trustees, and it is important to understand what the responsibilities and reporting avenues are of each respective group.

The general manager and staff of the district are encouraged to make recommendations and play an active role in moving the district forward. Their main role is to maintain and advance the operations of the district and implement those policies, strategies, and directives that are approved by the board of board members/trustees. All directives for staff should be given by the general manager or designated supervisor within the district.

The general manager is the executive staff officer of the district and for the board of board members/trustees. He/she administers the district and has exclusive management and control of the operations and works of the district, subject to approval by the board of board members/trustees, and provides day-to-day leadership for the district. He/she delegates authority at his/her discretion and has authority over and directs all employees, including hiring, disciplinary action and termination. He/she seeks to carry into effect the expressed policies of the board of board members/trustees, including planning the short, medium, and long term work program for the district, facilitating constructive and harmonious board relations, preparing and managing the district budget, conducting studies, and delivering written and oral presentations.

OVERALL YOUR ROLE AS A BOARD MEMBER/TRUSTEE IS TO:

- Make and approve district policy
- Set the direction of the district
- Make decisions
- Establish strategic goals and objectives
- Be an advocate for special districts
WHY GOVERNANCE IS IMPORTANT
By Davis Campbell, Governance Consultant | Trainer

Local boards are the reason, and really the only reason, why local control is local. Special district boards are the voices of the community. Boards are also a large reason why special districts exist.

The truth is that every elected or appointed public official needs to worry about governance. Governance is what boards do. Governance is taking the wishes, needs, and desires of the community and transforming them into policies that govern the district. Survival of special districts as a concept depends in large part on how well we do our jobs as board members/trustees or trustees. The quickest way to destroy special districts is for the public to perceive districts as not responsive to the needs of the community or as not being governed effectively.

If governance is important, how do we do it well?
The good news is that in recent years a lot of work has been done on effective governance. Based upon a model developed by the California School Boards Association (CSBA) and adapted by the California Special Districts Association (CSDA), there are three critical dimensions to effective governance. The CSBA Effective Governance Model provides an in-depth examination of the three critical dimensions that interact to determine how a board operates and its effectiveness as an organization.

- First, the model looks at the board as an organizational entity;
- Second, the individuals who serve as effective board members and make up the board;
- And third, the specific jobs the board must perform.

All three of these dimensions or elements of a board must be viewed as a whole in order to truly develop an effective governance operation.

Components of the Effective Governance Model

The board as an organization
Any board, public or private, nonprofit or corporate, exists as an organizational entity, with its own unique organizational culture, norms, values, and operating style. There are attributes or characteristics that are consistently present in boards that operate in a highly effective way. Effective boards become known as effective because they operate in an organizational environment of trust, honesty and openness. These boards exhibit, as a team, the following characteristics:

- All board members are perceived to be equally legitimate—no matter how different or difficult an individual may be.
- The board strives to maintain a "no secrets, no surprises" operating norm.
- The board recognizes and accepts that conflicts and differences are inevitable, not necessarily "bad," and must be faced and analyzed.
- The effective board tends to immediately turn to solutions rather than playing the "gotcha" game.
- The effective board treats all staff with dignity and respect.
- The effective board treats all community members with dignity and respect, even in the face of criticism and opposition.
- The effective board exhibits creative thinking, knows how to handle failure as well as success, encourages risk taking and creates a climate of support for excellence.
- The effective board assumes collective responsibility for the conduct, behavior and effectiveness of the board.
The board leader

While boards develop unique organizational cultures, they are, after all, composed of individuals. It is individuals and their values, skills, and knowledge that shape how boards operate at any given time. Individuals also determine whether the board will sustain effective behavior as a group role.

Not everyone who serves on a special district board becomes an effective board member or leader. Those who do become effective board members also become highly valued community leaders. When an entire board is composed of truly effective board members rather than individuals, the board becomes highly effective.

So, what are the characteristics of effective board members and how are they different than those who just serve on boards?

- Effective board members think about governance differently. They have distinctly different attitudes from non-effective board members. Effective board members understand the fundamental role of the citizen leader in the governance of special districts.

For example, effective board members understand fundamental principles of effective governance. They understand that the authority of any board member rests only with the board as a whole; that the board, not the individual board member, governs the special district. They tend to worry when an individual is attempting to impose his own agenda on the district rather than working to build support for an institutional agenda.

- Effective board members know that how a board member governs is as important as what a board member does. They know that manners make a huge difference.

- Effective board members work hard to make the team successful.

- Effective board members understand they need to establish trust. They treat everyone with respect, and expect others to treat them the same way.

- Effective board members respect the diversity of perspective and styles.

- Effective board members always keep confidential information confidential.

What effective boards do: The special district board’s job in the district

The third dimension addresses the specific responsibilities of the governing board. We know that effective boards have strong competency-based cultures and that individual effective board members have strong governance skills, but the third question is: To do what? What are the duties and responsibilities of boards in the systems? The answer is that special district boards have certain responsibilities that no one else in the system can perform.

The specific responsibilities of the board are clustered into four areas: setting the direction for the district, establishing and supporting the structure of the district; holding the district accountable on behalf of the community; and serving as community leaders.

These are the essences of effective district governance: a competency-based, highly effective board organization and culture; individual citizens serving as effective board members, accomplishing the specific duties and responsibilities that only governing boards can do on behalf of their communities.

The real challenge to special districts is how to learn and achieve as board members. There are governance skills required and to be learned in order to be effective. But first, we must establish a culture of participation in our special district community. Every board member must understand that, just as we expect our staff to be involved in their profession, to learn and develop new skills, so too must we as effective board members learn and hone our governance skills. We must encourage our colleagues to branch out and learn the skills of governance. We must establish a culture of participation and continuing education in the special district community. The future of special districts in California depends upon it.

SPECIAL DISTRICT RESOURCES

California Special Districts Association
www.csda.net
Senate Local Government Committee
www.sen.ca.gov
Assembly Local Government Committee
www.assembly.ca.gov
Official California Legislative Information
www.leginfo.ca.gov
League of California Cities
www.ca-cities.org
California State Association of Counties
www.counties.org
California Local Government Finance Almanac
www.californiacityfinance.com
California Association of LAFCos
www.calafood.org
Governor’s Office of Planning & Research
www.opr.ca.gov
California State Controller’s Office
www.scc.ca.gov
California Legislative Analyst’s Office
www.lao.ca.gov
Special District Leadership Foundation
www.sdlf.org
Special District Risk Management Authority
www.sdma.org
CSDA Finance Corporation
www.csdefinance.net
LEARNING MORE
about Special Districts

What are special districts?
Special districts are a form of local government. They are created by their constituents to meet specific service needs for their communities. Most perform a single function such as water delivery, fire protection, wastewater or cemetery management to name just a few. Some, like community services districts, provide multiple services.

Special districts are not cities and counties, they are not school districts, they are not Mello-Roos districts, and they are not state government. Special districts work hand-in-hand with cities and counties to provide communities with essential public services and to keep pace with the demands of fulfilling all the public service needs of California’s rapidly growing population.

What kinds of special districts are out there ... to name a few?
- Airport
- Public Cemetery
- Community services
- Drainage
- Flood control
- Fire protection
- Healthcare/hospital
- Harbor/port
- Irrigation
- Library
- Mosquito abatement and vector control
- Police protection
- Reclamation
- Recreation and park
- Open space
- Resource conservation
- Sanitation/wastewater
- Transit
- Utility
- Water
- Water conservation
- Waste management

How does a special district differ from a city or county?
Special districts are limited-purpose local governments. They provide only the services their residents desire within a designated, limited boundary. By contrast, cities and counties are general-purpose local governments. They provide a broad array of services for residents throughout their geographic boundaries.

What is the difference between independent special districts and dependent special districts?
Independent special districts are governed by their own boards of directors who are elected by voters or appointed to fixed terms by elected officials in their districts. These boards do not consist of ex officio members who are officers of the county or another local agency. Furthermore, counties in unincorporated areas, and cities are responsible for land-use decisions.

Dependent special districts are governed by other, existing legislative bodies such as a city council or a county board of supervisors, or appointees that serve at the pleasure of those bodies and can be removed or replaced any time at their will.

How are special districts funded?
Special districts are funded either through local property tax revenues, fees charged to customers for their services or a combination of the two. Special districts that rely primarily on property tax revenues are considered non-enterprise, while districts that primarily generate revenue through fees for service are considered enterprise.
How are special districts created?
Special districts require majority-vote approval by citizens in the proposed district to be created, or a two-thirds vote if a new tax is required to fund the district's operations. When residents or landowners want new services or a higher level of service not otherwise provided by cities and counties, they can propose to form their own special district to pay for and administer the services by applying to the Local Agency Formation Commission (LAFCo).

What is Proposition 13?
Proposition 13, enacted by voters in 1978, imposed strict limits on property taxes to one percent of property value, causing special districts, cities and counties to lose much of their local control and funding security. Before Prop 13, special districts received $945 million from property taxes (1977-1978). Shortly after Prop 13 was imposed (1978-1979), special district property tax revenue dropped to $532 million, a loss of almost 50 percent.

What is ERAF?
ERAF is the Educational Revenue Augmentation Fund. During the recession of the early 1990s, the state took property taxes from special districts, cities and counties and shifted them into ERAF to offset its debt and spending obligations to education. That mandated property tax shift of precious local government revenue continues today despite the fiscal hardships it has caused local governments. Since ERAF began in 1992, the state has annually shifted over $500 million in local property tax revenue from special districts.

What is Proposition 1A?
Proposition 1A limited the state's future ability to transfer funds away from local governments, except in the case of fiscal emergencies. The amount is limited to eight percent of property tax revenues in a county and must be paid back within three years, with interest.

What is LAFCo?
Local Agency Formation Commissions (LAFCo) are responsible for coordinating logical and timely changes in local governmental boundaries, conducting special studies that review ways to reorganize, simplify and streamline governmental structure and preparing a Sphere of Influence for each city and special district within each county. The LAFCo's efforts are directed to seeing that services are provided efficiently and economically while agricultural and open-space lands are protected.

Where do special district tax dollars go?

- Transit: 17%
- Parks & Recreation: 9%
- Flood Control & Water: 27%
- Other: 12%
- Fire, Emergency, Medical & Police: 39%

Legislative Analyst, Coleman Advisory Services
ETHICS LAWS
For Elected or Appointed Officials

Elected and appointed officials have an obligation to conduct business in an ethical manner and make decisions that are in the best interests of their constituents. As a board member/trustee for a special district, it is imperative that you keep the public’s interests in mind and avoid any situations where your self interests are put first. Building the public’s confidence and trust by demonstrating your ability to recognize potential ethics problems and then removing yourself from that situation is a key factor to your success as a board member/trustee.

There are a number of state laws that govern the ethical conduct of public officials. The most significant laws deal with conflict of interest and criminal activity/corruption as it relates to public officials and how they make decisions within their respective agencies.

Under the Political Reform Act, a public official may not participate in any way in a decision in which the public official has a "disqualifying conflict of interest." The law states that:

"No public official at any level of state or local government shall make, participate in making or in any way attempt to use his official position to influence a governmental decision in which he knows or has reason to know he has a financial interest."
California Government Code §87100

As this applies to special districts, a conflict of interest regarding a particular district decision would exist if it were "... reasonably foreseeable that the decision will have a material financial effect, distinguishable from its effect on the public generally, on the official, a member of his or her immediate family ..." or any of one’s other financial interests.
California Government Code §87103

In essence, the most important things you need to know about the Political Reform Act are:

- The law applies only to financial conflicts of interest—those arising from economic interests.
- Whether you have a conflict of interest depends heavily on the situation related to each district decision.
- The best way to avoid conflict of interest problems is to learn and recognize the various economic interests from which conflicts can arise.

In addition to the conflict of interest laws, public officials must also disclose all personal economic interests. Special district officials are affected through their respective district’s conflict of interest code/policies that a district is required to have by law. Therefore, as a public official, you are required to file a "Statement of Economic Interests" with the Fair Political Practices Commission when you begin your term, annually and when you end your term.

In the Statement of Economic Interests, public officials are required to disclose all sources of income as well as interests in real property, investments, gifts and the like. Given that it’s the law and also that the public, including media, have full access to statements of economic interests, it is recommended that officials be completely open, honest and always disclose all financial interests as this could help prevent future problems.

There are numerous other legal "dos" and "don’ts" for public officials, many of which deal with personal loans, gifts, free travel, payments, honoraria, contracts and holding dual offices. It is recommended that officials research all of the specifics of the laws related to their position.

Lastly, there are additional laws that affect public officials and violation of them may not only cause you to lose your position, but also may result in criminal penalties. According to the publication A Local Official’s Guide to Ethics Laws (2002 Edition) some areas that can result in criminal prosecution and/or forfeiture of office include:

- Bribery
- Payments for appointments to office
- Willful or corrupt misconduct in office
- Embezzlement
- Misuse of public funds
- Violation of the Open Meetings Law/Brown Act
- Prohibited political activities
- Conviction of a crime

As can be seen above, public officials are held accountable for their actions both by their constituents who elect them and by the law. As an elected or appointed official
for a special district, it is your responsibility to promote ethical conduct within your district and understand the ethics laws to ensure that you are always keeping the interests of your constituents in the forefront.

AB 1234 and ethics training requirement
In 2005, the State Legislature passed Assembly Bill 1234 by Assembly Member Simon Salinas (D-Salinas), which requires local government officials to take ethics training every two years, with a requirement that they take their first training no later than a year after they start their first day of service with the district. This and similar legislation were proposed after incidents that occurred in several districts over lapses in ethical judgement.

Specifically, if a district provides any type of compensation, salary or stipend to any board member or provides any type of expense reimbursement, then all members of that board must participate in the ethics training, as well as any designated employees (like the general manager). The training must be at least two hours every two years, and a record must be kept by the district. These are public records and are subject to the California Public Records Act.

PUBLIC OFFICIAL ETHICS LAW RESOURCES
California Special Districts Association
www.csda.net
Institute for Local Government
www.ca-ilg.org
Fair Political Practices Commission
www.fppc.ca.gov
Official California Legislative Information
www.leginfo.ca.gov
Office of the Attorney General
www.ag.ca.gov

The basis of the Ralph M. Brown Act is that “All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency ...”

While the Brown Act has gone through a series of additions and amendments, the core of the Act remains the same: to ensure that the meetings of local government bodies, formal or informal, be open and accessible to the public at all times.

The Act begins by stating the following:

“In enacting this chapter, the Legislature finds and declares that the public commissions, boards and councils and the other public agencies in this State exist to aid in the conduct of the people’s business. It is the intent of the law that their actions be taken openly and that their deliberations be conducted openly. The people of this State do not yield their sovereignty to the agencies which serve them. The people, in delegating authority, do not give their public servants the right to decide what is good for the people to know and what is not good for them to know. The people insist on remaining informed so that they may retain control over the instruments they have created.”

As public agencies, special districts must comply with the Brown Act. This means meetings must be open to the public and agendas posted in a location accessible to the public and on the district website if it has one.

The Brown Act is very detailed as to what is permissible and is amended periodically. It is recommended that public officials read the Ralph M. Brown Act in its entirety and receive some type of training and/or read various publications on the Act.

BROWN ACT RESOURCES
Open & Public IV: A User’s Guide to the Ralph M. Brown Act
www.csda.net
Search CA law/codes
www.leginfo.ca.gov/calaw.html
Education/Trainings
www.csda.net
The special district community and its governing officials, more than ever, are coming together to create a presence and united voice. The California Special Districts Association (CSDA) is continuing to work to increase the visibility of special districts with key decision-makers and create a network of activists throughout California. All special district officials should play an active role in educating other local officials and legislators on special districts and the issues that impact their resources and services.

Special districts can no longer sit idle as competing interests vie for shrinking state resources. The time for active engagement is now!

Ever looming state budget deficits have necessitated increased legislative advocacy and grassroots engagement by special district officials in a more active and visible manner. It is the job of every elected official to educate state legislators early about special districts and gain support for protecting local revenues and services.

**Meet with legislators**

One of the key roles you can play as a board member/trustee and special district advocate is to meet with your legislators. Cultivating relationships with decision makers is essential; it is the most significant advocacy role you can play as a special district official. Meetings can be as simple as stopping by your legislator’s
local office to introduce yourself and the special district you represent, or even setting up a formal appointment to discuss issues that are facing your district and special districts in general.

Another possibility is to hold a breakfast or coffee event and invite the legislator and his or her staff to attend, or to take them on a tour of your facility. CSDA’s Advocacy & Public Affairs Department can help districts set meetings with their legislators in the district or the Capitol. These are the most effective types of meetings.

Respond to Calls to Action
Throughout the legislative session, you may receive a “Call to Action” from various organizations, including CSDA. These Calls to Action typically pertain to a particular piece of legislation that will affect your district. It is imperative that you take a moment to review the information and take action! A visit, phone call, fax, email or letter to your legislator can make a huge difference on issues that could affect your district, and how it operates.

CSDA also regularly updates its Grassroots Action Center with the top legislative issues facing special districts, including tools that help districts take action such as sample letters. If your district is new to such efforts, CSDA offers members a Grassroots Advocacy Guide as well as sample policies for taking a position on legislation.

Get involved at the local and state levels
CSDA encourages all special district staff and board members/trustees to get involved in activities and events throughout the state. This includes participation in local special district chapters and LAFCo meetings, as well as statewide functions like CSDA’s annual Special Districts Legislative Days. These are opportunities to learn and discuss the major issues of the year, as well participate in visits with legislators in the Capitol.

CSDA has a Grassroots Mobilization Survey, which asks board members and staff if they know a particular legislator, and how well they know that legislator. At specific points during the legislative session, respondents will be asked to make a phone call or two to that legislator to support a bill that promotes special districts or to oppose legislation that would harm districts. If you know a legislator, be sure to fill out the Grassroots Mobilization Survey.

Work together with cities, counties and other special districts
Much like the special district you represent, the cities, counties and other special districts near you play an integral role in your region. As a board member/trustee, you should work to establish strong relationships and help to create an atmosphere that is conducive to sharing information and ideas with other local agencies.

Get to know other elected officials in your area. This will help you to better understand issues facing other local governments and can also assist in identifying issues that each agency may have in common. Partnering with cities, counties and other special districts on common issues can bring additional influence to a specific cause or legislative matter and result in benefiting each agency’s constituents.
The California Special Districts Association (CDSA) is a 501(c)(6), not-for-profit association that was formed in 1969 to ensure the continued existence of local, independent special districts. For over 40 years, CDSA has been offering its members cost-efficient programs and representation at the State Capitol with a strong and diverse membership throughout California.

The association is governed by an 18-member Board of Directors elected by mail ballots. The Board consists of three board members/trustees from each of the six regions throughout California. Additionally, there are a number of committees and local chapters that provide input and guidance. The CDSA standing committees include:

AUDIT EDUCATION ELECTIONS/BYLAWS
FINANCE FISCAL LEGISLATIVE
MEMBERSHIP AND RECRUITMENT

CDSA provides education and training, risk management and insurance coverages, industry-wide litigation, public relations support, legislative advocacy, capital improvement and equipment funding, collateral design services and, most importantly, current information that is crucial to a special districts management and operational effectiveness.

CDSA is the only statewide association representing all types of independent special districts. Membership in CDSA is a valuable district's investment in its future! Through membership, special districts take an active role in educating the general public, their constituents and legislators as to the important role that special districts play in California.

CDSA BENEFITS & SERVICES

The purpose of the California Special Districts Association (CDSA) is to provide special districts throughout the state with representation, advocacy, education and services that can positively affect their operations. While our governmental affairs program serves the interests of all special districts in the state regardless of their affiliation with CDSA, these efforts are only possible with the support of these same special districts. Get involved through membership!

Legislative and legal representation

Legislative advocacy: CDSA is the only voice in the Capitol that represents and fights for all California special districts, regardless of services provided. CDSA employs full time in-house lobbyists who review and monitor every bill introduced for its potential impact on California’s special districts. Any bills requiring action are quickly brought to the attention of the CDSA Legislative Committee and Board of Directors in order to determine a position on each respective issue and then lobbied accordingly.

Litigation support: CDSA often involves itself in litigation, or pending legal cases, on behalf of its members, including testifying in court, filing amicus briefs and requests for publication, among others.

Competitive risk management/workers’ compensation/health coverage and financing opportunities

Special District Risk Management Authority (SDRMA): Through CDSA membership, districts can access quality coverage through SDRMA which has been created and run by special districts for 20 years. Because SDRMA is not subject to the profit-driven policies of private corporations, they offer tailored, comprehensive coverage at a substantial savings to special districts.

CDSA Finance Corporation: Need help funding capital improvement or equipment projects? The CDSA Finance Corporation was designed specifically to help CDSA members enhance revenues and reduce costs associated with these projects through the use of innovative finance programs.

Critical and current information

CDSA e-News: an electronic newsletter sent directly to your email every week, which includes updates on key legislation, information on new education workshops and trainings, and other important news that affects CDSA members and special districts in general. Additionally, there are job listings and sponsorship opportunities for those entities looking for publicity.

California Special District magazine: CSDAs bimonthly magazine, California Special District, is read not only by members of other special districts, but
also by legislators and other decision-makers in the state. The articles highlight special district-specific topics, as well as broader policy issues that affect the state, like infrastructure and governance.

**CSDA website** – the CSDA website’s “Members Only” section houses tools and information useful to any and every special district and features, among other resources:
- A directory of your Senate and Assembly representatives and contact information;
- A list of bills important to special districts, CSDA’s position on those bills and sample template letters for your district to use;
- Discounted pricing on publications at the online CSDA Bookstore;
- Reduced rates on classes and workshops by registering for an event through the Education Calendar;
- Links to additional resources related to special districts.

**CSDA listserv**: The email listserv provides a convenient way for CSDA members to discuss issues of importance with other special districts, share relevant information and get answers to questions from those most qualified to answer: people who have been through the same experiences.

**Discount on publications**: CSDA members receive significant savings on various guides, manuals and brochures offered through CSDA. Some of these include:
- A Local Official’s Guide to Ethics Laws: This comprehensive guide, published by the Institute for Local Self Government and developed by a broad base of professionals from local agencies, is packed with useful information on the ethical “do’s and don’ts” for elected or appointed public officials. Crucial areas covered include: public disclosure of personal economic interests, receipt of loans, gifts, travel payments and honoraria, conflicts of interest, campaign contributions and bias, having an interest in a contract, dual office holding and incompatible offices, and criminal misconduct in office. Each of your elected or appointed officials should have a copy of and read this document!
- California Independent Special Districts information brochure: This brochure, which is free of time-dated information to ensure a long shelf life, defines special districts, highlights the services they provide, outlines who runs them, and explains how they operate. This brochure serves as a great public information piece for your district constituents, local media representatives, and policymakers.
- Open & Public IV - A User’s Guide to the Ralph M. Brown Act: “All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency...” The main goal of this publication is to put the Ralph M. Brown Act in an easy to read format, so it can be readily understood by local officials, the public, and the news media. Topics covered in Open & Public IV include: meetings, legislative bodies/committees, notice and agenda, teleconferencing, rights of the public and when to legally hold closed sessions. It is imperative that all district representatives have a clear understanding of the current Brown Act to avoid violations of the law.
- Sample Policy Handbook: This handbook is an accumulation of policies written and edited by Harry Ehrlich, as well as the adapted policies of various districts throughout the state. Handbook contents include: general board policies, including adoption and amendment of policies; over 80 personnel policies such as sexual harassment, advancement of wages, benefits, educational assistance and remuneration; operational policies on accounting, budget preparation and more; board of director policies such as the role of officers, attendances and committee makeup; board meeting policies regarding such issues as setting agenda, conduct and minutes; facilities development policies including annexation and environmental review guidelines. For a complete list of the contents in this handbook, contact the CSDA office.

**Additional member benefits**

**Free legal advice**: Every CSDA member is entitled to one hour of free legal advice to assist in resolving any legal issue or question. The CSDA legal counsel has been representing special districts for 50 years and is well versed in helping special districts in a variety of areas.
Local chapters: Several counties in California have a local chapter. These chapters provide a local forum for the discussion, consideration and interchange of ideas concerning local issues and CSDAs purposes and direction. Not only do these local chapters advocate at the local level, they also help to inform the public of the benefits of local control, establishing a local communication network and carrying out programs of mutual benefit to member districts. Get involved locally!

Hardworking, dedicated staff: The staff at CSDA is fully motivated and working hard every day of the week to represent you and ensure your district's success. We are here for you!

Professional Development Opportunities
CSDA is dedicated to providing high-quality educational opportunities at a reasonable price. The workshops offered vary from extensive board member and governance training to legal issues and the development of policy and personnel manuals. Workshops are offered throughout the year and at special district office locations throughout California. We now offer a variety of webinars specifically designed for special districts. Webinars provide yet another avenue to stay current and receive continuing education on a variety of topics.

Special District Leadership Academy
One of the most significant and comprehensive training series a special district board member should participate in is the CSDA Leadership Academy. The Academy focuses on four areas that all board members should know in order to do their jobs effectively. These include:

1) Governance foundations
2) Setting direction/community leadership
3) The Board's role in human resources
4) The Board's role in finance

CSDA has developed this program and curriculum in conjunction with experts in governance as well as highly experienced special district officials and managers.

Annual Conference
The CSDA Annual Conference is an opportunity for special district employees, managers and board members to receive the latest information about special districts and the issues facing them, as well as attend workshops on the latest management techniques. The conference is also an outstanding place to visit with exhibitors and meet and network with your peers from other special districts throughout the state.

Special Districts Legislative Days
CSDA's Legislative Days is an annual two-day legislative conference in Sacramento. Special district leaders come to the state's Capitol to exchange ideas with legislators and Capitol staff who are critical to the growth and survival of special districts and hear from key legislators and policy experts on topics that directly impact special districts. District representatives also get to know legislators, staff and policy experts in a casual setting at the legislative reception.

Special District Leadership Foundation (SDLF)
The SDLF is a collaborative effort of eight special district organizations dedicated to excellence in local government. SDLF has implemented the Special District Administrator Certification Program, which certifies those who succeed as one of the "best of the best" in their profession. The Foundation also has implemented a similar program for special district governing officials and has endorsed the CSDA Leadership Academy as its core governance training. Lastly, a program called Districts of Distinction showcases the best of the best in districts.

Open, Ethical Leadership: AB 1234 compliance
CSDA has worked in collaboration with highly respected law firms specializing in local governments to develop the content and curriculum for ethics training courses. Board members are required by law to take a two-hour ethics training course every two years and this workshop that CSDA offers satisfies this requirement. Remember—it's the law!

Networking Opportunities
CSDA's Annual Conferences, seminars and Special Districts Legislative Days provide unequaled opportunities to network with others in your chosen profession and discuss common problems, solutions and experiences.
A MORE ACTIVE AND VISIBLE APPROACH
For CSDA

CSDA is taking a more active and visible leadership role in advancing the cause of special districts.

One of the most significant goals of CSDA is to build support for special district issues by educating key decision-makers and the media about the value of special districts in providing essential services that voters want and need. By expanding our base of influence, we are raising the visibility and clout of special districts to make your voices heard.

CSDA is focusing more on the policy arena to strengthen special districts’ voice and enhance your visibility in the State Capitol. CSDA has a focused mission toward grassroots and public outreach in strategic coordination with traditional lobbying efforts.

CSDA is positioned, now more than ever, as a powerful advocate, key resource and referral network on issues that impact special districts. This new approach signals an opportunity for us to elevate the profile and influence of special districts and to provide CSDA with the firepower it needs to become a leading advocate and key resource on issues that impact special districts.

To get there, CSDA will continue to:

• Focus on common interests and help districts better serve their customers by placing a greater emphasis on top-notch education and training in advocacy, governance, administration, risk management and finance.
• Strengthen our connection and value to special districts by improving our communications channels, information sources and membership forums.
• Focus on the Special District Leadership Academy—the only curriculum endorsed by the Special District Leadership Foundation.

Grassroots mobilization
CSDA’s effectiveness on legislative matters is directly linked to the level of participation of special districts and we need active engagement in our advocacy programs to establish a strong and lasting presence. This means being continually responsive to calls for action and cultivating relationships with your constituencies and key decision-makers on the state and local levels to build a strong coalition of support.

CSDA is committed to an effective grassroots mobilization effort. As a special district board member/trustee, you may have relationships to state legislators that would be beneficial to the entire special district community in California. CSDA has a survey to find out who exactly you know in the Capitol so we can make that important connection when an important vote is needed to promote and protect special districts.

CSDA Core Beliefs

The CSDA Board of Directors believes that special districts are closest to the community and the most responsive form of local government in California.

The Board therefore believes that CSDA can and should:

• Be the leading and passionate voice for all special districts.
• Be aggressive and resolute in representing and advocating for the needs of all special districts.
• Strengthen support for special districts by educating the public, media and public policy makers on all levels on the value and function of special districts.
• Capitalize on the strengths of the diversity of special districts, fully representing all types and forms of districts.
• Be the premiere training provider for all special districts, striving for effective governance, leadership and administration.
• Provide a wide range of high-quality services and resources to member districts.
Key Media Messages

Special districts are an integral part of the local government framework.

Special districts work hand-in-hand with cities and counties to fulfill all of California’s public service needs.

Special districts are a form of local government. They are not cities; they are not counties; they are not school districts; they are not Mello-Roos districts; and they are not state government. Special districts are limited-purpose local governments providing only the services their constituents want and need.

Special districts fill voids in city and county services and heighten the level of services desired by their constituencies.

Special districts can serve single or multiple functions and can serve small neighborhoods or large regions. They tailor their services to citizen demand.

Special districts are funded either through a share of local property tax revenue and/or fees generated from their constituents who vote to form them and hold them accountable for all that they do.

Special districts are special because they provide focused services that residents in their communities want, need and approve at the ballot box.

No special district can operate without the consent of voters deciding what services they want for their communities.

Nearly all of California residents rely on special districts for some form of service that is delivered to their homes, businesses and/or communities.

Everyday, millions of Californians are served by special districts. This includes the water that brews our coffee in the morning, the parks our children enjoy, the street lights and the fire trucks we depend on, an evening BBQ without mosquitos, the books that enrich our knowledge—all thanks to special districts.

Special districts serve the public by delivering critical, life-saving fire and police protection, as well as essential healthcare services.

Special districts are closest to the communities they serve and therefore provide expedient and responsive services to customers.

Independent special districts are governed by their own boards of directors. They are elected by voters in their district or appointed to fixed terms by elected officials in their district who are accountable to their constituents.

Special district board members and trustees all take an ethics training course every two years to ensure what they do on a day-to-day basis is compliant with state law and to best serve their constituents.

Special districts only provide the services that their constituents want and need.
Special districts can link costs to benefits. That is, only those who benefit from special district services pay for them. Those who do not benefit do not pay.

Special districts are open, visible and accountable to their constituents.

Special districts are visible because their services are either used or seen almost everyday by their constituents.

As public agencies, special districts must comply with the Brown Act, which means meetings of their governing boards must be open and publicly announced.

Special districts cannot be formed without the consent of a majority of voters in their districts, and they cannot raise taxes without two-thirds support.

Special districts are accountable to voters and the customers who use their services. They must submit annual financial reports to the State Controller and also must follow state laws pertaining to public meetings, bonded debt, record keeping and elections.

Special districts do their jobs and do their jobs well. Like any public entity, not much is reported about them when customers are pleased and things are going well. It’s typically when controversy arises like a rate hike or service reduction that they become more apparent. As the Little Hoover Commission agrees: “No news is good news. The vast majority of special districts are successful and clearly many are.”

Special districts and the core services they provide will be devastated if the state continues to balance the books off the backs of local governments.

Special districts have lost $10 billion since the state began shifting local property tax revenue to offset its own debt and spending obligations as far back as 1992 and it continues to shift over $500 million per year.

Property tax revenue losses are particularly difficult for independent special districts because, unlike cities and counties, property tax revenue is often the sole or primary source of funding for the provision of services.

Loss of additional local government revenue to the state presents a serious hardship for many independent special districts that can only be absorbed by program cuts and staff and service reductions.

It's unfair to ask residents of special districts to replace the property tax revenue taken by the state that they originally voted to go to special districts. This could result in double taxation on these residents just to restore the same services to their original level.
RESPONSES

to tough questions

Why are some special districts supported by property taxes, others by fees or both?
Special districts designated as "non-enterprise districts" are funded through a portion of property taxes. They don't lend themselves to fees because the services benefit the entire community and not just individual residents. About three-quarters of the state's special districts are non-enterprise districts. Some of them include libraries, police and fire protection, mosquito and vector control, and public cemeteries. Though non-enterprise districts rely overwhelmingly on property taxes for their operational expenses, certain services, such as a park district's pool, can generate a small amount of fee revenue.

Special districts that are designated as "enterprise districts" run more like a business enterprise and therefore charge customers "user fees" for specific services provided. For example: water rates for the amount of water consumed or room charges for patient hospital stays. Virtually all water, wastewater and healthcare districts are enterprise districts.

Both enterprise and non-enterprise districts can pursue bonds to pay for capital improvements—for instance, to pay for a new dam or library building. In such cases they must receive a two-thirds majority vote to issue general obligation bonds backed by property taxes.

While some enterprise districts are supported by both property taxes and user fees, the property tax revenue they receive is typically minimal and primarily used to pay for their bond debts and/or stabilize rates.

How are special districts staffed? Don't they have board members who are heavily compensated for doing very little?
The staffing of special districts is based on size and budget. Some rural districts operate only with volunteers or staff that is paid minimally. For others, the administration or staffing may require a larger commitment of resources. The budget allocated for the operational needs of the special district is approved by an elected board in a public meeting. Board member compensation is set in statute by the Legislature. Some districts have the statutory authority to adjust their board member compensation.

Can special districts tax a resident without his/her consent?
No. Proposition 13 limited property taxes to one percent of property value. Many special districts get a share of these revenues and if they require additional revenue, they must get the approval of voters by a two-thirds majority.

Once a special district is formed, how much is a resident taxed for the services received?
The individual is taxed based on a portion of what is reallocated to that special district from the total amount of property tax revenue collected for local government purposes.

If a special district wants more than what the original allocation provided, it can request "special taxes" but Prop 13 and state law require that special taxes be approved by a two-thirds majority vote. A general obligation bond that raises property taxes also requires two-thirds voter approval.

Special assessments are another way voters can pay for special district services. But unlike special taxes, property owners pay benefit assessments only for the projects or services that directly benefit their property such as sewers, parks and water systems. In such cases, the amount of the assessment must be directly related to the benefit received. Proposition 218 enacted in 1996 required local governments, including special districts, to get weighted ballot approval from property owners before they can levy benefit assessments.

Why do we have Mello-Roos districts and special districts funding our services? Doesn't that amount to double taxation?
Mello-Roos is just a funding mechanism. You cannot visit or see a Mello-Roos district. Special districts deliver services; Mello-Roos districts do not. California law allows many special districts along with cities and counties and schools to establish Mello-Roos districts to finance public works and public services. Local governments use Mello-Roos solely as a financing tool to provide the essential services their constituents want and need.

Wouldn't you say special districts are the worst form of fragmented government?
Special districts actually are the best real-world solution to meet the essential public service needs of citizens that are not already being met by cities and counties because of a lack of funding or infrastructure.
RESPONSES  
to tough questions

There are approximately 2,100 special districts compared to 480 cities and 58 counties. Why so many and why can’t they be consolidated to save taxpayers money?  
What really matters is the quality of services and how well a special district responds to the customers it serves. Consolidation may work in some cases. In fact, CSDA and special districts are open to reorganization if it is deemed to be cost-effective, lead to increased efficiency and is supported by the constituents they serve.

But when special districts merge into a larger district, they must serve a much larger area. And when that happens, they may become further removed from the neighborhood residents who originally created them. Consolidation, often, may end up costing customers more in the long run. First, costly studies must be conducted to determine if merging is even feasible or acceptable to voters. After that is done, the districts may find that they lack the infrastructure to consolidate if, for instance, existing sewer or water pipes cannot be connected or replaced to cover larger areas.

Aren’t special districts seen as inefficient because of the abundance of services that seem to overlap or are duplicative?  
While special districts may dot many local landscapes, they are the closest public agencies to the communities they serve and therefore are able to provide the most expedient and responsive services. Furthermore, because special districts focus on a single function or limited functions, they are able to focus their efforts, which leads to discipline and innovation. Every county has a Local Agency Formation Commission (LAFCO) that ensures the services provided by special districts and other local agencies do not overlap. LAFCOs also conduct Municipal Service Reviews on special districts every 5 years.

What is ERAF?  
ERAF is the Education Revenue Augmentation Fund. During the recession of the early 1990s, the state took property taxes from special districts, cities and counties and shifted them into ERAF to offset its debt and spending obligations. That mandated property tax shift of precious local government revenue continues today despite the fiscal hardships it has caused local governments.

How much has been lost because of ERAF?  
Since ERAF began in 1992, the state has shifted over $10 billion in local property tax revenue from special districts, and continues to shift about $500 million per year.

If special districts are hurting for so much funding because of ERAF and Prop 13, why do some have such huge reserves?  
Special districts, like cities and counties, need reserves to ensure they can respond to their constituents in the event of emergencies or disasters like flooding and earthquakes. Prudent reserves often are needed to accumulate the capital to pay for large public works projects. In addition, reserves provide a safety cushion in lean years, stabilizing consumers’ rates.

CSDA has developed the Special District Reserve Guidelines, a comprehensive guide for accumulation and management of special district reserves. The report sets strict policy procedures and high standards for all independent special district members to follow in handling their fiduciary responsibilities.

Note: The Guidelines are available through CSDA at no cost to members.

What’s to stop some special district administrators from using these reserves for high-priced junkets or for “official meetings” that turn out to be nothing more than free vacations?  
Local accountability is key here. As the public agencies that are closest to the people they serve, special districts are directly accountable to their constituents. As such, their leaders will be held to answer to the voters who elected them or elected officials who appointed them for any actions that come into question.

How are special districts scrutinized? Who are they accountable to and how often must they undergo checks and balances?  
Special districts are accountable to the voters who elect their boards of directors and the customers who use their services—just like city council members, boards of supervisors, and state and federal legislators. Special districts must submit annual financial reports to the California State Controller and also must follow state laws pertaining to public meetings, bonded debt, record keeping and elections.

As public agencies, special districts must comply with the Brown Act. Meetings must be open and public. Special districts cannot form, their rates cannot increase nor can their governing boards be elected without the consent of a majority of voters in their district.

IN SUMMARY

In summary, being a special district board member/trustee is an important job and one that should be taken seriously. Clearly, the position requires that elected or appointed officials wear numerous hats and be knowledgeable in a wide range of areas. The California Special Districts Association (CSDA) has developed this handbook to provide board members/trustees with some of the core information that is needed to be an effective and productive official within a special district. CSDA encourages officials to do further research, use the resources referenced throughout the handbook, participate in continuing education opportunities and seek the expertise of legal counsel where appropriate.

Most importantly, use CSDA as the first resource on special district issues. We welcome any feedback on this handbook or how CSDA can better serve special districts in California. 877-924-2732.

The most remarkable thing about our country is that; ordinary citizens control almost every major institution, public and private ... Does this make sense? What it makes is a democracy. We, the people, govern ourselves.”

Henry N. Griswold, Reagan H. Paul in Time for Curriculum
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RANCHO SIMI RECREATION AND PARK DISTRICT
INTEROFFICE MEMORANDUM

DATE: December 3, 2015

TO: Board of Directors

FROM: District Manager

SUBJECT: Discussion and Possible Approval of a Purchase and Sale Agreement Between the Rancho Simi Recreation and Park District, Area Housing Authority of the County of Ventura, and USA Properties for the Purchase and Sale of the District’s Property Located at 1692 Sycamore Drive in Simi Valley

SUMMARY

Attached for your discussion and possible approval is the Purchase and Sale Agreement (hereinafter the “Sale Agreement”) which has been negotiated by the District to sell property located at 1692 Sycamore Drive in Simi Valley totaling 13.23 acres (“Property”). The proposed purchasers of the Property are the Area Housing Authority of Ventura County and USA Properties Fund, Inc. (collectively referred to as “Buyer”). The Area Housing Authority Board is expected to be presented with the Sale Agreement for possible approval on December 1, 2015 at 3:00 pm.

BASIC TERMS OF SALE AGREEMENT

The basic terms of this proposed Sale Agreement include the following:

1. Sale price of $24,000,000.

2. First deposit of $300,000 due from Buyer within 3 days of the Effective Date of the Sale Agreement (the date that it is signed by all parties). This amount is non-refundable after the Contingency Date of either January 29, 2016, or March 8, 2016 (see paragraph 4).

3. District to deliver various documents within 7 days of the Effective Date of the Sale Agreement.

4. Due diligence period ends on the Contingency Date of January 29, 2016, unless a Phase 1 Environmental Assessment indicates a Phase 2 Environmental Assessment is necessary on or before January 8, 2016. In that instance the Contingency Date will be extended to March 8, 2016.
5. Second deposit of $450,000 due from Buyer no more than 15 days after the Contingency Date of either January 29, 2016, or March 8, 2016. This amount is non-refundable unless the District defaults or a building moratorium is imposed.

6. Buyer’s obligation to purchase the Property is not conditioned upon Buyer obtaining financing from a lender.

7. Buyer shall only attempt to obtain entitlements for its proposed development for no less than 25% of the total units as affordable apartment homes for lower income seniors.

8. The Closing Date of the transaction is no later than 12 months from the Contingency Date, unless extended.

9. Buyer has the option to purchase a 90 day closing extension for $50,000. This amount is separate from the sale price.

10. If buyer has not obtained non-appealable entitlements by the end of the first extension, Buyer has the option to purchase a second 90 day closing extension for $100,000. This amount is also separate from the purchase price.

11. Escrow costs will be shared equally, and the District will pay the CLTA Title Policy.

12. Buyer will provide District with a leaseback or license to allow the BMX Raceway to continue to operate on the Property after the Closing Date for no more than 2 years after the Effective Date. This will provide for use of restrooms and parking lot, maintenance access and utility delivery.

SURPLUS LAND LAWS

The proposed sale of the Property is pursuant to the surplus land laws contained in California Government Code Sections 54220 to 54233. Government Code Section 54221(b) defines “surplus land” as follows:

(b) As used in this article, the term “surplus land” means land owned by any local agency, that is determined to be no longer necessary for the agency’s use, except property being held by the agency for the purpose of exchange.

On July 15, 2015, the District closed escrow on the purchase of property located at 4201 Guardian Street in Simi Valley which includes a building that will serve to replace the existing District Property at 1692 Sycamore Drive. The Guardian Street building will provide the District with space for its administrative offices, recreational activities and other District functions. As a result of the acquisition of the Guardian Street property by the District, the Property owned by the District at 1692 Sycamore Drive is surplus property since it is no longer necessary for the District’s use.
Pursuant to Government Code Section 54222 of the surplus land laws, the District was required to submit a letter to five agencies including the City of Simi Valley, Area Housing Authority of Ventura County, California Natural Resources Agency, County of Ventura and Simi Valley Unified School District offering to sell or lease the Property.

On April 3, 2015, the District sent a letter to these five agencies requesting that the agencies notify the District of their interest in purchasing the Property. The only agency to respond to the District with an indication of interest in purchasing the Property was the Area Housing Authority.

Pursuant to Government Code Section 54222.5, the Area Housing Authority is required to make available not less than 25 percent of the total number of units developed on the Property at an affordable housing cost as defined in the Health and Safety Code which shall remain affordable to, and occupied by, lower income households for a period of at least 55 years. If the Property were to be sold by the District to a buyer other than one of the five agencies who received the District’s April 3, 2015 letter, then if that buyer were to develop 10 or more residential units on the Property, then that buyer or its successor would have to provide not less than 15 percent of the number of units at an affordable housing cost.

The District retained the real estate firm of CBRE as a broker to assist in the marketing of the Property and to review and analyze the offers from potential buyers. The District received several offers to purchase the Property. The offer from the Area Housing Authority of Ventura County and USA Properties Fund, Inc. was very competitive with the offers received by the District from other potential buyers. In addition, the Area Housing Authority of Ventura County will be providing not less than 25 percent of the total number of units as affordable housing as compared to only 15 percent by the other potential buyers.

The provision of affordable housing is a high priority under the surplus land laws as confirmed by Government Code Section 54220(a) which reads as follows:

(a) The Legislature reaffirms its declaration that housing is of vital statewide importance to the health, safety, and welfare of the residents of this state and that provision of a decent home and a suitable living environment for every Californian is a priority of the highest order. The Legislature further declares that there is a shortage of sites available for housing for persons and families of low and moderate income and that surplus government land, prior to disposition, should be made available for that purpose. (Emphasis added)

Further confirmation of the priority for affordable housing is found in Government Code Section 54227 which includes two priority criteria linked to affordable housing. First, if more than one of the five agencies had responded to the District’s April 3, 2015 letter, then the agency that would receive first priority is the agency that agrees to use the site for housing that meets the 25% affordable housing requirement of Government Section 54222.5. Second, if more than one of the agencies had responded to the District’s April 3, 2015 letter and agreed to meet the affordable
housing requirement of Section 54222.5, then the agency to receive priority is the agency that provides the greatest number of affordable units at the deepest level of affordability.

Thus, under the California surplus land laws, the fact that the Area Housing Authority will be providing 25% affordable housing for lower income seniors is a very important factor for the District to consider in making a decision on whether to approve the proposed Sale Agreement.

The District’s legal counsel and real estate representative will be in attendance at the meeting to help answer any questions that may arise.

RECOMMENDATIONS

1. Staff recommends the Board discuss and consider for approval the Sale Agreement by the District to sell its property located at 1692 Sycamore Drive in Simi Valley.

2. If the Board determines that the Sale Agreement should be approved, then a motion to approve the agreement and authorize the Board Chair to sign the Purchase Agreement.

Larry Peterson
District Manager

Attachments:

1. Proposed Purchase and Sale Agreement

2. Ventura County Assessor’s Maps 642-23 and 642-28
PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is made as of December 3, 2015, between Rancho Simi Recreation and Park District ("Seller"), and Area Housing Authority of the County of Ventura ("AHACV") and USA Properties Fund, Inc. ("USA Properties") (collectively "Buyer").

RECITALS

A. Seller is the owner of certain real property located in the City of Simi Valley, County of Ventura, State of California, consisting of an approximately 13.23 acre parcel of land ("Land"), commonly known as 1692 Sycamore Drive, Simi Valley, California, 93065, with Assessor's Parcel Number 642-0-280-075, 642-0-280-085, 642-0-280-095, 642-0-231-285 642-0-231-295, which is more particularly described in Exhibit "A", together with all related improvements and appurtenances thereon ("Improvements") (collectively "Property").

B. Seller has deemed the Property to be surplus property pursuant to Government Code § 54221 and has offered the Property to Buyer pursuant to Government Code § 54222.

C. Buyer is an entity proposing to use the Property for developing low and moderate income housing of not less than twenty-five percent (25%) of the total number of units to be developed on the Property in accordance with Government Code § 54222.5.

D. Buyer desires to purchase the Property in order to construct not more than 346 units in one or more projects, including a project in which not fewer than twenty-five percent (25%) of the total number of units shall be affordable apartment homes for lower income seniors.

E. Seller and Buyer have been negotiating in good faith pursuant to Government Code § 54223 and have agreed upon a mutually satisfactory sales price for the Property.

F. Seller now desires to sell and Buyer now desires to purchase the Property according to the terms and conditions specifically described below.

ARTICLE 1

AGREEMENT OF SALE

1. Purchase and Sale. For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Seller agrees to sell and Buyer agrees to purchase the Property, including all Land and Improvements, as described in Recital A above, under the terms and conditions of this Agreement.
ARTICLE 2
PURCHASE PRICE AND DEPOSITS

2.1. **Amount.** The full purchase price for the Property is Twenty-Four Million Dollars ($24,000,000.00) ("Purchase Price") and is payable in accordance with this Article 2.

2.2. **Deposits.**

2.2.1. **First Deposit.** Within three (3) Business Days after the Effective Date, as a deposit against the Purchase Price, Buyer shall deposit Three Hundred Thousand Dollars ($300,000.00) into escrow ("First Deposit") into an escrow ("Escrow") to be opened with First American Title Company (Attention: Erin Graeber Bougie) ("Escrow Holder"). The First Deposit shall be applicable to the Purchase Price. The First Deposit shall be non-refundable to Buyer after the Contingency Date (as defined below) and/or after the approval of the Preliminary Documents (as defined below) and the conditions ascertained during Buyer's Due Diligence (as defined below) except in the event of default by Seller or as otherwise provided for herein. The First Deposit shall be refunded to Buyer if Buyer disapproves the Preliminary Documents, the condition of title as set forth in Section 3.3 hereof and/or the conditions ascertained during its Due Diligence before the Contingency Date.

2.2.2. **Second Deposit.** Within fifteen (15) days after the Contingency Date, if the contingencies set forth in Article 3 have been met and this Agreement has not been otherwise terminated, Buyer shall deposit Four Hundred Fifty Thousand Dollars ($450,000.00) into Escrow as an additional deposit against the Purchase Price ("Second Deposit"). The Second Deposit shall be applicable to the Purchase Price. The Second Deposit shall be non-refundable to Buyer except in the event of default by Seller, if there is a building moratorium (Section 6.1.9) or as otherwise provided for herein.

2.2.3. **Requirements for Deposit.** Buyer may make the First Deposit and the Second Deposit (collectively "Deposit") in cash, or by check payable to the Escrow Holder, or by, electronic transfer of federal funds. The Escrow Holder will hold the Deposit in an escrow account at a bank and invested in investments approved by Buyer, with interest accruing for the benefit of Buyer. On the Closing Date, the Deposit will be credited against the Purchase Price and paid to Seller.

2.3. **Payment of Balance.** Buyer agrees to pay, or cause to be paid, the balance of the Purchase Price to Seller through the Escrow by depositing cash or a certified or cashier's check payable to the Escrow Holder, or by electronic transfer of federal funds, which must be delivered to the Escrow Holder on or before one (1) Business Day before the Closing Date.

2.4. **Independent Consideration.** Within three (3) business days after execution and delivery of this Agreement, Buyer shall deposit with escrow in in cash, or by check payable to the Escrow Holder, or by, electronic transfer of federal funds the sum of One Hundred and No/100 Dollars ($100.00) (the "Independent Consideration"), in addition to the Deposit, which Independent Consideration is fully earned by Seller and is non-refundable under any circumstances.
ARTICLE 3

BUYER’S CONTINGENCIES

3.1. Seller’s Delivery of Documents. Buyer’s obligation to purchase the Property is expressly conditioned on Seller’s making all documents listed below (collectively “Preliminary Documents”) available to Buyer. Within seven (7) days after the Effective Date, Seller must deliver directly to Buyer the Preliminary Report (as defined below). Seller must deliver to Buyer all other Preliminary Documents within ten (10) days after the Effective Date.


3.1.2. Agreements. Copies of all written easements, covenants, restrictions, agreements, service contracts, and other documents that affect the Property.

3.1.3. Licenses and Permits. Copies of any licenses, permits, or certificates required by governmental authorities in connection with the Property.


3.1.5. Insurance Policies. Copies of all liability, fire, and casualty insurance policies carried by Seller.

3.1.6. Survey and Map. Copies of all surveys related to the Property, including, without limitation, any ALTA Survey, As-Built Survey, boundary survey and/or plotted easements.


3.1.8. Materials Related to Condition of the Property. Any environmental impact reports, “Phase I” and “Phase II” reports, or environmental site assessments concerning hazardous materials on the Property, complaints or notices of the presence of hazardous materials on the Property, geological surveys, soil tests, engineering reports, inspection results, complaints, or notices received regarding the safety of the Property.

3.1.9. Litigation Materials. All materials related to pending or threatened litigation, or litigation that was pending or threatened during the period of Seller’s ownership of the Property, involving the Property or the Seller on account of its ownership of the Property, including correspondence, complaints, court orders, settlements, and judgments.

3.1.10. Excluded Records. The Preliminary Documents will not include any books, records, documents, or information on the corporate, financial, and accounting records of the operations of Seller as an entity (as opposed to records concerning the Property), regarding offers or inquiries made by third parties concerning the purchase of some or all of the Property or appraisals of the Property.
value of the Property that are attorney-client communications of Seller, that are Seller’s attorney’s work product, or that are not in the possession of Seller or persons under Seller’s control.

3.2. Buyer’s Approval of Preliminary Documents. Buyer’s obligation to purchase the Property is expressly conditioned on its approval, in its sole discretion, of the matters disclosed in the Preliminary Documents. Buyer shall have until January 29, 2016 ("Contingency Date") to review the Preliminary Documents and to decide whether to approve the matters disclosed in the Preliminary Documents. On or before the Contingency Date, Buyer must deliver written notice to Seller either accepting the matters disclosed in the Preliminary Documents or terminating this Agreement. If Buyer fails to give such notice on or before the Contingency Date, Buyer will be deemed to have rejected the matters disclosed in the Preliminary Documents and this Agreement shall terminated in accordance with Section 3.6 hereof. By its acceptance or waiver of the contingencies set forth in this Section 3.2, Buyer will be deemed to have acknowledged that (a) Seller has provided Buyer with access to the Preliminary Documents and (b) Buyer has had ample opportunity to review and inspect the Preliminary Documents and to make such independent factual, physical, and legal examinations and inquiries as Buyer deems necessary or desirable with respect to matters disclosed in the Preliminary Documents.

3.3. Approval of Title. Buyer’s obligation to purchase the Property is expressly conditioned on Buyer’s approval of the condition of title of the Property in accordance with the following procedure:

3.3.1. Permitted Exceptions. The following exceptions shown on the Preliminary Report ("Permitted Exceptions") are approved by Buyer: (a) exceptions for a lien for local real estate taxes and assessments not yet due or payable, (b) any other exception shown on the Preliminary Report, other than exceptions for monetary liens, which Buyer does not object to by written notice to Seller within ten (10) days after delivery of the Preliminary Report ("Buyer’s Title Notice"), or as otherwise provided in this Section 3.3. All exceptions on the Preliminary Report other than the Permitted Exceptions will be Title Objections. If Buyer fails to deliver Buyer’s Title Notice within the time specified in this Section 3.3, Buyer will be deemed to have rejected each exception shown on the Preliminary Report that is not otherwise a Permitted Exception.

3.3.2. Title Objections. With respect to any Title Objection arising or resulting from any act or omission of Seller, Seller will have ten (10) days after delivery of Buyer’s Title Notice (or Buyer’s deemed objection to all exceptions) to specify the manner in which it will remove or cure such Title Objection. With respect to any Title Objection that did not arise or result from any act or omission of Buyer, Seller will have ten (10) days after delivery of Buyer’s Title Notice to give notice to Buyer in writing ("Seller’s Title Notice"), stating either (a) the manner in which Seller will remove or cure such Title Objection, or (b) that Seller will not remove or cure such Title Objection. If Seller fails to deliver Seller’s Title Notice within the time specified in this Section 3.3, Seller will be deemed to have elected not to cure such Title Objection. Despite the foregoing, Seller agrees to remove all liens securing the payment of money that encumber the Property.

3.3.3. Seller Elects Not to Cure. If Seller elects not to cure or remove a Title Objection (or is deemed to have so elected), then Buyer will have ten (10) days after delivery of the Seller’s Title Notice to deliver a written notice to Seller ("Buyer’s Election Notice") of Buyer’s election either
to (a) proceed with the purchase of the Property, waive such Title Objection, and accept the exception shown in the Preliminary Report as a Permitted Exception, or (b) terminate this Agreement. If Buyer fails to deliver Buyer’s Election Notice within the time specified in this Section 3.3, Buyer will be deemed to have elected to terminate this Agreement.

3.3.4. Nonmonetary Cure. If Seller is obligated or elects to cure or remove a Title Objection, but the method specified for removing or curing the Title Objection is other than the payment of a specific sum of money, then Buyer will have ten (10) days after delivery of the Seller’s Title Notice to deliver Buyer’s Election Notice specifying whether it elects to (a) proceed with the purchase of the Property, subject to Seller’s removal of the Title Objection, or (b) terminate this Agreement. If Buyer fails to deliver Buyer’s Election Notice within the time specified in this Section 3.3, Buyer will be deemed to have elected to terminate this Agreement.

3.3.5. Additional Encumbrances. If any encumbrance or other exception to title arises or is discovered after the delivery of the Preliminary Report (“Additional Encumbrance”), the party discovering such Additional Encumbrance must promptly give written notice to the other. No later than five (5) days after delivery of the notice of such Additional Encumbrance, Buyer will deliver a new Buyer’s Title Notice to Seller specifying whether the Additional Encumbrance is a Title Objection or a Permitted Exception. If Buyer objects to the Additional Encumbrance, the parties will proceed in the same manner as set forth above for Title Objections arising from the Preliminary Report, provided, however, in all events Seller shall be obligated to remove said Additional Encumbrance to the extent it was created by Seller. If Buyer fails to deliver Buyer’s Election Notice within the time specified in this Section 3.3, Buyer will be deemed to have elected to terminate this Agreement.

3.3.6. Seller’s Failure to Remove Title Objection. If Seller is obligated or elects to cure or remove a Title Objection and fails to do so least five (5) days before the Closing Date, or fails to show that it will be able to do so on Closing, then Seller will be in default under this Agreement, and Buyer will have all its rights and remedies provided by this Agreement.

3.4. Physical Condition.

3.4.1. Due Diligence. Buyer’s obligation to purchase the Property is expressly conditioned on its approval, in its sole discretion, of the condition of the Property and all other matters concerning the Property, including the physical and environmental condition of the Property. Buyer will have until the Contingency Date to conduct such investigations as Buyer may choose to determine, in its sole discretion, whether this contingency is met (“Due Diligence”). On or before the Contingency Date, Buyer will deliver written notice to Seller accepting the Property, or terminating this Agreement. If Buyer fails to give such notice on or before the Contingency Date, Buyer will be deemed to have elected to terminate this Agreement. Notwithstanding anything to the contrary set forth herein, if as a part of Buyer’s Due Diligence and review of the Preliminary Documents, Buyer obtains a Phase I Environmental Assessment on or before January 8, 2016 which recommends a Phase II Environmental Assessment be performed on all or any portion of the Property, the Contingency Date shall be extended to March 8, 2016.
3.4.2. **Access to Property.** As part of its Due Diligence, Buyer and its agents, invitees and licensees may investigate economic, financial, and accounting matters relating to or affecting the Property or its value, and conduct inspections, tests, and studies with respect to the physical and environmental condition of the Property, including a “Phase I” and “Phase II” environmental assessment. Buyer and Buyer’s consultants, agents, engineers, inspectors, contractors, and employees (“Buyer’s Representatives”) must be given reasonable access to the Property during regular business hours for the purpose of performing such Due Diligence. Buyer can access the public areas of the Property without notice during Business Days. However, Buyer shall obtain Seller’s consent 24 hours prior to accessing the maintenance areas on the Property. Buyer will undertake the Due Diligence at its sole cost and expense. Buyer shall have the continued right of entry onto the Property to perform such tests and inspections as Buyer deems necessary after the Contingency Date provided Buyer has accepted the condition of the Property prior to the Contingency Date. Buyer will indemnify, defend with counsel reasonably acceptable to Seller, and hold Seller harmless from all claims (including claims of lien for work or labor performed or materials or supplies furnished), demands, liabilities, losses, damages, costs, fees, and expenses, including Seller’s reasonable attorney fees, costs, and expenses, arising from the acts or activities of Buyer or Buyer’s Representatives in, on, or about the Property during or arising in connection with Buyer’s inspections of the Property, provided, however, Buyer shall have no obligation to indemnify Seller for any claim, demand, liability, loss, damage, cost, fee, or expenses arising from Buyer’s discovery of a pre-existing condition upon the Property.

3.4.3. **Assumption of Risk.** Subject to the other provisions of this Agreement, Buyer agrees that, by its acceptance or waiver of the contingency in this Section 3.4, it assumes the risk that an adverse condition of the Property may not have been revealed by its own Due Diligence. On Buyer’s acceptance or waiver of the contingency in this Section 3.4, Seller will have no obligation to repair, correct, or compensate Buyer for any condition of the Property, including defects in the improvements, noncompliance with applicable laws and regulations, including, without limitation zoning laws, building codes, and the Americans with Disabilities Act, whether or not such condition of the Property would have been disclosed by Buyer’s Due Diligence.

3.5. **No Financing Contingency.** Buyer’s obligation to purchase the Property is not conditioned on Buyer obtaining financing from a lender. However, the parties agree that Buyer reserves the right to joint venture or partner with third parties to provide financing for the purchase and development of the Property. Seller understands that all of Buyer’s financial commitments in this Agreement are commitments of USA Properties and not of the AHACV.

3.6. **Termination for Failure of a Contingency.** If this Agreement is terminated or deemed to be terminated on or before the Contingency Date for failure of a contingency set forth in this Article 3, then immediately on written notice from Buyer, Escrow Holder must refund the Deposit, with interest earned thereon, without offset for any charges or claims. Any cancellation fee or other costs of the Escrow Holder or the Title Company resulting from this termination for failure of a contingency will be borne equally by Seller and Buyer, and each party must pay its own expenses.
ARTICLE 4

SELLER’S PRECLOSING COVENANTS

4.1. No Amendments or Agreements. On or after the Effective Date, Seller will not (a) amend or waive any right under any Preliminary Document or (b) enter into any lease or other agreement of any type affecting the Property that would survive the Closing Date, without Buyer’s prior written consent. Before the Contingency Date, Buyer may not unreasonably withhold its consent under this Section 4.1; after the Contingency Date, however, Buyer will have sole discretion in all such matters.

4.2. Insurance. Through the Closing Date, Seller must maintain or cause to be maintained in full force and effect comprehensive general liability casualty and other insurance on the Property.

4.3. Mechanics’ Liens. Except for materials, supplies, or work provided or ordered for the Property at the request of or for the account of Buyer, on or before the Closing, Seller must (a) pay for all materials, supplies, and work provided or ordered for the Property for which a labor, materialman’s, or mechanics’ lien may be claimed under applicable law and (b) if required by the Title Company, provide the Title Company with such indemnifications or security as it may require to insure title to the Property at the Closing without exception for any unrecorded labor, materialmen’s, or mechanics’ claim of lien.

4.4. Access to Property. Buyer and Buyer’s representatives, agents, and designees will have the right at all reasonable times until Closing to enter the Property as provided in Section 3.4.2.

4.5. Notification. Seller will promptly notify Buyer of any material change in any condition with respect to the Property or of any material event or circumstance that makes any representation or warranty of Seller under this Agreement untrue or misleading.

4.6. Service Contracts. Seller covenants and agrees that before the Closing Date it will terminate all service contracts related to the Property except any that Buyer has specifically elected in writing to assume.

4.7. Seller’s Cooperation. Seller acknowledges that, during the course of the escrow and before the Closing Date, Buyer shall seek the entitlements and certain governmental permits and approvals for the acquisition of the Property and the development of the housing on the Property. Seller agrees to reasonably cooperate with Buyer and take all reasonable actions to allow Buyer to pursue and obtain such entitlements, permits, approvals and financing provided that such cooperation shall be at no cost or liability to Seller.

4.8. Operation of Property. During the term of this Agreement, Seller shall continue to operate and secure the Property in accordance with Seller’s normal business and operating practices, including, without limitation, taking reasonable precautions to prevent any damage to, or contamination of, the Property.

Page 7 of 29
ARTICLE 5

REPRESENTATIONS AND WARRANTIES

5.1. Seller's Representations and Warranties. Despite anything to the contrary in this Agreement, Seller warrants and represents as of the Effective Date that:

5.1.1. Organization; Authority. This Agreement and the performance of Seller's obligations under it and all documents executed by Seller that are to be delivered to Buyer at the Closing are, or on the Closing Date will be, duly authorized, executed, and delivered by Seller and are, or at the Closing Date will be, legal, valid, and binding obligations of Seller, and do not, and on the Closing Date will not, violate any provision of any agreement or judicial order to which Seller is a party or to which Seller or the Property is subject. No consent of any partner, shareholder, creditor, investor, judicial or administrative body, government agency, or other party is required for Seller to enter into or to perform Seller's obligations under this Agreement, except as has already been obtained.

5.1.2. No Violation of Law. To Seller's knowledge, Seller has received no written notice of any currently outstanding violations of any federal, state, county, or municipal law, ordinance, order, regulation, or requirement affecting the Property.

5.1.3. Litigation. To Seller's knowledge, Seller has not received any written notice of any existing or threatened litigation or arbitration involving the Property.

5.1.4. Preliminary Documents. To Seller's knowledge, the Preliminary Documents constitute all books, records, documents, agreements, contracts, reports, and other materials related to the Property that are in Seller's possession or control. To Seller's knowledge, the Preliminary Documents are true, correct, and complete copies of what they purport to be.

5.1.5. No Condemnation. To Seller's knowledge, Seller has received no written notice of any presently pending or contemplated special assessments or proceedings to condemn or demolish the Property or any part of it, or any proceedings to declare the Property or any part of it a nuisance.

5.1.6. Hazardous Wastes. To Seller's knowledge: (a) there are no underground storage tanks on the Property; (b) no underground storage tanks have been removed from the Property during Seller's ownership of the Property except in compliance with all applicable state laws; (c) the Property is free of asbestos and asbestos-containing materials except for asbestos that may be contained in the ceilings and tile flooring of the buildings on the Property, and the underground water lines that served the now inoperable pool on the Property; (d) Seller has not caused or permitted to be stored, disposed of, transferred, produced, or processed on the Property any Hazardous Substances, except in compliance with all applicable federal, state, and local laws or regulations; (e) no release of any Hazardous Substances on or off-site of the Property which might affect the Property or for which Buyer may be liable has occurred prior to the Closing Date hereof; (f) Seller is not aware of any enforcement, cleanup, removal or other governmental or regulatory actions being instituted, contemplated or threatened against it or the Property, or
any neighboring property; and (g) no claims have been made by any third party or other person with respect the Property relating to damage, contribution, cost recovery, compensation, loss, or injury resulting from Hazardous Substances. For purposes of this Agreement, the term Hazardous Substances shall mean: "hazardous substance" as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"); "hazardous waste" as defined by the Resource Conservation and Recovery Act of 1976 ("RCRA") as amended; hazardous wastes, hazardous materials, hazardous substances, toxic waste, toxic materials, or toxic substances as defined in state or federal statutes or regulations; asbestos-containing materials, polychlorinated biphenyls; radioactive materials; chemicals known to cause cancer or reproductive toxicity; petroleum products, distillates or fractions; any substance the presence of which is prohibited by statute or regulation; and any substance for which any statute or regulation requires a permit or special handling in its use, collection, storage, treatment or disposal.

5.1.7. Seller’s Knowledge. As used in this Agreement, the phrase “Seller’s knowledge” will be limited to the actual knowledge of Larry Peterson, District Manager, Rancho Simi Recreation and Park District, without duty of inquiry or investigation into the matter so qualified. “Seller's knowledge” will not be construed to refer to the knowledge of any other agent or employee or principal of Seller. Larry Peterson is the employee of Seller with the primary responsibility for the matters that are the subject of these representations and warranties. Larry Peterson will have no personal liability to Buyer for any breach of any representation or warranty in this Agreement.

5.2. Buyer’s Representations and Warranties. Despite anything to the contrary in this Agreement, Buyer hereby warrants and represents that each of the following is true as of the Effective Date and the Closing Date:

5.2.1. Due Authorization. This Agreement and the performance of Buyer’s obligations under it and all the documents executed by Buyer that are to be delivered to Seller at the Closing are, or on the Closing Date will be, duly authorized, executed, and delivered by Buyer and are, or at the Closing Date will be, legal, valid, and binding obligations of Buyer, and do not, and on the Closing Date will not, violate any provisions of any agreement or judicial order to which Buyer is a party or to which Buyer or the Property is subject. No consent of any partner, shareholder, creditor, investor, judicial or administrative body, government agency, or other party is required for Buyer to enter into or to perform Buyer’s obligations under this Agreement, except as has already been obtained.

5.2.2. USA Patriot Act Representation.

5.2.2.1. Neither Buyer nor its partners, members, officers, directors, investors, or shareholders, nor any of their respective affiliates, is in violation of any federal or state anti-money laundering and antiterrorism laws.

5.2.2.2 Neither Buyer nor its partners, members, officers, directors, investors, or shareholders, nor any of their respective affiliates, is acting, directly or indirectly, on behalf of terrorists, terrorist organizations, or narcotics traffickers, including those persons or entities.
designated as a Specially Designated National pursuant to Executive Order 13224 of the President of the United States, dated September 23, 2001 ("Executive Order"), as amended, or that appear on the Annex to the Executive Order, or are included on any relevant lists maintained by the Office of Foreign Assets Control of U.S. Department of Treasury, U.S. Department of State, or other U.S. government agencies, all as may be amended from time to time ("Government List").

5.2.2.3. Neither Buyer nor its partners, members, officers, directors, investors, or shareholders, nor any of their respective affiliates, in any capacity in connection with the purchase of Property (a) conducts any business or engages in making or receiving any contribution of funds, goods, or services to or for the benefit of any person included in a Government List, (b) deals in, or otherwise engages in any transaction relating to, the Property or interests in property blocked pursuant to the Executive Order, or (c) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any anti-money-laundering and anti-terrorism laws.

5.2.2.4. Neither Buyer, nor any person controlling or controlled by Buyer, is a country, territory, individual, or entity named on a Government List, and, to Buyer’s actual knowledge, the monies used in connection with this Agreement and amounts committed with respect to this Agreement were not and are not derived from any activities that contravene any applicable anti-money-laundering or anti-bribery laws and regulations (including funds being derived from any person, entity, country, or territory on a Government List or engaged in any unlawful activity defined under 18 USC §1956(c)(7)).

5.2.3. **Buyer’s Intent to Develop Affordable Housing.** Buyer is an entity proposing to use the Property for developing low and moderate income housing of not less than twenty-five percent (25%) of the total number of units to be developed on the Property in accordance with Government Code § 54222.5. Buyer shall only attempt to obtain entitlements for the development of the Property with not less than twenty-five percent (25%) of the total units being affordable apartment homes for lower income seniors. Seller agrees and acknowledges that Buyer may develop multiple multi-family communities on the Property and that the affordable apartment homes for lower income seniors may all be located within the same community.

5.3. **Effect of Representations and Warranties.** Each representation and warranty in this Article 5 (a) is material and being relied on by the party to which the representation and warranty is made; (b) is true in all respects as of the Effective Date; (c) must be true in all respects on the Closing Date; and (d) will survive the Closing, except as otherwise provided in this Agreement.

5.4. **Survival of Seller’s Representations and Warranties and Limitation on Liability.** The parties agree that (a) Seller’s warranties and representations in this Agreement and in any document executed by Seller under this Agreement with respect to the Property will survive for twelve (12) months after the Closing Date, and (b) if Buyer fails to provide written notice to Seller of any breach of such warranties or representations within twelve (12) months after the Closing Date, Buyer will be deemed to have waived all claims for breach of any representations and warranties with respect to the Property. Buyer’s sole remedy will be an action at law for damages as a consequence of such breach or termination of this Agreement under Section 9.4 and waiver of any further claims against Seller. In no event will Seller’s liability for damages to Buyer after
the Closing exceed $750,000.00.

5.5. "AS IS" PURCHASE. EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT, BUYER HAS AGREED TO ACCEPT POSSESSION OF THE PROPERTY ON THE CLOSING DATE ON AN "AS IS" BASIS. SELLER AND BUYER AGREE THAT THE PROPERTY WILL BE SOLD "AS IS, WHERE IS, WITH ALL FAULTS" WITH NO RIGHT OF SET-OFF OR REDUCTION IN THE PURCHASE PRICE, AND, EXCEPT AS SET FORTH IN SECTION 5.1 OF THIS AGREEMENT, SUCH SALE WILL BE WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED (INCLUDING, WITHOUT LIMITATION, WARRANTY OF INCOME POTENTIAL, OPERATING EXPENSES, USES, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE), AND SELLER DISCLAIMS AND RENOUNCES ANY SUCH REPRESENTATION OR WARRANTY.

5.6. Release. Except as provided in Section 5.4, effective from and after the Closing, Buyer hereby waives, releases, acquits, and forever discharges Seller, and Seller’s agents, directors, officers, and employees to the maximum extent permitted by law, of and from any and all claims, actions, causes of action, demands, rights, liabilities, damages, losses, costs, expenses, or compensation whatsoever, direct or indirect, known or unknown, foreseen or unforeseen, that it now has or that may arise in the future because of or in any way growing out of or connected with this Agreement and the Property (including without limitation the condition of the Property), except matters arising from (i) Seller’s fraud, intentional misrepresentation or illegal actions or (ii) any claim from any third party against Seller arising prior to Closing. BUYER EXPRESSLY WAIVES ITS RIGHTS GRANTED UNDER CALIFORNIA CIVIL CODE §1542, AND ANY OTHER PROVISION OF LAW THAT PROVIDES A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT BUYER DOES NOT KNOW OR SUSPECT TO EXIST IN ITS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY IT MUST HAVE MATERIALLY Affected ITS AGREEMENT TO RELEASE SELLER.

Seller and Buyer have each initialed this Section 5.6 to further indicate their awareness and acceptance of each and every provision of this Agreement. The provisions of this section 5.6 will survive the Closing.

Seller’s Initials: 
Buyer’s Initials: 

ARTICLE 6
CLOSING CONDITIONS

6.1. Buyer’s Closing Conditions. All obligations of Buyer under this Agreement are subject to the fulfillment, before or at the Closing, of each of the following conditions ("Buyer’s Closing Conditions"). Buyer’s Closing Conditions are solely for Buyer’s benefit and any or all of Buyer’s Closing Conditions may be waived in writing by Buyer in whole or in part without prior notice.
6.1.1. Title. It is a Buyer’s Closing Condition that, on the Closing Date, Seller convey to Buyer Insurable title to the Property by execution and delivery of a grant deed ("Deed") to Buyer and cause to be delivered to Buyer from the Title Company an ALTA Owner’s Extended Coverage Policy of Title Insurance with liability in the full amount of the Purchase Price, insuring title to the Property in Buyer, subject only to the Permitted Exceptions, together with such endorsements described below or as may be reasonably requested by Buyer ("Title Policy"). The Title Policy must also include such endorsements or guaranties as Buyer may request. Seller must deliver to the Title Company such instruments, documents, releases, and agreements and must perform such other acts as Title Company may reasonably require in order to issue the Title Policy. Indemnification of the Title Company to induce it to insure any otherwise unpermitted exception to title will not be allowed except with Buyer’s prior written consent after full disclosure to Buyer of the nature and substance of such exception and indemnity, which consent will not be unreasonably withheld by Buyer for exceptions not material to marketable title to the Property.

6.1.2. Liens. Buyer must have received a certified report, with copies of all documents, satisfactory to Buyer and Buyer’s counsel, from the Title Company or a reputable lien search company indicating that there are no personal property liens of record on file with the Secretary of State of California, other than those that will be discharged at the Closing, as of a date no more than ten (10) Business Days before the Closing Date, and a confirmation dated no more than one (1) Business Day before the Closing Date that no further liens have been filed since the date of the certified report. Also, Buyer must have received a verified report, satisfactory to Buyer and Buyer’s counsel, from the Title Company or a reputable lien search company, indicating that there are no federal or state tax liens of record against the Property and on file with the respective agencies as of a date no more than ten (10) Business Days before the Closing Date.

6.1.3. Seller’s Representations, WARRANTIES, and Covenants. The representations and warranties of Seller in this Agreement must be true in all material respects on and as of the Closing Date with the same effect as if such representations and warranties had been made on and as of the Closing Date. Seller must have performed and compiled with all covenants, agreements, and conditions required by this Agreement to be performed or complied with by it before or on the Closing Date. Buyer must have been furnished with a certificate of Seller dated as of the Closing Date, certifying to the fulfillment of the foregoing conditions. Such certificate will have the effect of a representation and warranty of Seller made on and as of the Closing Date.

6.1.4. Financing. Buyer shall have secured financing for the purchase of the Property; however, as per Section 3.5 above, Buyer’s purchase of the Property shall not be contingent upon Buyer obtaining financing.

6.1.5. Closing Documents. Seller must have delivered to Escrow the documents and funds it is required to deliver through Escrow at Closing.

6.1.6. Adverse Actions. There will exist no actions, suits, arbitrations, claims, attachments, proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization, or other proceedings, pending or threatened, against Seller or regarding the Property that would materially and adversely affect Seller’s ability to perform its obligations under this Agreement or Buyer’s title to the Property, , and there will exist no pending or threatened action, suit, or
proceeding regarding the Seller before or by any court or administrative agency that seeks to restrain or prohibit, or to obtain damages or a discovery order with respect to, this Agreement or the consummation of the transactions contemplated by this Agreement.

6.1.7. Consents. All necessary agreements and consents of all parties to consummate the transaction contemplated by this Agreement will have been obtained and furnished by Seller to Buyer.

6.1.8. Hazardous Material. No Hazardous Materials will have been discovered on the Property after the Contingency Date that were not previously disclosed to Buyer or discovered by Buyer before the Contingency Date.

6.1.9. No Moratorium. The Property shall not be subject to any building moratorium, or water or similar restrictions affecting the ability of Buyer to commence construction of its proposed project.

6.1.10. No Material Change to Property. There shall have been no material adverse change to the condition of the Property from the condition of the Property as of the Contingency Date.

6.2. Seller’s Closing Conditions. Seller’s obligation to sell the Property is expressly conditioned on the fulfillment of each condition precedent at or before the Closing (“Seller’s Closing Conditions” and collectively with the Buyer Closing Conditions, the “Closing Conditions”). Seller’s Closing Conditions are solely for Seller’s benefit and any of Seller’s Closing Conditions may be waived in writing by Seller in whole or in part without prior notice.

6.2.1. Approval of Contingencies. It is a Seller’s Closing Condition that Buyer must have acknowledged its approval or waiver of all contingencies as required under Article 3.

6.2.2. Purchase Price. Buyer must have delivered the Purchase Price to Escrow.

6.2.3. Delivery of Closing Documents and Funds. Buyer must have delivered to Escrow the documents and funds specified in Section 7.4.

6.2.4. Buyer’s Representations, Warranties, and Covenants. The representations and warranties of Buyer in this Agreement must be true in all material respects on and as of the Closing Date with the same effect as if such representations and warranties had been made on and as of the Closing Date. Buyer must have performed and complied with all covenants, agreements, and conditions required by this Agreement to be performed or complied with by it before or on the Closing Date. Seller must have been furnished with a certificate of Buyer dated as of the Closing Date, certifying to the fulfillment of the foregoing conditions. Such certificate will have the effect of a representation and warranty of Buyer made on and as of the Closing Date.

6.3 Failure of Conditions to Closing. If any of the conditions set forth in Paragraphs 6.1 or 6.2 of this Agreement are not timely satisfied or waived, or if this Agreement is otherwise terminated in accordance with the terms of this Agreement with reference to the provisions of this Paragraph 6.3, then:
6.3.1 This Agreement and the rights and obligations of Buyer and Seller hereunder shall terminate, and this Agreement shall be of no further force or effect, except for those matters which, by the express terms of this Agreement, survive the termination of this Agreement; and

6.3.2. All documents deposited by Buyer shall be promptly returned by or through Escrow Agent to Buyer, and all documents deposited by Seller shall be promptly returned by or through Escrow Agent to Seller; and

6.3.3. Except in the event that either Buyer or Seller is in default under this Agreement (in which case the provisions of Article 9 of this Agreement shall apply), all Deposits (and any interest earned thereon) shall be promptly delivered by Escrow Agent to Buyer without offset.

ARTICLE 7

CLOSING

7.1. Escrow. The Escrow will be opened with the Escrow Holder on the execution of this Agreement. Buyer and Seller will promptly on the Escrow Holder’s request execute such additional Escrow instructions as are reasonably required to consummate the transaction contemplated by this Agreement and are not inconsistent with this Agreement.

7.2. Closing Definitions.

7.2.1. Definition. The “Closing” means the exchange of money and documents as described in this Article 7, and will be deemed to have occurred when Seller’s Deed to Buyer has been recorded, the Escrow Holder holds and can record and deliver the remaining documents described in this Article 7, the Title Company is irrevocably and unconditionally committed to issue the Title Policy, and Buyer has delivered the Purchase Price in immediately available funds to Escrow Holder.

7.2.2. Closing Date. Seller and Buyer agree that the Closing will occur on the “Closing Date.” Subject to Section 7.2.3 below, the Closing Date will be a date mutually agreeable to Buyer and Seller that is no later than twelve (12) months from the Contingency Date. If the Closing has not occurred within twelve (12) months from the Contingency Date, as may be extended by Section 7.2.3 below, Seller may elect to terminate this Agreement, and the Deposits and any interest earned thereon will be returned to Buyer in accordance with Section 6.3 above. The Closing will be at the offices of Escrow Holder or such other place as the parties may agree.

7.2.3. Options. Buyer shall have the right to purchase for the sum of Fifty Thousand Dollars ($50,000.00) an option to extend the Closing Date by ninety (90) days (“First Extension”). If Buyer has not obtained non-appealable entitlements by the end of the First Extension, Buyer shall have the right to purchase for the sum of One Hundred Thousand Dollars ($100,000.00) an option to extend the Closing Date by an additional ninety (90) days (“Second Extension”). The amounts paid by Buyer to Seller for the First Extension and Second Extension shall be (a) non-refundable
to Buyer except upon Seller default or a failure of a Closing Condition, (b) non-applicable to the Purchase Price and (c) released by Buyer to Seller.

7.3. **Seller’s Deposit of Documents.** Seller must deposit into Escrow the following documents duly executed by Seller in form and substance reasonably satisfactory to Buyer:

7.3.1. **Deed.** The duly executed and acknowledged Deed conveying the Property to Buyer subject only to the Permitted Exceptions;

7.3.2. **Nonforeign Certification.** Certificates required by §1445 of the Internal Revenue Code of 1986, and the California Revenue and Taxation Code §18662, executed by Seller and in a form satisfactory to Buyer (Nonforeign Certification), to relieve Buyer of any potential transferee’s withholding liability under such statutes;

7.3.3 **Seller’s Proof of Power and Authority.** Such proof of Seller’s authority and authorization to enter into and perform under this Agreement, and such proof of power and authority of the individuals executing or delivering any instruments, documents, or certificates on behalf of Seller to act for and bind Seller as may reasonably be required by Buyer or the Escrow Holder; and

7.3.4. **Additional Documents.** Such additional documents, including written Escrow instructions consistent with this Agreement, as may be reasonably necessary or desirable to convey the Property in accordance with this Agreement.

7.4. **Buyer’s Deposit of Documents and Funds.** Buyer must deposit into Escrow the following funds and documents duly executed by Buyer in form and substance reasonably satisfactory to Seller:

7.4.1. **Purchase Price.** The Purchase Price in accordance with Article 2, plus or minus prorations as provided in Section 7.6, including any funds to be provided by a lender with respect to any loan obtain by Buyer to purchase the Property;

7.4.2. **Financing Documents.** Duly executed loan and security documents as a lender may require with respect to Buyer obtaining financing to purchase the Property to the extent Buyer has secured loan(s) for the acquisition of the Property;

7.4.3. **Buyer’s Proof of Power and Authority.** Such proof of Buyer’s authority and authorization to enter into and perform under this Agreement, and such proof of power and authority of the individuals executing or delivering any instruments, documents, or certificates on behalf of Buyer to act for and bind Buyer, as may reasonably be required by Seller and the Escrow Holder; and

7.4.4. **Conveyance Documents.** Such documents, including written Escrow instructions consistent with this Agreement, as may be reasonably necessary or desirable for conveyance of the Property in accordance with this Agreement.

7.5. **Closing.** When the Escrow Holder receives all documents and funds identified in
Sections 7.3 and 7.4, and the Title Company is ready, willing, and able to issue the Title Policy, then, and only then, the Escrow Holder will close Escrow by:

7.5.1. Recording the Deed;

7.5.2. Recording any documents required to be recorded by the lender with respect to any financing obtained by Buyer to purchase the Property, if any;

7.5.3. Issuing the Title Policy to Buyer;

7.5.4. Delivering to Buyer copies of all recorded documents related to the transfer or encumbering of the Property, and a copy of Seller’s Escrow Instructions; and

7.5.5. Paying the Purchase Price to Seller, plus or minus prorations under Section 7.6.

7.5.6. Thereafter, Escrow Holder will deliver signed closing statements showing all receipts and disbursements to Buyer and Seller and will file with the Internal Revenue Service (with copies to Buyer and Seller) the reporting statement required under Internal Revenue Code §6045(e).

7.6. **Prorations.** All receipts and disbursements of the Property will be prorated (with calculations being based on a 30-day month) as of 11:59 p.m. on the day immediately preceding the Closing Date and the Purchase Price will be adjusted on the following basis:

7.6.1. **Property Taxes.** All real and personal property ad valorem taxes and special assessments, if any, whether payable in installments or not, including without limitation all supplemental taxes attributable to the period before the Closing Date for the calendar year in which the Closing occurs will be prorated to the Closing Date, based on the latest available tax rate and assessed valuation.

7.6.2. **Utility Charges.** Charges for utilities, including water, sewer, electric, and gas, will be prorated within thirty (30) days after the Closing Date based on the then most recent bills for such services. Seller must pay for all utility services to the Property for all periods before the Closing and Buyer must pay for all utility services to the Property for the Closing Date and all periods thereafter.

7.7. **Closing Costs.** Closing costs will be allocated as follows:

7.7.1. Seller will pay all costs associated with removing any debt encumbering the Property;

7.7.2. Escrow costs will be shared equally by Seller and Buyer;

7.7.3. Seller will pay the cost of the CLTA Title Policy. If Buyer wishes to obtain an ALTA Title Policy, then Buyer shall be responsible for paying the cost difference between the CLTA and the ALTA Title Policies;
7.7.4. Buyer will pay any and all recording fees, including the cost of recording the Deed;

7.7.5. Buyer will pay costs associated with obtaining any financing to purchase the Property;

7.7.6. Seller will pay any documentary transfer tax and any municipal transfer tax.

7.8. Brokers

7.8.1. Commissions. Seller, under separate agreement, must pay CBRE, Inc., of 1840 Century Park East, Suite 900, Los Angeles, CA 90067, ("Seller’s Broker") a commission for its services as broker in this transaction representing Seller. Buyer, under separate agreement, must pay Gary Seaton, of NAI Capital, 2555 Townsgate Road, Suite 320, Westlake Village, CA 91361, ("Buyer’s Broker") a commission for its services as broker in this transaction representing Buyer. Seller shall not be required to pay any commission to Buyer’s Broker and Buyer shall not be required to pay any commission to Seller’s Broker.

7.8.2. Indemnity. Neither party has had any contact or dealings regarding the Property, or any communication in connection with the subject matter of this transaction, through any licensed real estate broker or person, other than the Seller’s Broker and Buyer’s Broker, who can claim a commission or finder’s fee as a procuring cause of the sale contemplated in this Agreement. If any other broker or finder perfects a claim for a commission or finder’s fee based on any contract, dealings, or communication with a party ("Indemnifying Party"), then the Indemnifying Party must indemnify, defend, and hold the other party ("Nonindemnifying Party") harmless from all costs and expenses (including reasonable attorney fees and costs of defense) incurred by the Nonindemnifying Party in connection with such claim. The parties further agree to indemnify each other with respect to any claims brought against them by the other party’s Broker in connection with the purchase and sale of the Property.

7.9. Possession.

7.9.1. Right of Possession. Subject to Section 7.9.2, Seller will deliver exclusive right of possession of the Property to Buyer on the Closing Date and no other party shall have any current or future right to occupy any portion of the Property except as set forth in Section 7.9.2 below.

7.9.2. BMX Raceway. Notwithstanding Section 7.9.1, if Seller so desires, Buyer will provide Seller with a leaseback or license to continue to operate the Sycamore BMX Raceway ("BMX Raceway") on the Property after Closing for no more than two (2) years after the Effective Date, which shall (i) allow Seller to operate the BMX Raceway on the Property; (ii) provide Seller and its agents, contractors, and employees with access to the BMX Raceway track, and the existing restrooms and parking lot on the Property; (iii) provide the public with access to the BMX Raceway track, and the existing restrooms and parking lot on the Property; (iv) allow Seller to undertake any necessary maintenance with respect to the BMX Raceway; and (v) provide Seller and the public with access to all utilities on the Property associated with operating the BMX Raceway, restrooms and parking lot, including, but not limited to water and electricity. In such case, Seller shall (i) operate, maintain and repair, at its own expense, the BMX Raceway (inclusive of the
existing restrooms and parking lot on the Property); (ii) maintain, at its own expense, a workers compensation insurance policy, a commercial general liability insurance policy pertaining to the operation of the BMX Raceway (inclusive of the existing restrooms and parking lot on the Property), and such other insurance as Buyer may reasonably request and in an amount reasonably acceptable to Buyer, naming Buyer and Buyer’s partners, members and lenders as an additional insured; and (iii) indemnify, defend and hold Buyer harmless from all claims, demands, liabilities, losses, damages, costs, fees, and expenses, including Buyer’s reasonable attorney fees, costs, and expenses, arising from Seller’s operation and maintenance of the BMX Raceway on the Property (inclusive of the existing restrooms and parking lot on the Property). Seller shall also be responsible for any and all costs associated with the relocation of the BMX Raceway. If Seller desires to operate the BMX Raceway subsequent to the Closing Date, Seller shall provide written notice thereof to Buyer within one hundred eighty (180) days after the Effective Date. Seller’s obligation to allow the continued operation of the BMX Raceway shall be conditioned upon (i) the execution of a lease agreement between Buyer and Seller prior to the Closing Date incorporating the terms of this Section 7.9.2 and such other terms and conditions reasonably acceptable to Buyer and (ii) the delivery of all applicable insurance certificates contemplated herein by Seller to Buyer.

ARTICLE 8

RISK OF LOSS


8.1.1. Minimal Condemnation. Buyer shall not be relieved of the obligation to complete the purchase by reason of any eminent domain proceeding ("Minimal Condemnation") which results in the taking of less than ten percent (10%) of the land and no portion of the buildings prior to Closing. In such event, however, (i) Seller shall pay to Buyer, at Closing, all eminent domain awards received by Seller prior to Closing with respect to any Minimal Condemnation and (ii) Seller shall pay to Buyer, not more than thirty (30) days after Seller’s receipt thereof, all eminent domain awards received by Seller subsequent to Closing with respect to any Minimal Condemnation. The obligations of Seller under this subparagraph shall survive the Closing.

8.1.2. Significant Condemnation. If any eminent domain proceeding ("Significant Condemnation") results in the taking of ten percent (10%) or more of the land or of any portion of the buildings prior to Closing, Buyer and Seller shall each have the unilateral right to cancel this Agreement by delivery to Escrow Agent of written notice to this effect at any time prior to Closing. Upon receipt of any such notice of cancellation, Escrow Agent shall return any funds, instruments or documents deposited into Escrow to the party who deposited them and this Agreement shall then terminate. Seller shall then promptly refund the Deposits, and any interest earned thereon, to Buyer. If neither Buyer nor Seller elects to cancel this Agreement in the event of a Significant Condemnation, the provisions of Section 8.1(a) above regarding Minimal Condemnation shall apply to such Significant Condemnation.

8.2. Damage and Destruction.
8.2.1. **Destruction of Improvements.** Buyer shall not be relieved of the obligation to complete the purchase by reason of any destruction of the Improvements on the Property prior to Closing.

8.2.2. **Minimal Destruction of Land.** If any portion of the Land is damaged by earthquake, mudslide, fire, release of or exposure to any Hazardous Substances, or any other casualty (other than any damage caused by Buyer or its employees, agents, or contractors) prior to the Close of Escrow, such that the cost of fully repairing and correcting such damage is less than an amount equal to ten percent (10%) of the Purchase Price, Buyer and Seller shall consummate this Agreement, but the cash portion of the Purchase Price payable at the Close of Escrow shall be reduced by an amount necessary to fully repair or correct any damage to the Property.

8.2.3. **Significant Destruction of Land.** If any portion of the Land is damaged by earthquake, mudslide, fire, release of or exposure to any Hazardous Substances, or any other casualty (other than any damage caused by Buyer or its employees, agents, or contractors) prior to the Close of Escrow, such that the cost of fully repairing or correcting such damage exceeds an amount equal to ten percent (10%) of the Purchase Price, Buyer may elect either (i) to terminate this Agreement upon written notice to Seller, in which event neither party shall have any further obligations under this Agreement except as otherwise provided in this Agreement, or (ii) to proceed with the purchase of the Property, in which event this Agreement shall remain in full force and effect, and Seller shall pay or assign to Buyer (A) any amount due from or paid by any insurance company or any other party as a result of the damage and (B) the amount of any deductible under Seller’s insurance policy and/or the cost of repairing or correcting such damage not covered by insurance shall be credited against the cash portion of the Purchase Price and shall reduce the amount payable at Close of Escrow; provided, however, that the amount of any credit against the Purchase Price pursuant to this clause (ii) shall not exceed an amount equal to twenty percent (20%) of the Purchase Price.

**ARTICLE 9**

**REMEDIES FOR DEFAULT**

9.1. **Buyer’s Default.** Buyer will be deemed to be in default under this Agreement (1) if Buyer fails, for any reason other than Seller’s default under this Agreement or the failure of a condition precedent to Buyer’s obligation to perform under this Agreement, to meet, comply with, or perform any covenant, agreement, or obligation required on its part within the time limits and in the manner required in this Agreement, or (2) if a material breach of any representation or warranty (made by Buyer) has occurred by reason of Buyer’s actual fraud or intentional misrepresentation; provided, however, that no such default will be deemed to have occurred unless and until Seller has given Buyer written notice of this Agreement, describing the nature of the default, and Buyer has failed to cure such default within five (5) days after the receipt of such notice (but in any event before the Closing Date, unless such default occurs after Closing).

9.2. **REMEDIES FOR BUYER’S DEFAULT.** IF THE CLOSING FAILS TO OCCUR BECAUSE OF BUYER’S DEFAULT UNDER THE TERMS OF THIS AGREEMENT, BUYER WILL BE RESPONSIBLE FOR ALL CANCELLATION CHARGES REQUIRED TO BE PAID TO ESCROW HOLDER AND ANY ESCROW CHARGES. IN ADDITION, THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES WILL TERMINATE AND THE DEPOSITS WILL BE IMMEDIATELY DELIVERED BY ESCROW.
HOLDER TO SELLER ON SELLER’S REQUEST. THE DEPOSITS MADE AS OF THE DATE OF BUYER’S DEFAULT WILL BE DEEMED LIQUIDATED DAMAGES FOR BUYER’S NONPERFORMANCE AS SELLER’S SOLE AND EXCLUSIVE REMEDY AGAINST BUYER (INCLUDING, WITHOUT LIMITATION, SELLER’S RIGHTS TO SEEK SPECIFIC PERFORMANCE OF THIS AGREEMENT AND TO RECEIVE DAMAGES) FOR BUYER’S FAILURE TO PURCHASE THE PROPERTY, WHICH SUMS WILL BE PRESUMED TO BE A REASONABLE ESTIMATE OF THE AMOUNT OF ACTUAL DAMAGES SUSTAINED BY SELLER BECAUSE OF BUYER’S BREACH OF ITS OBLIGATION TO PURCHASE THE PROPERTY. FROM THE NATURE OF THIS TRANSACTION, IT IS IMPRACTICABLE AND EXTREMELY DIFFICULT TO FIX THE ACTUAL DAMAGES THAT SELLER WOULD SUSTAIN IF BUYER BREACHES SUCH OBLIGATION. THE IMPRACTICABILITY AND DIFFICULTY OF FIXING ACTUAL DAMAGES IS CAUSED BY, WITHOUT LIMITATION, THE FACT THAT THE PROPERTY IS UNIQUE. GIVEN THE FOREGOING FACTS, AMONG OTHERS, BUYER AND SELLER AGREE THAT LIQUIDATED DAMAGES ARE PARTICULARLY APPROPRIATE FOR THIS TRANSACTION AND AGREE THAT SAID LIQUIDATED DAMAGES MUST BE PAID IN THE EVENT OF BUYER’S BREACH OF ITS OBLIGATION TO PURCHASE THE PROPERTY, DESPITE ANY WORDS OR CHARACTERIZATIONS PREVIOUSLY USED OR CONTAINED IN THIS AGREEMENT IMPLYING ANY CONTRARY INTENT. THE PAYMENT OF SUCH AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE §3275 OR §3369 BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER UNDER CALIFORNIA CIVIL CODE §§1671, 1676, AND 1677. NOTHING IN THIS AGREEMENT WILL, HOWEVER, BE DEEMED TO LIMIT BUYER’S LIABILITY TO SELLER FOR DAMAGES OR INJUNCTIVE RELIEF FOR BREACH OF BUYER’S INDEMNITY OBLIGATIONS UNDER SECTION 3.4.2, OR FOR ATTORNEY FEES AND COSTS AS PROVIDED IN SECTION 10.17.

WE ACKNOWLEDGE THIS LIQUIDATED DAMAGES PROVISION:

SELLER’S INITIALS: __________

BUYER’S INITIALS: __________

9.3. Seller’s Default. Seller will be deemed to be in default under this Agreement (1) if Seller fails, for any reason other than Buyer’s default under this Agreement or the failure of a condition precedent to Seller’s obligation to perform under this Agreement, to meet, comply with, or perform any covenant, agreement, or obligation required on its part within the time limits and in the manner required in this Agreement, or (2) if a material breach of any representation or warranty (made by Seller) has occurred because of Seller’s actual fraud or intentional misrepresentation; provided, however, that no such default will be deemed to have occurred unless and until Buyer has given Seller written notice of the default, describing its nature, and Seller has failed to cure such default within five (5) days after receipt of such notice (but in any event before the Closing Date, unless such default occurs after Closing).
9.4. WAIVER OF RIGHT TO SPECIFIC PERFORMANCE. IF SELLER FAILS TO CONVEY THE PROPERTY TO BUYER IN ACCORDANCE WITH THE PROVISIONS OF THIS AGREEMENT, AND SUCH FAILURE CONSTITUTES A DEFAULT UNDER THIS AGREEMENT, THEN BUYER WILL BE ENTITLED TO TERMINATE THIS AGREEMENT AND TO THE RETURN OF THE DEPOSIT AND ALL INTEREST ACCRUED ON THAT DEPOSIT WHILE IN ESCROW. BUYER WILL ALSO HAVE THE RIGHT TO PURSUE AN ACTION FOR DAMAGES AGAINST SELLER RELATIVE TO SUCH DEFAULT. HOWEVER, BUYER WILL NOT HAVE THE RIGHT TO RECEIVE ANY EQUITABLE RELIEF, TO RECORD A LIS PENDENS AGAINST THE PROPERTY UNDER APPLICABLE LAW AND/OR TO PURSUE THE SPECIFIC PERFORMANCE OF THIS AGREEMENT. SELLER AND BUYER ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THIS SECTION AND BY THEIR INITIALS IMMEDIATELY BELOW AGREE TO BE BOUND BY ITS TERMS.

Seller’s Initials: __________

Buyer’s initials: __________

9.5. Resolution of Disputes. Controversies or claims between Seller and Buyer that arise from (a) this Agreement (including any modifications to this agreement), (b) any document, agreement, or procedure related to or delivered in connection with this Agreement or the Property, (c) any violation of this Agreement, or (d) any claims for damages resulting from any business conducted between Seller and Buyer, including claims for injury to persons, property, or business interests (torts) (collectively “Arbitrable” Disputes) will be resolved under this section, which will survive termination of this Agreement. Wherever this Agreement refers to arbitration as the means of resolving disputes between the parties, the parties agree to follow the procedure described immediately below before commencing arbitration procedures. The filing of a judicial action during the term of this Agreement to enforce the other party’s performance under this Agreement (e.g., for an order of attachment, injunction, or other remedy) will not constitute a waiver to the filing party’s right or breach of the filing party’s obligation to arbitrate; provided, however, that in no circumstances will Buyer be entitled to record a notice of pending action (lis pendens) or take other action or seek other remedies that would have the effect of clouding Seller’s title or restricting Seller’s ability to convey or encumber the Property, free of any claim by Buyer to the Property.

9.5.1. Arbitration of Disputes.

(a) General. Any controversies or claims between Seller and Buyer that arise from Arbitrable Disputes will be settled by arbitration in the City of Ventura, California, in accordance with the Commercial Arbitration Rules and Mediation Procedures (“Rules”) of the American Arbitration Association (“AAA”) if not inconsistent with other provisions of this Agreement, and judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction. The parties submit to the jurisdiction of the Superior Court of the State of California, County of Ventura for purposes of confirming any such award and entering judgment. The parties further agree that, despite anything to the contrary that may now or hereafter be contained in the Rules of the AAA, this section will control.

Page 21 of 29
(b) **Appointment.** Within ten (10) days after receipt of a notice of arbitration ("Demand") from the other party, each party will appoint one person to hear and decide the dispute. The two persons so chosen will, within ten (10) days after their appointment, appoint a third impartial arbitrator (who must be an attorney at law licensed to practice in California), and the final majority decision of the three arbitrators will be final and conclusive on the parties to this Agreement. Each appointment of an arbitrator will be deemed complete on delivery by the appointing party of written notice of appointment of that arbitrator to the Los Angeles Regional Office of the AAA. If either Seller or Buyer fails to designate its arbitrator within the specified period after receipt of the Demand, then the arbitrator designated by the other party will sit as the sole arbitrator and will be deemed to be the single, mutually approved arbitrator to resolve the Arbitrable Dispute. If the party-appointed arbitrators are unable to appoint an impartial arbitrator, the impartial arbitrator will be appointed under the Rules of the AAA. If the parties cannot agree on a rate of compensation for the arbitrators, they will be compensated for their services at a rate to be determined by the AAA.

(c) **Costs.** Except as provided in this section and Section 10.17 hereof, each party will bear its own costs and expenses of arbitration, including, but not limited to, filing fees, attorney fees, the fees of the arbitrator appointed by the party, and costs of transcripts, and each party agrees to pay half of the compensation to be paid to the neutral arbitrator in the arbitration. Notwithstanding the foregoing, the arbitrators shall award the prevailing party in any arbitration said parties reasonable costs, expenses, fees, and attorney’s fees.

(d) **Written Opinion.** The arbitrators must, on the request of either Seller or Buyer, issue a written opinion of their findings of fact and conclusions of law. On receipt by the requesting party of this written opinion, the party will have the right to file with the arbitrators a motion to reconsider, and the arbitrators must then reconsider the issues raised by this motion and either confirm or change their majority decision, which will then be final and conclusive on the parties.

(e) **Applicability of Code of Civil Procedure.** It is specifically contemplated and agreed by the parties that California Code of Civil Procedure § 1283.05, as it may be amended from time to time, will be incorporated into, made a part of, and made applicable to the arbitration agreement in this Section 9.5.1.

(f) **Power of Arbitrators.** The arbitrators will have the authority to issue any judgment or order, including punitive damages and equitable relief; provided, however, that the arbitrators' power to provide equitable relief or specific performance will be limited to disputes in connection with the administration of this agreement and will not preclude or restrict implementation of the termination provisions of this Agreement.

(g) **Statute of Limitations.** For purposes of the statute of limitations, the filing of an arbitration under this Section 9.5.1 is the equivalent of the filing of a lawsuit, and any claim or controversy that may be arbitrated under this Section 9.5.1 is subject to any applicable statute of limitations. The arbitrators will have the authority to decide whether any such claim or controversy is barred by the statute of limitations, and, if so, to dismiss the arbitration on that basis.

(h) **Disagreement on Arbitrability.** If the parties disagree on whether a dispute is an
Arbitrable Dispute, the issue of arbitrability will be resolved by litigation unless both parties in their sole discretion agree to make the issue of arbitrability an issue to be decided by the arbitrators under this Section 9.5.1.

9.5.2. Statutory Notice. NOTICE: BY INITIALIZING IN THE SPACE BELOW, YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALIZING IN THE SPACE BELOW, YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

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

Seller’s Initials: ____________

Buyer’s Initials: ____________

ARTICLE 10

GENERAL

10.1. Notices. Any notices relating to this Agreement must be given in writing and will be deemed sufficiently given and served for all purposes when delivered personally, by generally recognized overnight courier service, by facsimile (provided that sender retains a printed confirmation of delivery to the facsimile number provided below), or three (3) days after deposit in the United States mail certified or registered, return receipt requested, with postage pre-paid, addressed as follows:

SELLER:

Rancho Simi Recreation and Park District
1692 Sycamore Drive
Simi Valley, CA 93065
Attention: Larry Peterson
Fax No.: (805) 584-4468

with a courtesy copy to:
Burke, Williams & Sorensen, LLP  
2310 E. Ponderosa Drive, Suite 25  
Camarillo, CA 93010  
Attention: Brian Pierik, Esq.  
Fax No.: (805) 482-9834

BUYER:

Area Housing Authority of the County of Ventura  
1400 West Hillcrest Drive  
Newbury Park, CA 91320  
Attention: Michael Nigh  
Fax No.: (805) 480-1021

and

USA Properties Fund, Inc.  
3200 Douglas Blvd., Suite 200  
Roseville, CA 95661  
Attention: Steven Gall  
Fax No.: (916) 773-5866

with a courtesy copy to:

Bocarsly Emden Cowan Esmail & Arndt LLP  
633 West Fifth Street, 64th Floor  
Los Angeles, CA 90071  
Attention: Kyle Arndt  
Fax No.: (213) 239-0410

and

Goldfarb & Lipman LLP  
1300 Clay Street, 11th Floor  
Oakland, CA 94612  
Attn: Lynn Hutchins  
Fax No.: (510) 836-1035

ESCROW HOLDER:

First American Title Company  
3281 East Guasti Road, Suite 440  
Ontario, CA 91761  
Attention: Erin Graeber Bougie  
Fax No.: (714) 689-5497
Either party may change its address by written notice to the other given in the manner set forth above.

10.2. **Entire Agreement.** This Agreement and all exhibits referred to in this Agreement constitute the complete, exclusive, and final statement of the terms of the agreement with respect to the sole property between buyer and seller and may not be contradicted by evidence of any prior or contemporaneous agreement. This Agreement specifically supersedes any prior written or oral agreements between the parties. The language in all parts of this Agreement will be construed as a whole in accordance with its fair meaning and without regard to California Civil Code §1654 or similar statutes. Neither party has been induced to enter into this Agreement by, and neither party is relying on, any representation or warranty outside those expressly set forth in this Agreement.

10.3. **Amendments and Waivers.** No addition to or modification of this Agreement will be effective unless it is made in writing and signed by the party against whom the addition or modification is sought to be enforced. The party benefited by any condition or obligation may waive the same, but such waiver will not be enforceable by another party unless it is made in writing and signed by the waiving party.

10.4. **Invalidity of Provision.** If any provision of this Agreement as applied to either party or to any circumstance is adjudged by a court of competent jurisdiction to be void or unenforceable for any reason, this fact will in no way affect (to the maximum extent permissible by law) any other provision of this Agreement, the application of any such provision under circumstances different from those adjudicated by the court, or the validity or enforceability of this Agreement as a whole.

10.5. **No Merger.** This Agreement, each provision of it, and all warranties and representations in this Agreement will survive the Closing and will not merge in any instrument conveying title to Buyer. All representations, warranties, agreements, and obligations of the parties will, despite any investigation made by any party to this Agreement, survive Closing, and the same will inure to the benefit of and be binding on the parties’ respective successors and assigns.

10.6. **References.** Unless otherwise indicated, (a) all article and section references are to the articles and sections of this Agreement, and (b) except where otherwise stated, all references to days are to calendar days. Whenever under the terms of this Agreement the time for performance of a covenant or condition falls on a Saturday, Sunday, or California state holiday, such time for performance will be extended to the next Business Day. As used herein, “Business Day” means any day other than Saturday, Sunday, and California state holiday. The headings used in this Agreement are provided for convenience only and this Agreement will be interpreted without reference to any headings. The date of this Agreement is for reference purposes only and is not necessarily the date on which it was entered into.
10.7. Governing Law. This Agreement will be governed by the laws of the State of California applicable to contracts made by residents of the State of California and to be performed in California.

10.8. Confidentiality and Publicity. Before the Closing, the parties must at all times keep this transaction and any documents received from each other confidential, except to the extent necessary to (a) comply with applicable law and regulations, (b) carry out the obligations set forth in this Agreement or (c) obtain entitlements and/or financing for the Property. Any such disclosure to third parties must indicate that the information is confidential and should be so treated by the third party. Before the Closing, no press release or other public disclosure may be made by either party or any of its agents concerning this transaction without the other party’s prior written consent.

10.9. Time. Buyer and Seller hereby acknowledge and agree that time is strictly of the essence with respect to each term and condition of this Agreement and that the failure to timely perform any of the terms and conditions by either party shall constitute a breach and default under this Agreement by the party failing to perform.

10.10. Assignment. This Agreement will inure to the benefit of and be binding on the parties to this Agreement and their respective successors and assigns. However, Buyer will not have the right to transfer, assign, or encumber all or any portion of its interest in this Agreement before the Closing Date unless Seller consents to such an assignment, provided, however any such consent shall not be required in connection with an assignment to a limited liability company or limited partnership in which the two entities constituting the Buyer are general partners or managing members. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties. Seller may require, as a condition of such consent, that Seller (a) has a right to approve the instrument of assignment or transfer prior to the signing thereof, and/or (b) receive any and all amounts paid by an assignee or transferee, directly or indirectly, to Buyer, as consideration for such assignment or transfer. No assignment or transfer permitted by Seller shall (i) relieve Buyer of its liabilities or obligations under this Agreement or (ii) be deemed to waive the requirement of Seller consent to any subsequent proposed assignment or transfer by the assignee or other party. Furthermore, no assignment or transfer permitted by Seller shall be valid unless and until Seller shall have received a true and complete copy of the instrument of assignment or transfer, together with the name, address and telecopy number of the assignee or transferee.

10.11. No Third Party Beneficiaries. Nothing in this Agreement, express or implied, is intended to confer any rights or remedies under or by reason of this Agreement, on any person other than the parties to it and their respective permitted successors and, assigns, nor is anything in this Agreement intended to relieve or discharge any obligation of any third person to any party to this Agreement or give any third person any right of subrogation or action over against any party to this Agreement.

10.12. Remedies Cumulative. The remedies set forth in this Agreement are cumulative and not exclusive to any other legal or equitable remedy available to a party.
10.13. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

10.14. **Interpretation.** Throughout this Agreement, (a) the plural and singular numbers will each be considered to include the other; (b) the masculine, feminine, and neuter genders will each be considered to include the others; (c) "shall," "will," "must," "agrees," and "covenants" are each mandatory; (d) "may" is permissive; (e) "or" is not exclusive; and (f) "includes" and "including" are not limiting.

10.15. **Effective Date.** The term "Effective Date" means when this Agreement has been mutually executed by both Seller and Buyer.

10.16. **Fees and Costs.** The Buyer and Seller shall each bear their own expenses in negotiating and preparing this Agreement.

10.17. **Prevailing Party.** In the event of the bringing of any action or suit by a party hereto against another party hereunder by reason of any breach of any of the covenants, conditions, agreements or provisions on the part of the other party arising out of this Agreement, then in that event the prevailing party shall be entitled to have and recover of and from the other party all costs and expenses of the action or suit, including actual attorneys' fees and costs.

10.18 **Subdivision of Property.** Seller agrees and acknowledges that Buyer intends to develop multiple multifamily apartment communities on the Property, each of which shall be owned by different entities. Notwithstanding anything to the contrary set forth herein, if the Property has been legally subdivided as of the Closing Date, the Buyer shall have the right to cause portions of the Property to be transferred to different entities so long as (i) the entirety of the Purchase Price is paid and (ii) the entirety of the Property is transferred.

10.19 **Actions by Buyer.** Seller agrees and acknowledges that any notice required to be given hereunder by Buyer shall be given or withheld by both AHACV and USA Properties.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

SELLER:

Rancho Simi Recreation and Park District

By: __________________________

Name: _________________________

Its: ___________________________
BUYER:

Area Housing Authority of the County of Ventura

By: ______________________
Name: _____________________
Its: _______________________

USA Properties Fund, Inc.

By: ______________________
Name: _____________________
Its: _______________________
Exhibit "A"

Ventura County Assessor's Maps 642-23 and 642-28
RANCHO SIMI RECREATION AND PARK DISTRICT
INTEROFFICE MEMORANDUM

DATE: December 3, 2015

TO: Board of Directors

FROM: District Manager

SUBJECT: Approval of Agreement, as Revised, for Recreational Use of County of Ventura Oak Park Property by Rancho Simi Recreation and Park District

SUMMARY

The Nature Conservancy and the Park District are continuing their efforts to purchase approximately 326 acres of property west of the Simi Valley Landfill, commonly referred to as Alamos Canyon, for wildlife transit, habitat preservation, and recreational use. Recreation access can safely occur from the County’s Oak Park facility. The District’s Board approved the agreement negotiated with the County on July 16, 2015. However, when approval of that item was placed on the County Board of Supervisor’s Agenda the County’s legal counsel requested additional changes be made to the agreement. District staff and legal counsel then worked with County staff and legal counsel to develop the attached revised agreement.

The agreement allows the District to construct 6 parking stalls, a trail head kiosk, and a trail connection between the Oak Park facility and Alamos Canyon Road. The costs associated with these efforts is expected to be minimal, thanks to the existing infrastructure of the park. The railroad crossing at the entry point to the Oak Park facility means that a hiker or bike rider can safely cross the railroad tracks, park in the parking area, and use the public restrooms, picnic areas, and drinking fountains before or after their activity. The trail to be constructed will also allow access for District maintenance and Park Ranger vehicles access to help ensure safety and maintenance standards are regularly met in Alamos Canyon.

The purchase of the Alamos Canyon property is expected to be fully funded by grants. The District and the Nature Conservancy have already been notified of grant awards totaling approximately $2.4 million. This represents 83% of the required funds. Among other things, the awarded grants contemplate recreation, maintenance, and Park Ranger access. The grants would not likely be awarded, and the property would not likely be purchased for preservation, if this access were not secured. The Oak Park facility appears to represent the only viable alternative for this access. On December 3, 2015, the County Board of Supervisor’s approved the attached agreement on a 4-1 vote, with only Supervisor Parks voting no. Staff now recommends approval of the attached agreement.
BOARD ACTION REQUESTED

Staff recommends Board approval of the attached agreement for recreational use of the County of Ventura Oak Park property by Rancho Simi Recreation and Park District.

Larry Peterson
District Manager
AGREEMENT FOR RECREATIONAL USE OF
COUNTY OF VENTURA OAK PARK PROPERTY
BY RANCHO SIMI RECREATION AND PARK DISTRICT

This Agreement for Recreational Use of County of Ventura Oak Park Property by Rancho Simi Recreation and Park District (hereinafter referred to as “AGREEMENT”) is made on this ___ day of ________, 2015 by and between the COUNTY OF VENTURA (hereinafter referred to as the “COUNTY”), and the RANCHO SIMI RECREATION AND PARK DISTRICT (hereinafter referred to as the “DISTRICT”) (collectively the “PARTIES”).

WHEREAS, the COUNTY is the owner of an open space used for recreational purposes which is known as Oak Park and which is located at 901 Quimisa Drive, Simi Valley, California 93065 (hereinafter referred to as the “OAK PARK PROPERTY”).

WHEREAS, the OAK PARK PROPERTY is accessed via Quimisa Drive over an official railroad crossing located south of the OAK PARK PROPERTY.

WHEREAS, the DISTRICT has partnered with the Nature Conservancy to purchase from Waste Management a parcel of land in Alamos Canyon that adjoins the OAK PARK PROPERTY and which the DISTRICT intends to use as open space for recreational purposes (hereinafter referred to as the “ALAMOS CANYON PROPERTY”).

WHEREAS, there is no existing railroad crossing over the Los Alamos Canyon Road that will allow the public to access parkland located on the east side of the ALAMOS CANYON PROPERTY.

WHEREAS, the OAK PARK PROPERTY contains an existing dirt access road in the vicinity of an existing parking area which extends east toward the ALAMOS CANYON PROPERTY (hereinafter referred to as the “ACCESS ROAD”). The ACCESS ROAD is depicted in green on the map attached hereto as Exhibit “A.”

WHEREAS, the DISTRICT desires to construct a graded trail and maintenance access road on the ALAMOS CANYON PROPERTY but with a minor portion of it lying on the OAK PARK PROPERTY so as to connect the ACCESS ROAD to the parkland on the east side of the ALAMOS CANYON PROPERTY (hereinafter referred to as the
"GRADED TRAIL"). The GRADED TRAIL is depicted in blue on the map attached hereto as Exhibit "A," showing that a minor portion of the GRADED TRAIL will be constructed on the OAK PARK PROPERTY.

WHEREAS, the DISTRICT also desires to construct six (6) additional parking spaces on the OAK PARK PROPERTY near the start of the ACCESS ROAD that will be named "Alamos Trailhead Parking" and which will provide the public with space to park when using the GRADED TRAIL (hereinafter referred to as the "TRAILHEAD PARKING"). The TRAILHEAD PARKING is depicted in red on the map attached hereto as Exhibit "A."

WHEREAS, the DISTRICT additionally desires to construct a trailhead kiosk on the OAK PARK PROPERTY near the TRAILHEAD PARKING for use by members of the public wishing to use the GRADED TRAIL (hereinafter referred to as the "TRAILHEAD KIOSK").

WHEREAS, the construction of the TRAILHEAD PARKING, TRAILHEAD KIOSK and GRADED TRAIL will allow the public to access the parkland on the ALAMOS CANYON PROPERTY by using the railroad crossing at Quimisa Drive. Further, the proposed facilities will allow those members of the public intending to use the GRADED TRAIL to also use the existing facilities on the OAK PARK PROPERTY for recreational purposes.

WHEREAS, the COUNTY desires to grant to the DISTRICT the right to construct the GRADED TRAIL, TRAILHEAD PARKING and TRAILHEAD KIOSK on the OAK PARK PROPERTY, together with the right to enter upon the OAK PARK PROPERTY for the purpose of constructing and maintaining such facilities.

WHEREAS, the COUNTY desires to grant to the public access over the OAK PARK PROPERTY for the purpose of having access to the GRADED TRAIL, and to use the GRADED TRAIL, TRAILHEAD PARKING and TRAILHEAD KIOSK for recreational purposes.

NOW, THEREFORE, in consideration of the premises and covenants contained herein, the parties hereto agree as follows:

1. **Purpose.** The purpose of this AGREEMENT is for the DISTRICT to construct the TRAILHEAD PARKING and TRAILHEAD KIOSK on the OAK PARK PROPERTY, and the GRADED TRAIL on the ALAMOS CANYON PROPERTY, to give members of the public access to parkland on the ALAMOS CANYON PROPERTY by using the railroad crossing at Quimisa Drive, and for such members of the public to be able to also use the existing facilities on the OAK PARK PROPERTY for recreational purposes.

2. **District's Rights and Obligations.** To accomplish the purpose of this AGREEMENT as described in Section 1:
(a) **Right to Construct Facilities.** The DISTRICT has the right to construct the TRAILHEAD PARKING and TRAILHEAD KIOSK on the OAK PARK PROPERTY.

(b) **Costs of Construction.** The DISTRICT must bear all costs associated with the construction of the TRAILHEAD PARKING and TRAILHEAD KIOSK on the OAK PARK PROPERTY, and the construction of the GRADED TRAIL on the ALAMOS CANYON PROPERTY.

(c) **Construction Permits and Approvals.** The DISTRICT must comply with all applicable laws, ordinances, rules, and regulations concerning the construction of the TRAILHEAD PARKING and TRAILHEAD KIOSK on the OAK PARK PROPERTY, and the GRADED TRAIL on the ALAMOS CANYON PROPERTY, and must obtain all permits and governmental approvals necessary to engage in such constructions.

(d) **License for Construction and Maintenance.** The DISTRICT and its employees, representatives, officers, contractors, consultants, and agents have a license to enter the OAK PARK PROPERTY, including the ACCESS ROAD, at reasonable times to:

(i) construct the TRAILHEAD PARKING and TRAILHEAD KIOSK on the OAK PARK PROPERTY;

(ii) construct the GRADED TRAIL on the OAK PARK PROPERTY and the ALAMOS CANYON PROPERTY;

(iii) maintain the TRAILHEAD KIOSK on the OAK PARK PROPERTY; and

(iv) maintain the GRADED TRAIL on the ALAMOS CANYON PROPERTY.

(e) **Maintenance.** The DISTRICT must, at its own cost, maintain the TRAILHEAD KIOSK and GRADED TRAIL in proper condition and repair to the satisfaction of the COUNTY.

(f) **Parking Fees.** The DISTRICT must inform the public (through signage and its website or other means) that the TRAILHEAD PARKING will be subject to the COUNTY's existing parking fees for the OAK PARK PROPERTY unless the PARTIES subsequently agree in writing that the TRAILHEAD PARKING is not subject to such parking fees; however, the DISTRICT will never be responsible for collecting any parking fees from the public for using the TRAILHEAD PARKING.
(g) **Insurance.** Before any entry upon the OAK PARK PROPERTY, the DISTRICT must procure and maintain for the duration of this AGREEMENT liability insurance or a program of self-funding for liability, or a combination of the two, to protect against claims for injuries to persons or damages to property which may arise from or in connection with the performance of DISTRICT's duties under this AGREEMENT or use of the facilities that the DISTRICT is obligated to construct and maintain with limits of liability of at least one million dollars ($1,000,000) per occurrence. Where compliance of this provision is provided through insurance, the insurance policy must include an endorsement naming the COUNTY as an additional insured. Such insurance must be primary as to additional insureds and must not be contributory with any insurance, self-insurance or joint self-insurance maintained by the COUNTY. Evidence of insurance coverage will be satisfied with submission of a certificate of insurance with a copy of the additional insured endorsement. Evidence of self-insurance will be satisfied by submission of correspondence from DISTRICT.

3. **County's Rights and Obligations.** To accomplish the purpose of this AGREEMENT as described in Section 1:

(a) **Grant of License to Construct Facilities.** The COUNTY hereby grants the DISTRICT a license to enter the OAK PARK PROPERTY and to construct the TRAILHEAD PARKING, GRADED TRAIL, and TRAILHEAD KIOSK on the OAK PARK PROPERTY. This license will expire upon completion of construction of the TRAILHEAD PARKING, GRADED TRAIL, and TRAILHEAD KIOSK.

(b) **Grant of License for Maintenance.** The COUNTY hereby grants the DISTRICT and its employees, representatives, officers, contractors, consultants, and agents a license to enter the OAK PARK PROPERTY, including the ACCESS ROAD, at reasonable times to maintain the TRAILHEAD KIOSK on the OAK PARK PROPERTY and to maintain the GRADED TRAIL on the OAK PARK PROPERTY and the ALAMOS CANYON PROPERTY.

(c) **Cooperation to Obtain Permits.** The COUNTY must cooperate with the DISTRICT so that the DISTRICT can obtain all permits and governmental approvals necessary to engage in the construction of the TRAILHEAD PARKING, GRADED TRAIL, and TRAILHEAD KIOSK on the OAK PARK PROPERTY.

(d) **Public Access.** The COUNTY and DISTRICT acknowledge and agree that the COUNTY holds the OAK PARK PROPERTY subject to a deed restriction requiring the COUNTY to use the OAK PARK PROPERTY for public park purposes and that the COUNTY will make all reasonable efforts
to ensure the OAK PARK PROPERTY, the TRAILHEAD PARKING, GRADED TRAIL, the TRAILHEAD KIOSK, and existing recreational facilities on the OAK PARK PROPERTY, including, but not limited to, the ACCESS ROAD to access the GRADED TRAIL, remain open to the public for recreational purposes. As used in this AGREEMENT, recreational purposes include, but are not limited to, walking, hiking, jogging, bicycling, nature observation, and picnicking.

(e) **Maintenance.** The COUNTY must, at its own cost, maintain the TRAILHEAD PARKING and the ACCESS ROAD in proper condition and repair to the satisfaction of the DISTRICT.

(f) **Notice of Closures.** The COUNTY must provide 30 days' written notice to the DISTRICT of any instances of scheduled closures of the OAK PARK PROPERTY. In case of emergency or other unscheduled closures of the OAK PARK PROPERTY, the COUNTY must provide written notice of such closures to the DISTRICT as soon as is reasonably possible after the closure.

4. **Indemnification.**

(a) The DISTRICT must indemnify, defend, and hold harmless the COUNTY, its officers, and its employees from any and all liability, claims, demands, causes of action, and expenses or losses of any kind, arising out of or in any way connected with:

(i) the DISTRICT's construction of the TRAILHEAD PARKING, TRAILHEAD KIOSK, or GRADED TRAIL;

(ii) the DISTRICT's maintenance of the TRAILHEAD KIOSK or GRADED TRAIL; and

(iii) the public's use of the TRAILHEAD PARKING, TRAILHEAD KIOSK, or GRADED TRAIL for recreational purposes.

(b) The COUNTY must indemnify, defend, and hold harmless the DISTRICT, its officers, and its employees from any and all liability, claims, demands, causes of action, and expenses or losses of any kind, arising out of or in any way connected to the OAK PARK PROPERTY, but not related to the TRAILHEAD PARKING, TRAILHEAD KIOSK, or GRADED TRAIL.

5. **Settlement of Disputes.**

(a) It is the desire and intention of the PARTIES to agree upon a mechanism and procedure under which any controversy, breach, or dispute, arising out
of this cooperative agreement will be resolved in a prompt and expeditious manner. Accordingly, any controversy, breach, or dispute arising out of this cooperative agreement, or relating to the interpretation of any term or provision of this cooperative agreement, must be heard by a referee under the provisions of the California Code of Civil Procedure §§ 638 through 645.1.

(b) The PARTIES must agree upon a single referee who must then try all issues, whether of fact or law, and report a statement of decision. If the parties are unable to agree upon a referee within ten (10) days of written request to do so by any of the PARTIES, then any of the PARTIES may thereafter seek to have a referee appointed pursuant to the California Code of Civil Procedure §§ 638 and 640.

(c) After agreement on, or appointment of a referee, the PARTIES must promptly and diligently cooperate with one another and the referee, and must perform those acts reasonably necessary to obtain a prompt and expeditious resolution of the dispute or controversy in accordance with the terms of this Agreement.

(d) The PARTIES agree that the referee may decide all issues of fact and law, that the referee’s statement of decision will stand as the decision of the court, and that the referee may issue all legal and equitable relief appropriate under the circumstances of the controversy before him or her.

6. Notices. All notices, demands, requests, consents, approvals, or communications from one of the PARTIES to another must be personally delivered or sent by facsimile to the persons set forth below or must be deemed given given five (5) days after deposit in the United States mail, certified and postage prepaid, return receipt requested, and addressed as follows, or at such other address as any of the PARTIES may from time to time specify to the other parties in writing:

To DISTRICT: Rancho Simi Recreation and Parks District
1692 Sycamore Drive
Simi Valley, CA 93065

To COUNTY: County of Ventura
Director General Services
800 South Victoria Ave L #1030
Ventura, Ca 93009

7. Governing Law. This AGREEMENT and the rights and obligations of the parties must be governed by and construed according to the laws of the State of California.

8. Liberal Construction. Any general rule of construction to the contrary notwithstanding, this AGREEMENT must be liberally construed in favor of and to
effect the purpose of this AGREEMENT. If any provision in this instrument is found to be ambiguous, an interpretation consistent with the purpose of this AGREEMENT that would render the provision valid must be favored over any interpretation that would render it invalid.

9. **Severability.** If a court of competent jurisdiction voids or invalidates on its face any provision of this AGREEMENT, such action does not affect the remainder of this AGREEMENT. If a court of competent jurisdiction voids or invalidates the application of any provision of this AGREEMENT to a person or circumstance, such action does not affect the application of the provision to other persons or circumstances.

10. ** Entire Agreement.** This instrument, together with any attached exhibits and documents referred to in it, sets forth the entire agreement of the parties with respect to its subject matter and supersedes all prior discussions, negotiations, understandings, or agreements relating to the subject matter of this AGREEMENT. No alteration or variation of this instrument is valid or binding unless contained in an amendment in accordance with the provisions in this AGREEMENT.

11. **Amendment.** The PARTIES may amend this AGREEMENT only by mutual written agreement. Any such amendment must be consistent with the purpose of the AGREEMENT and may not affect its perpetual duration.

12. **Term.** This Agreement will remain in effect until amended or terminated by mutual written consent of the Parties. As used in this Agreement, the "Term" refers to the actual term that that this Agreement remains in effect.

13. **Termination.** This AGREEMENT, and the rights and obligations of the PARTIES, may be terminated only by mutual written agreement, except that liability for acts or omissions occurring before such termination shall survive the termination.

14. **Successors and Assigns.** The covenants, terms, conditions, and restrictions of this AGREEMENT are binding upon, and inure to the benefit of, the parties hereto and their respective personal representatives, heirs, successors, and assigns.

15. **Headings.** The headings in this instrument have been inserted solely for convenience of reference and are not a part of this instrument and have no effect upon its construction or interpretation.

16. **Exhibits.** All Exhibits referred to in this AGREEMENT are attached and incorporated herein by reference.

17. **Counterparts.** The parties may execute this instrument in two or more counterparts, which must, in the aggregate, be signed by all parties, and each counterpart shall be deemed an original instrument as against any party who has signed it.
18. Condition. This entire AGREEMENT is conditioned on DISTRICT's obtaining title to the ALAMOS CANYON PROPERTY within five years of the date on which this AGREEMENT is made, as shown in the first paragraph of this AGREEMENT. If this condition is not met, this AGREEMENT will have no effect.

IN WITNESS WHEREOF, each party represents and warrants that its undersigned signatories have the authority to and do hereby execute this Supplemental Agreement as follows:

COUNTY OF VENTURA

By:  
Date: 11-16-15

RANCHO SIMI RECREATION AND PARK DISTRICT

Mark Johnson, Chair of the Board
Elaine Freeman

Date: __________________________
Trailhead Parking Area: (6) Additional Parking Stalls along Existing Access Road.

Existing 12'-18' Wide Dirt Access Road

Proposed 14' Wide Graded Trail and Maintenance Access Road to Alamos Canyon

Proposed Joint Use Trailhead and Parking Lot Concept (12-19-14)
THIS PAGE IS BLANK
DATE: December 3, 2015

TO: District Manager

FROM: Director of Planning and Maintenance

SUBJECT: Approval of Award of Contract for Tree Pruning Services at Various District Parks

Background and Overview:

At its meeting of September 3, 2015, the District’s Board of Directors authorized Staff to solicit bids for the annual tree pruning services. In total, 662 trees are scheduled for trimming. This includes 527 trees located within our parks and open space areas, 135 trees at Simi Hills Golf Course, and the complete removal of 20 dead or dying trees at various park site locations. Staff incorporated the removal of the dead or dying trees as part of the project’s public bid package in an effort to obtain the lowest price possible for their removal. In addition, an Additive Bid Alternate to trim an additional 60 trees along the Arroyo Simi was included in the bid packet.

A Notice Inviting Bids was published in the Ventura County Star on October 25, 2015. Twenty-nine contractors received bid packages for the project.

On November 24, 2015, sealed, written bids were received from the following contractors:

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<th>Bidder</th>
<th>Base Bid</th>
<th>Bid Alternate (Arroyo Simi)</th>
<th>Grand Total</th>
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<td>Stay Green, Inc., Santa Clarita, CA</td>
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<td>Four Seasons Landscape, Santa Clarita, CA</td>
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<td>West Coast Arborists, Anaheim, CA</td>
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</tbody>
</table>
Based on the combined total of the base bid and additive bid alternate, the apparent low bidder for the project is Stay Green, Inc. from Santa Clarita, California, in the amount of $82,890.00. Stay Green, Inc. has previous experience working for the Park District with the successful completion of the Park District’s tree pruning contract for the past four consecutive years.

Based on the proposals received, staff is recommending that the Board award the contract to the apparent low bidder, Stay Green, Inc. in the amount of $82,980.00, which includes the additive bid alternate for 60 trees along the Arroyo Simi.

**Fiscal Impact:**

Adequate funds are included in the *Park District Preliminary Budget for FY 2015-16* to cover all tree trimming expenses from the following accounts:

1. Simi Valley General Fund (Fund 10) for Grounds Maintenance Contract Services in the amount of $63,000.00.

2. Oak Park Assessment Fund (Fund 30) for Grounds Maintenance Contract Services in the amount of $15,000.00.

3. Simi Hills Golf Course Enterprise Fund (Fund 80) for Grounds Maintenance Contract Services in the amount of $16,500.00.

**Board Action Requested:**

That the Board:

1. Award a contract for Tree Pruning Services at Various District Parks to Stay Green, Inc. in the amount of $82,980.00.

2. Authorize the General Manager to execute an Agreement with the awarded firm on behalf of the District and to amend the Agreement for project contingencies in an amount not to exceed ten percent (10%) of the contract award or $8,298.00 for any additional tree pruning as recommended by District staff.

Wayne Nakaoka  
Director of Planning and Maintenance

WN:bjm
AGREEMENT WITH

STAY GREEN, INC.

FOR THE

TREE PRUNING AT VARIOUS DISTRICT PARKS PROJECT
RANCHO SIMI RECREATION AND PARK DISTRICT

PUBLIC WORKS CONTRACT PROJECT
TREE PRUNING SERVICES AT VARIOUS DISTRICT PARKS

THIS AGREEMENT "Agreement" is made and entered into this ______ day of __________, by and between the RANCHO SIMI RECREATION AND PARKS DISTRICT, a public body corporate and politic, located in the County of Ventura, State of California hereinafter called DISTRICT, and STAY GREEN, INC., a California corporation, located at 26415 Summit Circle, Santa Clarita, CA 91350, hereinafter called CONTRACTOR, collectively referred to as the Parties.

RECITALS

DISTRICT, by its Notice Inviting Bids, duly advertised for written bids to be submitted on or before November 24, 2015, for the following:

Tree Pruning Services at Various District Parks
Simi Valley and Oak Park, California

in the City of Simi Valley, California and portions of unincorporated Ventura County, including the community of Oak Park, California, hereinafter called PROJECT.

At the hour of 2:00 P.M. on said date, in the DISTRICT offices, said bids were duly opened.

At its regular meeting held on December 3, 2015, the DISTRICT Board of Directors duly accepted the bid of CONTRACTOR for said PROJECT as being the lowest reasonable bid received and directed that a written contract be entered into with CONTRACTOR.

NOW, THEREFORE, in consideration of the promises and of the mutual covenants and agreements herein contained, said parties do hereby agree as follows:

ARTICLE 1

The CONTRACT DOCUMENTS for the PROJECT shall consist of the Notice Inviting Bids, Instructions to Bidders, General Specifications, Standard Specifications, Special Provisions, Plans, CONTRACTOR's Proposal, all referenced specifications, details, standard drawings, and appendices, together with this contract and all required bonds, insurance certificates, permits, notices and affidavits, and also including any and all addenda or supplemental agreements clarifying, amending, or extending the work contemplated as may be required to insure its completion in an acceptable manner. The CONTRACT DOCUMENTS shall also include the Standard Specification for Public Works Construction ("Green Book") currently in effect on the execution date of this Contract. In the case of a conflict between any of the other CONTRACT DOCUMENTS and this Agreement, the order of precedence in the Green Book shall control.
All of the rights and obligations of the DISTRICT and CONTRACTOR are fully set forth and
described in the CONTRACT DOCUMENTS.

All of the above-mentioned documents are intended to complement the other documents so
that any work called for in one, and not mentioned in the others, or vice versa, is to be executed
the same as if mentioned in all of said documents. The document comprising the complete
contract are hereinafter referred to as the CONTRACT DOCUMENTS and are incorporated
herein by this reference and made a part hereof as though they were fully set forth herein.

ARTICLE II

For and in consideration of the payments and agreements be made and performed by
DISTRICT, CONTRACTOR hereby agrees to furnish all materials and perform all work required
for the PROJECT and to fulfill all other obligations as set forth in the CONTRACT
DOCUMENTS.

ARTICLE III

CONTRACTOR hereby agrees to receive and accept the total amount Eighty-Two Thousand,
Nine Hundred Eighty and no/100 DOLLARS ($82,980.00), based upon those certain unit prices
set forth in CONTRACTOR’s Bid Schedule, a copy of which is attached hereto as Exhibit “A”
and by this reference incorporated herein and made a part hereof, as full compensation for
furnishing all materials, performing all work, and fulfilling all obligations hereunder. Said
compensation shall cover all expenses, losses, damages, and consequences arising out of the
nature of the work during its progress or prior to its acceptance including those for well and
faithfully completing the work and the whole thereof in the manner and time specified in the
CONTRACT DOCUMENTS, and also including those arising from actions of the elements,
unforeseen difficulties or obstructions encountered in the prosecution of the work, suspension
or discontinuance of the work, and all other unknowns or risks of any description connected
with the work. DISTRICT shall retain five percent (5%) of said contract price until said time as
the provisions of Article XIII herein have been met.

ARTICLE IV

DISTRICT hereby promises and agrees to employ, and does hereby employ, CONTRACTOR
to provide the materials, do the work, and fulfill the obligations according to the terms and
conditions herein contained and referred to, for the said amount set forth in Article III hereof,
and hereby agrees to pay the same at the time, in the manner, and upon the conditions set
forth in the CONTRACT DOCUMENTS.

In addition, CONTRACTOR hereby promises and agrees to comply with all of the provisions of
both State and Federal law with respect to the employment of unauthorized aliens.

Should CONTRACTOR so employ such unauthorized aliens for the performance of work and/or
services covered by this contract, and should the Federal Government impose sanctions
against the DISTRICT for such use of unauthorized aliens, CONTRACTOR hereby agrees to,
and shall, reimburse DISTRICT for the cost of all such sanctions imposed, together with any and all costs, including attorney's fees, incurred by the DISTRICT in connection therewith.

ARTICLE V

CONTRACTOR shall commence work within fifteen (15) calendar days from the DISTRICT Notice to Proceed and shall complete work on the PROJECT within thirty (30) consecutive calendar days after commencement.

ARTICLE VI

CONTRACTOR shall not discriminate in its recruiting, hiring, promotion, demotion or termination practices on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, or sexual orientation in the performance of this AGREEMENT and shall comply with the provisions of the California Fair Employment and Housing Act as set forth in Part 2.8 of Division 3, Title 2 of the California Government Code; the Federal Civil Rights Act of 1964, as set forth in Public Law 88-352, and all amendments thereto; Executive Order 11246; and all administrative rules and regulations issued pursuant to such acts and order.

CONTRACTOR hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act (8 USCA 1101, et seq.), as amended; and, in connection therewith, shall not employ unauthorized aliens as defined therein. Should CONTRACTOR so employ such unauthorized aliens for the performance of work and/or services covered by this AGREEMENT, and should the Federal Government impose sanctions against the DISTRICT for such use of unauthorized aliens, CONTRACTOR hereby agrees to, and shall, reimburse DISTRICT for the cost of all such sanctions imposed, together with any and all costs, including attorney's fees, incurred by the DISTRICT in connection therewith.

ARTICLE VII

CONTRACTOR is aware of and agrees to abide by the provisions of California Labor Code, including Sections 1720-1781, pertaining to the obligation to pay prevailing wages with respect to the performance of work. Copies of the prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work for each craft are available upon request from the DISTRICT. A copy of the prevailing rate of per diem wages shall be posted at the job site. If such posting is not possible, a copy shall be posted at the business of the CONTRACTOR.

CONTRACTOR is aware of and agrees to abide by Section 1777.5 of the California Labor Code with respect to the employment of properly-registered apprentices on public works. The parties agree that the foregoing satisfies the requirement in Section 1777.5(n) that the awarding body include contract stipulations to satisfy the provisions of that Section.

Contractor and Subcontractor Registration

Under Labor Code section 1771.1, a contractor or subcontractor shall not be qualified to bid on, be listed in a bid proposal, subject to the requirements of Section 4104 of the Public Contract

Agreement with Stay Green, Inc.
Tree Pruning Services at Various District Parks

Page 3 of 9
Code, or engage in the performance of any contract for public work, as defined in this chapter, unless currently registered and qualified to perform public work pursuant to Section 1725.5. It is not a violation of this section for an unregistered contractor to submit a bid that is authorized by Section 7029.1 of the Business and Professions Code or by Section 10164 or 20103.5 of the Public Contract Code, provided the contractor is registered to perform public work pursuant to Section 1725.5 at the time the contract is awarded. (California Labor Code § 1771.1.)

The District reserves the right to reject any bids and not award a contract to any bidder if the bidder does not submit proof to the District that bidder and any listed subcontractor(s) are currently registered and qualified to perform public work, pursuant to Labor Code Section 1725.5.

Pursuant to California Labor Code Section 1771.4, the contractor and its subcontractor(s) shall furnish the records specified in Section 1776 directly to the Labor Commissioner, in the following manner:

(1) At least monthly or more frequently if specified in the contract with the awarding body.

(2) In a format prescribed by the Labor Commissioner.

DIR Monitoring and Enforcement

The project is subject to compliance monitoring and enforcement by the Department of Industrial Relations (California Labor Code Section 1771.4).

Job Site Notices

The contractor shall post job site notices, as prescribed by regulation (California Labor Code Section 1771.4).

**ARTICLE VIII**

A. CONTRACTOR shall, without disturbing the condition, notify DISTRICT in writing as soon as CONTRACTOR, or any of CONTRACTOR's subcontractors, agents or employees have knowledge and reporting is possible, of the discovery of any of the following conditions:

1. The presence of any material that the CONTRACTOR believes is hazardous waste, as defined in Section 25117 of the Health and Safety Code;

2. Subsurface or latent physical conditions at the site differing from those indicated in the specifications; or,

3. Unknown physical conditions at the site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in work of this character provided for in this Contract.
B. Pending a determination by DISTRICT of appropriate action to be taken, CONTRACTOR shall provide security measures (e.g., fences) adequate to prevent the hazardous waste or physical conditions from causing bodily injury to any person.

C. DISTRICT shall promptly investigate the reported conditions. If DISTRICT, through its General Manager, or his or her designee, and in the exercise of its sole discretion, determines that the conditions do materially differ, or do involve hazardous waste, and will cause a decrease or increase in the CONTRACTOR’s cost of, or time required for, performance of any part of the work, then DISTRICT shall issue a change order.

D. In the event of a dispute between DISTRICT and CONTRACTOR as to whether the conditions materially differ, or involve hazardous waste, or cause a decrease or increase in the CONTRACTOR’s cost of, or time required for, performance of any part of the work, CONTRACTOR shall not be excused from any scheduled completion date, and shall proceed with all work to be performed under the Contract. CONTRACTOR shall retain any and all rights which pertain to the resolution of disputes and protests between the parties.

ARTICLE IX

To the greatest extent allowed by law, CONTRACTOR shall assume the defense of and indemnify and hold-harmless the DISTRICT, its elective and appointive boards, officers, agents and employees, from all claims, loss, damage, injury and liability of every kind, nature and description, directly or indirectly arising from the performance of the CONTRACTOR’s work, and from any and all claims, loss, damage, injury and liability, howsoever the same may be caused, resulting directly or indirectly from the nature of the work covered by the contract, except for and excluding any claims, loss, damage, injury or liability arising from the sole negligence, willful misconduct, or active negligence of the DISTRICT.

(a) That DISTRICT does not, and shall not, waive any rights against CONTRACTOR which it may have by reason for the aforesaid hold-harmless AGREEMENT because of the acceptance by DISTRICT or the deposit with DISTRICT by CONTRACTOR, of any of the insurance policies hereinafter described in this AGREEMENT.

(b) That the aforesaid hold-harmless AGREEMENT by CONTRACTOR shall apply to all damages and claims for damages of every kind suffered, or alleged to have been suffered, by reason of any of the aforesaid operations of CONTRACTOR, or any subcontractor, regardless of whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

ARTICLE X

CONTRACTOR, before commencing said PROJECT, shall furnish and file with DISTRICT in a form satisfactory to the DISTRICT a bond in the sum of one hundred percent (100%) of the contract price thereof conditioned upon the faithful performance of this contract. Additionally, CONTRACTOR, before commencing said PROJECT, shall furnish and file with DISTRICT in a
form satisfactory to the DISTRICT a bond in the sum of one hundred percent (100%) of the contract price thereof conditioned upon the payment of all labor and all materials furnished in connection with this contract.

ARTICLE XI

CONTRACTOR shall not commence work under this contract until CONTRACTOR shall have obtained all insurance required by the CONTRACT DOCUMENTS and such insurance shall have been approved by DISTRICT as to form, amount and carrier, nor shall CONTRACTOR allow any subcontractor to commence work on any subcontract until all similar insurance required of the subcontractor shall have been so obtained and approved.

(a) COMPENSATION INSURANCE - CONTRACTOR shall take out and maintain, during the life of this contract, Worker's Compensation Insurance for all of CONTRACTOR's employees employed at the site of improvement; and, if any work is sublet, CONTRACTOR shall require the subcontractor similarly to provide Worker's Compensation Insurance for all of the latter's employees, unless such employees are covered by the protection afforded by CONTRACTOR. If any class of employees engaged in work under this contract at the site of the PROJECT is not protected under any Workers' Compensation law, CONTRACTOR shall provide and shall cause each subcontractor to provide adequate insurance for the protection of employees not otherwise protected. CONTRACTOR shall indemnify DISTRICT for any damage resulting to it from failure of either CONTRACTOR or any subcontractor to take out or maintain such insurance.

(b) COMPREHENSIVE GENERAL LIABILITY, PRODUCTS/ COMPLETED OPERATIONS HAZARD, COMPREHENSIVE AUTOMOBILE LIABILITY AND CONTRACTUAL GENERAL LIABILITY INSURANCE. CONTRACTOR shall take out and maintain during the life of this contract such comprehensive general liability, products/completed operations hazard, comprehensive automobile liability and contractual general liability insurance as shall protect DISTRICT, its elective and appointive boards, officers, agents and employees, CONTRACTOR, and any subcontractor performing work covered by this contract, from claims for damage for personal injury, including death, as well as from claims for property damage which may arise from CONTRACTOR's or any subcontractor's operations under this contract, whether such operations be by CONTRACTOR or by any subcontractor, or by anyone directly or indirectly employed by either CONTRACTOR or any subcontractor, and the amounts of such insurance shall be as follows:

(1) Public Liability Insurance in an amount of not less than ONE MILLION DOLLARS ($1,000,000) with no aggregate, unless the carrier provides verification that there are no claims outstanding which would reduce the total coverage to less than ONE MILLION DOLLARS ($1,000,000), in which case the aggregate may be ONE MILLION DOLLARS ($1,000,000);
(2) **Comprehensive Automobile Liability Insurance** in an amount of not less than ONE MILLION DOLLARS ($1,000,000) per occurrence;

(3) **Contractual General Liability Insurance** in an amount of not less than ONE MILLION DOLLARS ($1,000,000) per occurrence.

(c) **PROOF OF INSURANCE** - The insurance required by this AGREEMENT shall be with insurers which are Best A rated, and California Admitted or better. The DISTRICT shall be named as “additional insured” on all policies required hereunder, and CONTRACTOR shall furnish DISTRICT, concurrently with the execution hereof, with satisfactory proof of carriage of the insurance required and with an endorsement extending such coverage to the DISTRICT, as well as with adequate legal assurance that each carrier will give DISTRICT at least forty-five (45) days’ prior notice of the cancellation of any policy during the effective period of the contract.

(d) **NOTICE TO COMMENCE WORK** - The DISTRICT will not issue any notice authorizing CONTRACTOR or any subcontractor to commence work under this contact until CONTRACTOR has provided to the DISTRICT the proof of insurance as required by subparagraph (c) of this article.

**ARTICLE XII**

The parties agree that it would be impractical and extremely difficult to fix the actual damages to the DISTRICT in the event the PROJECT is not commenced and/or completed on or before the dates specified for commencement and completion of the PROJECT in the CONTRACT DOCUMENTS. The parties have considered the facts of a breach of this contract and have agreed that the liquidated damages sum hereinafter set forth is reasonable as liquidated damages in the event of a breach, and that said sum shall be presumed to be the amount of the damages sustained by the DISTRICT in the event such work is not begun and/or completed and accepted by the times so specified in the CONTRACT DOCUMENTS, the sum of FIVE HUNDRED DOLLARS ($500.00) shall be presumed to be the amount of damages suffered by the DISTRICT for each day’s delay in the starting and/or completion and acceptance of said PROJECT after the dates specified in the CONTRACT DOCUMENTS for the start and/or completion thereof, and CONTRACTOR hereby agrees to pay said sum of FIVE HUNDRED DOLLARS ($500.00) as liquidated damages for each day of delay in the starting and/or completing and acceptance of said PROJECT beyond the dates specified in the CONTRACT DOCUMENTS. Such sum is liquidated damages and shall not be construed as a penalty and may be withheld from any payments due CONTRACTOR by DISTRICT.

**ARTICLE XIII**

Upon completion of PROJECT and acceptance of same by the DISTRICT Board of Directors, the DISTRICT’s General Manager shall have cause to be recorded a Notice of Completion with
the office of the Ventura County Recorder; and, after thirty-five (35) days from the date said Notice of Completion is recorded, the District Manager of DISTRICT, or his or her designee, shall release the funds retained pursuant to Article III hereof; provided there have been no mechanics' liens or stop notices filed against said work which have not been paid, withdrawn or eliminated as liens against said work.

ARTICLE XIV

This contract shall not be assignable, either in whole or in part, by the CONTRACTOR without first obtaining the written consent of the DISTRICT thereto.

ARTICLE XV

The provisions of this AGREEMENT are cumulative and in addition to and not in limitation of any rights or remedies available to DISTRICT.

SIGNATURES ON FOLLOWING PAGE 9
IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed on the ___ day of ______________, 2015, by their respective officers duly authorized in that behalf.

ATTEST:

__________________________
Larry Peterson, District Clerk

RANCHO SIMI RECREATION AND PARK DISTRICT:

by__________________________
Larry Peterson, District Manager

APPROVED AS TO FORM:

__________________________
Brian A. Pierik, District Counsel

STAY GREEN, INC., a California Corporation

by__________________________
President

by__________________________
Secretary
EXHIBIT "A"

CONTRACTOR’S BID SCHEDULE
PROPOSAL

PROJECT: Tree Pruning Services at Various District Parks

PROJECT NO.: 2015-4

LOCATION: Specific Locations Per Attached Bid Specifications and Bid List, within Simi Valley and Oak Park, California

BIDDER: Stay Green Inc.

BID OPENING DATE: November 17, 2015

TIME: 2:00 P.M.

TO THE BOARD OF DIRECTORS
RANCHO SIMI RECREATION AND PARK DISTRICT
1692 Sycamore Drive
Simi Valley, California 93065

Gentlemen:

In accordance with the advertised “Notice Inviting Bids” requesting sealed bids for providing all labor, materials, equipment, and services necessary for:

Tree Pruning Services at Various District Parks
Simi Valley and Oak Park, California

and after having carefully examined the location of the proposed work, Project Manual (Specifications), and Contract Document Forms for the same and read the accompanying Proposal, I agree to enter into a Contract to provide all labor, materials, equipment and services necessary to carry the above-mentioned work to completion under the supervision of the Rancho Simi Recreation and Park District, hereinafter referred to as "Park District".

All work is to be coordinated with District staff, and care shall be taken not to damage turf, sprinklers and related park facilities.

In submitting this Proposal, I agree:

1. To hold my Bid open for a period of forty-five (45) days following the date of opening of Bids.

2. Within ten (10) calendar days, to enter into and execute the Agreement, if awarded on the basis of this Proposal, and to furnish Performance and Payment Bonds, if requested and directed by the Park District.

Bid Proposal 00401-1

BIDDER’S INITIALS MC
3. Within fifteen (15) days from the mailing by the District of notification to commence work, the contractor shall commence work and complete the same within the allotted time and in accordance with the contract documents.

4. To accomplish the entire work within thirty (30) consecutive calendar days from and after executing the Agreement, weather permitting.

**BASE BID**

The undersigned hereby proposes to provide all materials, labor, equipment, tools, apparatus, facilities, services and transportation necessary to complete all the work in conformity with the Project Manual, including specifications, and addenda, and other Contract Documents, for the lump sum price of:

Seventy Seven thousand, two hundred and eighty dollars

( $77,280 )

**ADDITIVE BID ALTERNATE**

The District may elect to increase the Project's Scope-of-Work through the following Bid Alternate. Bidders are hereby advised to carefully examine the Bid Alternate to incorporate only those items specifically identified in the Project Manual, including Specifications, Addenda's, and other Contract documents.

**Additive Bid Alternate No. 1 – Arroyo Simi Bike Trail**

Provide all labor and materials necessary to trim 60 trees as determined by the Park District, along the Arroyo Simi Bike Trail, for the lump sum price of:

Five thousand, seven hundred dollars

( $5,700 )

**UNIT PRICES**

All bidders are required by the Park District to submit itemized unit prices for the base bid and additive bid alternate at the time of the bid opening. This format, including all itemized unit prices, may be used as a basis for Contractor's payments.

The Contractor agrees that for requested and/or required changes in the Scope of Work, the Contract sum shall be adjusted in accordance with the following unit prices, where the Park District elects to use this method in determining costs.
Contractor is advised that the unit prices will enter into the determination of the lowest responsible/responsive bidder. Unreasonable prices may result in rejection of the entire bid proposal.

All unit prices shall include all labor, materials, taxes, and incidentals necessary to complete the item.

Bidders are advised that the total sum of all of the unit prices should equal the lump sum total for the base bid.
## UNIT PRICES

ALL WORK TO BE PERFORMED PER ATTACHED SPECIFICATIONS

<table>
<thead>
<tr>
<th>Location</th>
<th>Description</th>
<th>Prune Code</th>
<th>Unit</th>
<th>Unit Price</th>
<th>Total</th>
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<tr>
<td>Rancho Tapo Community Park</td>
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Bid Proposal
00401-4

BIDDER'S INITIALS NC
# Unit Prices

**All work to be performed per attached specifications**

<table>
<thead>
<tr>
<th>Location</th>
<th>Description</th>
<th>Prune Code</th>
<th>Unit</th>
<th>Unit Price</th>
<th>Total</th>
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<td>Palm E 4</td>
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**Subtotal: East Simi Valley Locations** 208

$30,050.00
## UNIT PRICES

**ALL WORK TO BE PERFORMED PER ATTACHED SPECIFICATIONS**

<table>
<thead>
<tr>
<th>Location</th>
<th>Description</th>
<th>Prune Code</th>
<th>Unit</th>
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<tbody>
<tr>
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<tr>
<td>Sycamore Park</td>
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<td>Carob</td>
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<td>Lincoln Park</td>
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<td>Challenger Park</td>
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Bid Proposal
00401-6

BIDDER'S INITIALS: [Mr.]
UNIT PRICES
ALL WORK TO BE PERFORMED PER ATTACHED SPECIFICATIONS

<table>
<thead>
<tr>
<th>Location</th>
<th>Description</th>
<th>Prune Code</th>
<th>Unit</th>
<th>Price</th>
<th>Total</th>
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<tbody>
<tr>
<td>WEST SIMI VALLEY LOCATIONS (CONTINUED):</td>
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<td>Stargaze Park</td>
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<td>355 Stargaze Place</td>
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<td>Simi Valley, CA 93065</td>
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<tr>
<td>Sinaloa Ball Fields</td>
<td>California Pepper</td>
<td>B</td>
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<td>980-B Madera Road</td>
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<td><strong>Subtotal: West Simi Valley Locations</strong></td>
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### UNIT PRICES
**ALL WORK TO BE PERFORMED PER ATTACHED SPECIFICATIONS**

<table>
<thead>
<tr>
<th>Location</th>
<th>Description</th>
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<th>Unit</th>
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<th>Total</th>
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<td>Deerhill Park</td>
<td>Alder</td>
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<td>6700 Doubletree Road</td>
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<td>F</td>
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<td>5600 Hollytree Drive</td>
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<tr>
<td>Open Space - Wistful Vista Trail Lindero</td>
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<td>C</td>
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<td>Canyon (North End)</td>
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<td>Willow</td>
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<td>C</td>
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<td>200.00</td>
<td>200.00</td>
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<tr>
<td>Bayport)</td>
<td>Sycamore</td>
<td>B</td>
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<td>of Oak Hills)</td>
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<td>Palms</td>
<td>F</td>
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</table>

**TOTAL OAK PARK LOCATIONS**

103

$13,905.00

Bid Proposal 00401-8

BIDDER'S INITIALS MC
## UNIT PRICES

**ALL WORK TO BE PERFORMED PER ATTACHED SPECIFICATIONS**

<table>
<thead>
<tr>
<th>Location</th>
<th>Description</th>
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<th>Unit</th>
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<td>720.00</td>
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<td>120.00</td>
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<td>200.00</td>
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<td>Poplar</td>
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</table>

**TOTAL SIMI HILLS GOLF COURSE LOCATIONS**

| Location | 135 | $14,670.00 |

**GRAND TOTAL: ALL LOCATIONS**

| Location | 662 | $71,200.00 |

Bid Proposal
00401-9

BIDDER'S INITIALS
ADDITIVE BID ALTERNATE NO. 1 - ARROYO SIMI BIKE TRAIL

UNIT PRICES
ALL WORK TO BE PERFORMED PER ATTACHED SPECIFICATIONS

<table>
<thead>
<tr>
<th>Location</th>
<th>Description</th>
<th>Prune Code</th>
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<th>Total</th>
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<td></td>
<td>Pine</td>
<td>B</td>
<td>20</td>
<td>95.00</td>
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<tr>
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<td>TOTAL ARROYO SIMI BIKE TRAIL LOCATIONS</td>
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<td></td>
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<td>5700.00</td>
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</tbody>
</table>

*** If Additive Bid Alternate No. 1 is included as part of the Agreement, Rancho Simi Recreation and Park District reserves the right to include all 60 trees along the Arroyo Simi Bike Trail, or a portion thereof as determined by the Park District.
AWARD OR REJECTION OF BIDS

The Contract will be awarded to the lowest responsible Bidder complying with these instructions and with the Notice Inviting Bids. The District, however, reserves the right to reject all bids, reject non-responsive bids and, so far as permitted by law, to waive any informality in the bids. If an award is made, the Contract shall be awarded within forty-five (45) days after the opening of the bids.

The District will award this Contract under the following provisions.

A. The method for calculating the lowest bid will be as follows:

The lowest bid shall be the lowest total of the base bid prices on the base contract and the following additive or deductive items: Additive Bid Alternate No. 1 – Arroyo Simi Bike Trail.

B. A responsible bidder who submitted the lowest bid as determined by this section shall be awarded the contract, if it is awarded. This section does not preclude the District from adding to or deducting from the contract any of the additive or deductive items after the lowest responsible bidder has been determined.

STATE LICENSES

The undersigned hereby certifies that they currently possess a valid Landscape (C-27) Contractor's License and/or a Tree Service (D-49) Contractor's License in the State of California in accordance with the provisions of Chapter 9, Division 4, of the Business and Professional Code of the State of California. In addition, the undersigned hereby agrees to provide a California Certified Arborist to provide on-site supervision at all times during the course of the work.

INSURANCE

The undersigned agrees to furnish certificate of public liability insurance, workmen’s compensation, and such other insurance as will protect him, and the District from claims for damages and from personal injury, including death, which may arise from operation under this Contract, whether such operation by himself or by any Subcontractor or anyone directly or indirectly employed by him or either of them; and the certificates of such insurance will be filed at the time of execution of the Contract, and such coverage shall be in the amounts specified herein.

The Contractor at his own expense shall carry public liability insurance which shall not be less than $1,000,000 combined single limit (per occurrence with no aggregate limit) as to bodily injury and property damage. The General Public Liability Insurance shall cover the General Contractor and all Subcontractors to the work. The insurance certificate shall include a statement to the effect that the District shall be notified forty-five (45) days prior to cancellation or expiration of policy.
Workmen's Compensation coverage as required and described by the State of California.

If required, the awarded contractor shall provide the City of Simi Valley, and Ventura County Watershed Protection District with a Certificate of Insurance in conformance with their policy and procedures for all work performed within their property and/or right-of-way. These certificates are in addition to the Park District's Certificate of Insurance requirements and neither certificate is interchangeable between public agencies. Both Certificates of Insurance must be issued/posted prior to the start of construction.

BONDS

The undersigned agrees to furnish the District with satisfactory Payment (Labor and Materials) Bond in an amount equal to 100% of the Contract price, and a faithful performance bond in an amount equal to 100% of the Contract price, said bonds shall be secured from surety company or surety companies, satisfactory to the District.

The Payment Bond (Labor and Materials) shall be for not less than 100% of the Contract price, to satisfy claims of material suppliers and/or mechanics and laborers employed by the Contractor performing work. The bond shall be maintained by the Contractor and remain in full force until the work is accepted by the District and/or otherwise stated.

The Faithful Performance Bond shall be for 100% of the Contract price, to guarantee faithful performance of all prescribed work within the time allotted, in a manner acceptable to the District.

Concurrent with executing a Contract with the District, the Contractor shall file with the District Surety Bonds in the amounts noted above. The bonds shall be duly executed by a responsible Corporate Surety, authorized to issue such bonds in the State of California and secured through the offices of an authorized agent with an office in California. The Contractor shall pay for all bond premiums, costs and incidentals.

Each bond shall be signed by both the Contractor and Surety, and the signature of the authorized agent of Surety shall be notarized.

Changes in the work or extensions of time, made after the contract, shall in no way release the Contractor or Surety from their obligations. Notices of such changes or extension shall be waived by the Surety.

PERMITS AND FEES

The Contractor will be required to obtain and pay for an “Encroachment Permit” from the City of Simi Valley Department of Public Works for temporary lane closures and work within the public right-of-way. All necessary incidentals (traffic diversion plans, insurance certificates, securities, etc.), necessary to obtain the permits shall be provided by the Contractor as part of the base bid proposal. A copy of the “Encroachment Permit” must be provided to the Park District.
The Contractor shall obtain and pay for all other permits relating to City and County agencies, including business tax, haul and dump permits as required.

PREVAILING WAGE RATES

The District Manager of the Rancho Simi Recreation and Park District by and on behalf of the Board of Directors has obtained the general prevailing rate per diem wages and the general prevailing rate for holiday and overtime work in the locality in which the public work is to be performed for each craft, classification or type of workmen needed to execute the Contract from the Director of the Department of Industrial Relations of the State of California, and the same is on file in the office of the District. It shall be mandatory upon the Contractor to whom the Contract is awarded to pay not less than the said specified prevailing rates of wages to all workers employed by him in the execution of the Agreement.

CONTRACTOR is aware of and agrees to abide by the provisions of California Labor Code, including Sections 1720-1781, pertaining to the obligation to pay prevailing wages with respect to the performance of work. Copies of the prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work for each craft are available upon request from the DISTRICT. A copy of the prevailing rate of per diem wages shall be posted at the job site. If such posting is not possible, a copy shall be posted at the business of the CONTRACTOR.

CONTRACTOR is aware of and agrees to abide by Section 1777.5 of the California Labor Code with respect to the employment of properly-registered apprentices on public works. The parties agree that the foregoing satisfies the requirement in Section 1777.5(n) that the awarding body include contract stipulations to satisfy the provisions of that Section.

CONTRACTOR AND SUBCONTRACTOR REGISTRATION

Under Labor Code Section 1771.1, a contractor or subcontractor shall not be qualified to bid on, be listed in a bid proposal, subject to the requirements of Section 4104 of the Public Contract Code, or engage in the performance of any contract for public work, as defined in this chapter, unless currently registered and qualified to perform public work pursuant to Section 1725.5. It is not a violation of this section for an unregistered contractor to submit a bid that is authorized by Section 7029.1 of the Business and Professions Code or by Section 10164 or 20103.5 of the Public Contract Code, provided the contractor is registered to perform public work pursuant to Section 1725.5 at the time the contract is awarded. (California Labor Code § 1771.1.)

The District reserves the right to reject any bids and not award a contract to any bidder if the bidder does not submit proof to the District that bidder and any listed subcontractor(s) are currently registered and qualified to perform public work, pursuant to Labor Code Section 1725.5.
Pursuant to California Labor Code Section 1771.4, the contractor and its subcontractor(s) shall furnish the records specified in Section 1776 directly to the Labor Commissioner, in the following manner:

(1) At least monthly or more frequently if specified in the contract with the awarding body.

(2) In a format prescribed by the Labor Commissioner.

**DIR MONITORING AND ENFORCEMENT**

The project is subject to compliance monitoring and enforcement by the Department of Industrial Relations (California Labor Code Section 1771.4).

**JOB SITE NOTICES**

The contractor shall post job site notices, as prescribed by regulation (California Labor Code Section 1771.4).

**VISITING THE SITE**

The undersigned has thoroughly examined the Project Manual (Specifications), Addenda (if any) and other Contract Documents, has visited the site, and is thoroughly familiar with the contents and all conditions thereof.

**CONTRACT DOCUMENTS**

A sample of the Agreement proposed to be entered into between the Park District and the undersigned is attached herewith and made a part of these Specifications.

**TIMELINESS OF PERFORMANCE**

Time is hereby expressly made and declared to be of the essence of this Contract and of each and every part thereof, and no act or forbearance by the Park District or extension by it of the time for the performance of any of the terms of this Contract, and no delay or failure on the part of the Park District in the exercise of any of its rights hereunder shall in any way constitute or operate as a waiver of or excuse for any future default on the part of the Contractor, or as a waiver, release or relinquishment of any of the rights or powers herein conferred upon the Park District.

**Delays and Extension of Time:**

A. If the work shall be delayed at any time by reason of a suspension ordered by the Park District or because of any other act or neglect of Park District or its officers or employees without contributory act or neglect on the part of the Contractor or his agents, or employees, or Subcontractors, or if the work should be delayed without the fault or negligence of the Contractor, or for any other reason which in the opinion of the Park District is proper justification for
such delay, then the Contractor shall be entitled to an extension of time equivalent to the time actually lost by such delay.

B. In order to secure such an extension of time, the Contractor shall file a written request with the Park District for extension of time within seven (7) days of the beginning of each delay, and failure to do so shall constitute a waiver thereof, except that in case of a continuing cause of delay, only one claim shall be necessary.

C. A request for an extension of time or the granting of an extension of time shall not constitute a basis for any claim against the Park District for additional compensation. The Contractor shall be deemed to have waived any and all rights to claim additional compensation unless, at the time of filing a request for an extension of time, he shall likewise file a claim for additional compensation on account of such delay. Additional compensation to the Contractor because of delay in the work shall be considered only if such delay is the result of a suspension ordered by the Park District or because of any other acts or neglect of the Park District or its officers or its employees without contributory act or neglect on the part of the Contractor or his agents, or employees, or Subcontractors.

D. This article does not exclude the recovery of damage for delay by either party under other provisions of the Contract Documents.

DESIGNATION OF SUBCONTRACTORS AND SUPPLIERS:

See Subcontractors List Document 00430.

ADDENDA

This bid includes ADDENDUM NO. 1 Dated: 11/17/15

ASSIGNMENT

This Contract shall not be assigned by the Contractor.

AFFIDAVIT

The Contractor for himself and for his successors, executors, administrators, and assigns hereby agree to the full performance of the covenants herein contained.

The undersigned states that this is a genuine proposal, not made in collusion, or in the interest of any other person/firm other than represented by the undersigned.
NAME OF BIDDER: Stay Green Inc.

BY: Adam Hall

TITLE: Tree Care Business Developer

ADDRESS: 26415 Summit Circle
Santa Clarita, CA 91350

PHONE: (855) 787-9476

CONTRACTOR'S LICENSE NO. 346620

EXPIRATION DATE: 12/31/2016

PRIMARY CLASS: CZ7, C61/D49

SECONDARY CLASS: 

DATE: 11/17/15

NOTE: If bidder is a corporation, proposal must be signed by an authorized officer of the corporation and corporation seal affixed. Proposal must be accompanied by a document evidencing such officer is authorized to sign.

Check one - ( ) Owner
( ) Partnership
( ) Company
( ) Corporation
( ) Other

INSERT SUBCONTRACTOR LIST (00430-1)
SUBCONTRACTORS LIST

TO:  RANCHO SIMI RECREATION AND PARK DISTRICT  
     hereinafter called "District"

BY:  Stay Green Inc.  
     hereinafter called "Bidder"

PROJECT:  Tree Pruning Services at Various District Parks  
          Simi Valley and Oak Park, California.

In accordance with Article 17 of Instructions to Bidders, for portions of the Work equaling or exceeding 1/2 of 1 percent of the total proposed Contract Sum, the undersigned proposes to use the following sub-contractors. Except as otherwise approved by the District, the undersigned proposes to perform all other portions of the Work with his own forces.

<table>
<thead>
<tr>
<th>NO.</th>
<th>PORTIONS OF THE WORK</th>
<th>SUBCONTRACTOR NAME, ADDRESS &amp; PHONE NO.</th>
<th>LICENSE #</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>50%</td>
<td>Luis Casas Tree Services</td>
<td>911437</td>
</tr>
</tbody>
</table>
<pre><code> |                      | 20009 Vanowen St                       |           |
 |                      | Winnetka, CA 91306                     |           |
 |                      | (818)618-7703                          |           |
</code></pre>

THIS FORM SHALL BE COMPLETED AND SUBMITTED WITH THE BID DOCUMENTS.

Provide signature identical to that shown on the Bid Form:

BIDDER:  
DAT E: 11/23/15

END OF DOCUMENT

Subcontractors List
00430-1
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