



City Council of Monterey Park
The City Council Acting on Behalf of the Successor Agency of the Former Redevelopment Agency, the Housing Authority, the Monterey Park Financing Authority and the Monterey Park Geologic Hazard Abatement District Agenda

Regular Meeting
Monterey Park City Hall Council Chambers
320 West Newmark Avenue, Monterey Park, CA 91754

Wednesday, December 3, 2025
6:30 PM

Mission Statement

The mission of the City of Monterey Park is to provide excellent service, foster growth and opportunity, and create a joyous and collaborative environment.

Land Acknowledgment

We would like to acknowledge that the land we inhabit today was once known as Tovangaar, the home of the Gabrieleño-Tongva people. We show our respect to the Gabrieleño-Tongva people, as well as all Indigenous people, past, present, and future, and honor their labor as original caretakers of this land. We commit to uplifting the Gabrieleño-Tongva people, invite you to acknowledge the history, and join us in caring for this land.

General Information

Documents related to an Agenda item are available to the public in the City Clerk's Office located at 320 West Newmark Avenue, Monterey Park, CA 91754, during normal business hours and at www.montereypark.ca.gov/agendas.

The public may watch the meeting live on the city's cable channel MPKTV (AT&T U-verse, channel 99 or Charter Communications, channel 182) or by visiting the city's website at <http://www.montereypark.ca.gov/133/City-Council-Meeting-Videos>. Per the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please call City Hall at (626) 307-1359 for reasonable accommodation at least 24 hours before a meeting. Council Chambers are wheelchair accessible.

Public Participation

You may speak up to 5 minutes on an/each Agenda item and 5 minutes total for Consent Calendar. The Mayor and City Council may change the amount of time allowed for speakers. Written Communication will be accepted up to 24 hours before the meeting by completing an online form at www.montereypark.ca.gov/writtencomm.

While all comments are welcome, the Brown Act does not allow the City Council to take action on any item not on the agenda. The Council may briefly respond to comments after Public Communications is closed. Persons may, in addition to any other matter within the City Council's subject-matter

jurisdiction, comment on Agenda Items at this time. If you provide public comment on a specific Agenda item at this time, however, you cannot later provide comments at the time the Agenda Item is considered.

Live Translation:

Meetings will be translated (transcribed or audio) to the language you select. Instructions are provided below.

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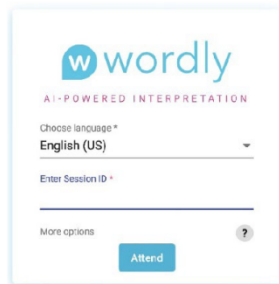
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1. Call to Order

Mayor

2. Flag Salute

The Monterey Park Fire Explorers

3. Roll Call

Henry Lo, Vinh Ngo, Jose Sanchez, Thomas Wong, Elizabeth Yang

4. Agenda Revisions and Additions

5. Public Communications

6. Staff Communications

6.A. City Manager's Office

6.B. Library

6.C. Police Department

6.D. Public Works

6.E. Recreation and Community Services Department

7. Presentation

7.A. 1688 West Garvey Avenue Marketing

7.B. SGV Forward - Bus Corridor Transit Improvement Project Update by the San Gabriel Valley Council of Governments (SGVCOG)

8. Old Business

8.A. Consider nuisance abatement at 795 W. Garvey and provide direction to the City Manager and City Attorney regarding whether to demolish the existing structures and bring the property into compliance with the City's vacant lot regulations or rehabilitate the structure to complete construction.

It is recommended that the City Council consider:

1. Receiving and filing the status of nuisance abatement at 795 W. Garvey;
2. Directing the City Manager and City Attorney to either (a) demolish the structure and bring the property into compliance with the City's vacant lot regulations; or (b) rehabilitate the existing structure and complete its construction; or
3. Taking such additional, related, action that may be desirable.

CEQA (California Environmental Quality Act):

Either action is exempt from additional environmental review pursuant to Public Resources Code section 21080(b)(4) and CEQA Guidelines sections 15269, 15301, 15304, and 15321.

9. Consent Calendar

All items under the Consent Calendar are considered by the City Council to be routine and will be enacted by one motion. Specific items may be removed from the Consent Calendar at the request of any member of the City Council for separate consideration.

9.A. Minutes

It is recommended that the City Council consider:

1. Approving the minutes from the regular meeting of November 5, 2025; and
2. Taking such additional, related, action that may be desirable.

9.B. Monthly Investment Report

It is recommended that the City Council consider:

1. Receiving and filing the monthly investment report; and
2. Taking such additional, related, action that may be desirable.

9.C. Adopt a resolution authorizing a Purchase and Sale Agreement and Escrow Instructions for the Purchase of Real Property commonly known as 810 Monterey Pass Road (Assessor's Parcel Number 5252-003-043)

It is recommended that the City Council consider:

1. Adopting Resolution No. xxx authorizing the City Manager to execute all agreements and related documents necessary to acquire the real property commonly known as 810 Monterey Pass Road, in a form approved by the City Attorney, and amending the budget for Fiscal Year 2025-26 to appropriate \$258,000 from the General Fund; and
2. Taking such additional, related, action that may be desirable.

9.D. Award of Contract to Calgon Carbon for Carbon Media Changeout to maintain compliance with State Water Resources Control Board Division of Drinking Water requirements

It is recommended that the City Council consider:

1. Authorizing the City Manager to execute a three-year Maintenance Agreement with Calgon Carbon Corporation, in a form approved by the City Attorney, for Carbon Media Changeout for a total not-to-exceed amount of \$2M; and
2. Taking such additional, related, action that may be desirable.

9.E. Approval of First Amendment to Agreement 2353-AA with United Storm Water, Inc. for catch basin inspection and maintenance services

It is recommended that the City Council consider:

1. Authorizing the City Manager to execute a First Amendment to Agreement 2353-AA with United Storm Water, Inc., in a form approved by the City Attorney, for an additional amount of \$76,241 for continued catch basin inspection and maintenance services through June 30, 2027; and
2. Taking such additional, related, action that may be desirable.

9.F. Receive and file a summary of the Windstorm and Firestorm Local Emergency

It is recommended that the City Council consider:

1. Receiving and filing this staff report summarizing the results of the windstorm and firestorm local emergency; and
2. Taking such additional, related, action that may be desirable.

9.G. Universal Human Rights Month Resolution (As Requested by Council Member

Sanchez)

It is recommended that the City Council consider:

1. Approving the attached resolution; and
2. Taking such additional, related, action that may be desirable.

10. Public Hearing

10.A. Consideration and possible action to conduct a public hearing to read by title only, waive further reading, and adopt an Ordinance amending Titles 16 and 17 of the Monterey Park Municipal Code by adopting the 2025 Edition of The California Building Standards Code and the Monterey Park Amendments to the California Building Standards Code

It is recommended that the City Council consider:

1. Opening a public hearing and taking testimonial and documentary evidence; and
2. After considering the evidence, reading by title only, waiving further reading, and adopting the proposed Ordinance; and
3. Taking such additional, related, action that may be desirable.

CEQA (California Environmental Quality Act):

Pursuant to the California Environmental Quality Act ("CEQA") and the CEQA Guidelines, the proposed Ordinance affects commercial development or businesses and is not subject to further review under CEQA for the following reasons: (1) the Ordinance is an action being taken for enhanced environmental protection (14 Cal. Code Regs. § 15308); (2) there is no possibility that the ordinance may have a significant effect on the environment (14 Cal. Code Regs. § 15061(b)(3)); and (3) it will not result in a direct or reasonably foreseeable indirect physical change in the environment (14 Cal. Code Regs. § 15060(c)(2)).

10.B. A continued public hearing to consider approval of the construction of a 247,480-square-foot data center and associated improvements located at 1977 Saturn Avenue, (Assessor's Parcel Number 5265-026-054) ("Subject Property")

It is recommended that the City Council consider:

1. Re-opening the public hearing and taking testimonial and documentary evidence;
2. After closing the public hearing and considering the evidence received during the public hearing, introduce and waive first reading of an Ordinance activating the Business Recovery Development Agreement Zone ("BRDZ"), approving Development Agreement No. 24-02 ("DA-24-02") and site development plan (DRB-24-040) for the construction of a data center, and adopting a Mitigated Negative Declaration ("MND") (State Clearing House Number 2024101397);
3. Taking such additional, related, action that may be desirable.

CEQA (California Environmental Quality Act):

The City reviewed the environmental impacts of the project pursuant to the California Environmental Quality Act (Public Resources Code §§ 21000, et seq. "CEQA") and the regulations promulgated thereunder (14 Cal. Code of Regs. §§ 15000, et seq., the "CEQA

Guidelines”). An initial study was prepared in accordance with the CEQA Guidelines § 15063 (“IS”) which shows that, if mitigated, the Project would not cause any significant environmental impacts. Accordingly, pursuant to CEQA § 21091, the City prepared a Mitigated Negative Declaration (“MND”) of environmental impacts. Based on the IS findings, and with proposed mitigation measures for cultural resources, geology and soils, hazards and hazardous materials and tribal cultural resources, the project would not result in significant environmental impacts.

The IS and MND, and a notice of intent to adopt the IS and MND was prepared, circulated, and made available for public review between Thursday, October 31, 2024, and Monday, December 2, 2024. During this period, the City received five comment letters stating concerns with the proposed project. Comments were received from Los Angeles County Sanitation Districts, Advocates for the Environment, Coalition for Responsible Equitable Economic Development Los Angeles (“CREED LA”), California Department of Conservation, Geologic Energy Management Division, and the South Coast Air Quality Management District. The Director of Community Development considered all comments, determined that the comments did not constitute substantial evidence of a potentially significant impact, and while not required by CEQA, provided responses to those concerns. Therefore, no further environmental review is required. The MND, Response to Comments and other CEQA documents can be found in Attachment 1, Exhibit C and on the City website at <https://www.montereypark.ca.gov/DocumentCenter/View/18325/11-19-2025-1977-Saturn-Data-Center-Project-ISMND>

- 11. New Business**
- 12. City Communications (City Council) / Future Agenda Items**
- 13. Closed Session (if Required; City Attorney to Announce)**
- 14. Adjournment**



City Council Staff Report

Date: December 3, 2025
Agenda Item Number: 6.D.

To: The Honorable Mayor and City Council

From:

Subject: Public Works

Recommendation:

It is recommended that the City Council consider:

- 1.
2. Taking such additional, related, action that may be desirable.

CEQA (California Environmental Quality Act):

Executive Summary:

Background:

Strategic Plan Goal:

Fiscal Impact:

Attachments:

None



City Council Staff Report

Date: December 3, 2025
Agenda Item Number: 8.A.

To: The Honorable Mayor and City Council
From: Karl Berger , City Attorney
Subject: Consider nuisance abatement at 795 W. Garvey and provide direction to the City Manager and City Attorney regarding whether to demolish the existing structures and bring the property into compliance with the City's vacant lot regulations or rehabilitate the structure to complete construction.

Recommendation:

It is recommended that the City Council consider:

1. Receiving and filing the status of nuisance abatement at 795 W. Garvey;
2. Directing the City Manager and City Attorney to either (a) demolish the structure and bring the property into compliance with the City's vacant lot regulations; or (b) rehabilitate the existing structure and complete its construction; or
3. Taking such additional, related, action that may be desirable.

CEQA (California Environmental Quality Act):

Either action is exempt from additional environmental review pursuant to Public Resources Code section 21080(b)(4) and CEQA Guidelines sections 15269, 15301, 15304, and 15321.

Executive Summary:

On September 19, 2025, the City issued an abatement warrant for 795 W. Garvey. It was executed on September 29th. Since that time, the City undertook several actions including (1) installing the sidewalk along Atlantic Blvd.; (2) inspecting the property; (3) attempting to obtain the Low Impact Development (LID) system to install on the property; and (4) retaining a general contractor to complete construction of the property. Unfortunately, the property owners have not cooperated with the City. Additionally, the testimony during the public nuisance hearing was inaccurate; this property is far from being completed and will require substantial rehabilitation. While the City expanded the abatement warrant in anticipation of the additional construction work, the costs for completing construction require further City Council consideration. Demolishing the structure and bringing the property into compliance with the City's vacant lot regulations will cost a fraction of the predicted rehabilitation and construction costs.

Background:

Since obtaining an abatement warrant in September of this year, the City moved to inspect the

condition of the property and seek a general contractor that could complete construction. Additionally, the City has been delayed by the property owners' interference with the City's efforts in obtaining various infrastructure needed to complete construction.

Because this is a nuisance abatement project, the City is not required to bid the project. City representatives, however, did obtain quotes from two independent general contractors that could complete construction of the existing building. Both of these contractors provided a preliminary cost of between \$1.5M to \$1.7M to complete the project. This is in contrast to the testimony provided to the City Council on September 17, 2025 by the property owners' purported general contractor: "Q: In your view, how much is left to finish the project cost-wise? A: From this point on, I would say maybe half a million to three-quarter, max. So, \$500,000 to \$750,000 on the outside. That's the cost."

Note that the property owners' contractor also stated that before entering into a signed agreement with the property owner (on September 16, 2025) that he served as a "consultant" to "help" the property owners as needed. By all accounts, this purported general contractor had limited experience with the property and its true condition when he testified as to the cost of completing construction.

Now that the City has entered the property and found its true condition, the higher cost estimates appear to be based upon a more complete evaluation of the condition of the property discovered after taking possession. These include the following challenges:

- The roof needs to be completely removed and replaced to meet code requirements, as flashing and other components are missing and parts have been exposed to weather damage for years.
- There is evidence of at least some mold related to the defective roof. An abatement company must now test for mold throughout the project, remove or encapsulate it, and provide a clearance report before any work on the structure begins.
- The HVAC platforms need to be rebuilt to meet the required height of 6-8 inches.
- The grease interceptor was installed incorrectly and must be redone to meet code requirements.
- Electrical work must be redone to meet code requirements, including panel and wiring completion.
- The fire sprinkler system requires room construction before completion, and the connection to the fire hydrant needs verification.
- Plumbing rough-in needs verification, especially where drain lines were installed after concrete pouring.
- The fire alarm and security system require plans for proper installation.

After receiving these cost estimates and being informed of the above (partial) list of construction challenges, the City Manager and City Attorney thought it prudent to provide both construction costs and demolition costs for comparison. It should also be noted that there are likely additional issues with the property that will not be discovered until construction is underway and which would increase the cost, potentially significantly.

For demolition, we have two estimates: \$150K and \$300K. The lower of the two would simply be for demolition; the higher includes demolition plus rehabilitation of the property to comply

with the City's vacant land regulations (Monterey Park section 4.30.060). These require landscaping, ground cover, and fencing of the property. The time estimate for demolition is four to six weeks from the point of authorization. It is unclear how long construction would take as the complete list of construction challenges is not yet known.

Should the City Council choose demolition over construction, the City Attorney's office would seek a revised abatement warrant to ensure the City's actions are sanctioned by the court.

Strategic Plan Goal:

Goal 2: Maintain Stability of our City's Fiscal and Human Resources.

Fiscal Impact:

Depending on the City Council's direction, abatement is anticipated to cost at least \$1.6M to \$2M; demolition itself is estimated at \$300K including compliance with the City's vacant lot ordinance.

Attachments:

None



City Council Staff Report

Date: December 3, 2025
Agenda Item Number: 9.A.

To: The Honorable Mayor and City Council
From: Maychelle Yee , City Clerk
Subject: Minutes

Recommendation:

It is recommended that the City Council consider:

1. Approving the minutes from the regular meeting of November 5, 2025; and
2. Taking such additional, related, action that may be desirable.

Executive Summary:

The minutes are a record of the official actions taken at the City Council meeting.

Background:

It is recommended that the City Council consider approving the minutes from the regular meeting of November 5, 2025.

Strategic Plan Goal:

N/A

Fiscal Impact:

N/A

Attachments:

1. Draft Minutes

ATTACHMENT 1

Draft Minutes

**Minutes
Monterey Park City Council
Financing Authority (MPFA)
Housing Authority (MPHA)
Geologic Hazard Abatement District (GHAD)
Successor Agency (SA)
Regular Meeting
November 5, 2025**

The City Council, the Financing Authority (MPFA), the Housing Authority (MPHA), the Geologic Hazard Abatement District (GHAD), and the Successor Agency (SA) of the City of Monterey Park held a Regular Meeting of the Council in the Council Chamber, located at 320 West Newmark Avenue in the City of Monterey Park, Wednesday, November 5, 2025, at 6:30 p.m.

1. Call to Order

Mayor Yang called the meeting to order at 6:37 p.m.

2. Flag Salute

Eagle Scout Troop 141 led the Flag Salute. Pledge of Allegiance presented by Civic Superstar Kara Joy Yee.

3. Roll Call

City Clerk Maychelle Yee called the roll:

Council Members Present: Henry Lo, Vinh Ngo, Jose Sanchez, Thomas Wong, Elizabeth Yang

Council Members Absent: None.

Also Present:

City Treasurer Amy Lee

City Manager Inez Alvarez

City Attorney Karl Berger

Assistant City Manager Diana Garcia

Director of Finance Martha Garcia

Director of Human Resources and Risk Management Christine Tomikawa

Director of Community Development Timothy Hou

Director of Recreation and Community Services Robert Aguirre

City Librarian Kristin Olivarez

Director of Public Works Shawn Igoe

Police Chief Scott Wiese

Fire Chief Jason Hing

Building Official Dennis Tarango

Transtech Building Official Consultant Ayla Jefferson

Finance Manager Laura Borjon

Police Lieutenant Bob Hung

Fire Marshal Jessica Estrella

Library Manager Linda Vera

IT Manager Martin Dinh

Mission Statement

The mission of the City of Monterey Park is to provide excellent service, foster growth and opportunity, and create a joyous and collaborative environment.

Animal Control Officer William Estrada
Records Supervisor Marco Martinez
Animal Services Officer Laura Rodriguez
Program Coordinator Alejandra Sauza
Office Assistant Michelle Martinez

Virtually Present: None.

4. Agenda Revisions and Additions

City Manager Alvarez requested Agenda Item No 9.G. to be heard after Public Communications and requested the addition of Public Works in Staff Communications to be heard before Finance.

5. Public Communications

- Joseph Leon, representing the San Gabriel Valley Mosquito & Vector Control District, thanked the City Council for his reappointment as a member to the Board. He provided tips to residents on how to prevent and report sightings of mosquitoes and shared his experience in advocating for the month of "Movember."
- Mike Sonksen commented on an article in the Cascades Newspaper about the Barnes Park Pool Revitalization Community Engagement meetings and advocated his approval of the matter.
- Veronica Prado articulated her lifelong experience with the Barnes Park Pool and its vital importance to the community.
- Cindy Yee commented on her granddaughter's performance as the Civic Superstar during the Pledge of Allegiance, expressed her dedication to rebuilding the Barnes Park pool and shared her opinion on the City's alleged use of funds on certain projects in the City.
- Margaret Leung spoke about the history of the Scudder family's potato chip factory in Monterey Park, mentioned the disappearance of the family's dedication plaque and urged the City to locate its whereabouts. She provided information about the San Gabriel Valley Power Up Beacon's (SGVPUB) petition to save the Barnes Park pool and encouraged residents to participate.
- Edlyn Takahashi talked about her experience as the President and Board Member of the Mark Keppel High Aquatics Booster Club and relayed a comment she made ten years ago regarding an opportunity to rebuild the pool. She discussed the benefits of training in an Olympic-sized pool and articulated SGVPUB's goal to rebuild the pool.

6. Staff Communications

This item was heard after Agenda Item No. 9.G.

6.A. Public Works

This Agenda Item was added during Agenda Revisions and Additions.

Public Works Director Igoe exhibited a PowerPoint presentation notifying the public of the dates and locations for Garvey Improvements Projects meetings and the monthly compost giveaways.

6.B. Finance

Director of Finance Garcia presented a PowerPoint presentation informing the public about the Housing Rights Workshops scheduled for the new fiscal year.

6.C. Recreation & Community Services Department

Director of Recreation and Community Services Aguirre gave a PowerPoint presentation thanking the community for a successful Monster Mash event and for participating in the Dia de Los Muertos altar at the Langley Center. He introduced the dates for the Barnes Park Pool Revitalization Community Engagement Meetings and the Pictures at the Mural program, an opportunity to take images behind the Monterey Park mural and receive a free postcard.

Recreation and Community Services Program Coordinator Sauza presented upcoming events at the Langley Center, which include the California Science Center Field Trip, the Mahjong Underground Intergenerational Mahjong Series and the Thanksgiving Lunch in partnership with the Young Women's Christian Association. She mentioned upcoming programs, which include Game Day Tuesday, a dream catcher creation workshop, events celebrating Native American Heritage Month at Barnes Park, an opportunity to honor the veterans at the American Legion Post 397, the Letters to Santa program, the Holiday Snow Village event, Santa's Jolly Journey and the 2026 Lunar New Year Festival.

Director of Recreation and Community Services Aguirre along with the City Council, introduced Eagle Scout Award recipient Brandon Chao and presented him with a certificate for his achievement. Brandon depicted details about his Eagle Scout Project, the refurbishment of the Barnes Park sign and thanked his project coach and scout members for their support throughout the project.

6.D. Library

Library Manager Vera provided a PowerPoint presentation with a recap of the events that occurred in the month of October, announced available media streaming and books to the public in celebration of Native American History Month and shared upcoming programming for the month of November which include, Dinovember Party, the In-N-Out Reading Program, the Coloring Club, the Teen Entrepreneurs Program, the Jr. Friendsgiving event, the Cards for Veterans workshop, the Poetry Reading and Writing workshop, a Legal Clinic, the Boba Generations event and announced the upcoming winter session of the Literacy For All Monterey Park program.

6.E. Police

Police Chief Wiese shared a PowerPoint presentation informing the residents about the implementation of Assembly Bill 413, and their timeline to begin its enforcement. He introduced the department's brand-new patch campaign to represent Memorial and Veterans Day and the new application to reunite lost pets with their owners.

Animal Services Supervisor Estrada, alongside Animal Services Officer Rodriguez, elaborated on the application's purpose and functionality to reunite lost pets to their owners. Records Supervisor Martinez exhibited a live demonstration on how to report and search for lost pets.

7. Presentation

None.

8. Old Business

None.

9. Consent Calendar

All items under the Consent Calendar are considered by the City Council to be routine and will be enacted by one motion. Specific items may be removed from the Consent Calendar at the request of any member of the City Council for separate consideration.

Action Taken: The City Council approved and adopted Agenda Item Nos. 9.A., 9.B., 9.C., 9.D., 9.E., 9.F., 9.H. and 9.I. excluding Agenda Item No. 9.G. which was pulled for discussion, separate motion, reading resolutions and ordinances by the title only and waiving further reading thereof.

Motion: Moved by Council Member Ngo and seconded by Council Member Wong, motion carried by the following vote:

Ayes: Council Members: Henry Lo, Vinh Ngo, Jose Sanchez, Thomas Wong, Elizabeth Yang

Noes: Council Members: None

Absent: Council Members: None

Abstain: Council Members: None

Recusal: Council Members: None

9.A. Approval of Minutes

The minutes are a record of the official actions taken at the City Council meeting.

Recommendation:

It is recommended that the City Council consider:

1. Approving the minutes from the special meeting of October 1, 2025 and the regular meetings of October 1, 2025, and October 15, 2025; and
2. Taking such additional, related, action that may be desirable.

Action Taken: The City Council approved the recommendation, on Consent Calendar.

9.B. Monthly Investment Report – September 2025

As of September 30, 2025, invested funds for the City of Monterey Park total \$88,615,588.06.

Recommendation:

It is recommended that the City Council consider:

1. Receiving and filing the monthly investment report; and
2. Taking such additional, related, action that may be desirable.

Action Taken: The City Council received and filed the report, on Consent Calendar.

9.C. Purchase of Laptops and Desktop Computers for the Police Department

The Chief of Police ("Chief") requests authorization to replace the Police Department's ("Department") end-of-life laptops and desktop computers. Current laptops and desktops are out of warranty, no longer serviceable, and not compliant with Criminal Justice Information Services ("CJIS") security requirements. Old laptops and desktops often lead to slow computer performance, system crashes, and are open to vulnerabilities.

The Chief is requesting authorization for the IT Division to purchase 50 Panasonic laptops, 90 Dell desktop computers, and associated technology upgrades and accessories for a total amount not to exceed \$400,000.

Recommendation:

It is recommended that the City Council consider:

1. Waiving bidding requirements pursuant to Monterey Park Municipal Code §§ 3.20.050(2)(4) and authorizing the City Manager, or designee, to enter into an agreement with Dell Marking LP and Panasonic Connect North America Professional Services, LLC, in a form approved by the City Attorney, for desktop and laptop computers; and
2. Take such additional, related action that may be desirable.

Action Taken: The City Council approved the recommendation, on Consent Calendar.

9.D. Consideration and possible action to read by title only, waive further reading, and introduce Ordinance amending Titles 16 and 17 of the Monterey Park Municipal Code by adopting the 2025 Edition of the California Building Standards Code and the Monterey Park Amendments to the California Building Standards Code; set public hearing for December 3, 2025

Every three years California adopts updated building standards codified in Title 24 of the California Code of Regulations. The draft ordinance (Attachment 1 to the staff report) incorporates the 2025 codes by reference and includes limited local amendments based on documented climatic, geological, and topographic conditions and administrative needs. This cycle primarily clarifies existing requirements and updates numbering, with targeted fire and life safety provisions. The staff report also explains how the ordinance complies with AB 130 by limiting local changes that are applicable to residential units to the narrow exceptions allowed by state law, and by treating other changes as administrative or fire authority supported.

Type Of Action: (Legislative)

The recommended action is to amend Monterey Park Municipal Code (MPMC) Titles 16 and 17 by adopting the 2025 Edition of the California Building Standards Code (CBSC). In considering such action, the City Council acts in its discretionary legislative capacity (formulating rules that apply to all future cases). For the proposed amendments, the City Council must find that they are reasonably necessary because of local climatic, geological or topographical conditions (Health and Safety Code § 17958.7). These findings, and the facts upon which they rely, are included within the draft Ordinance (Attachment 1 to the staff report). Accordingly, a Notice of Exemption has been prepared for the proposed ordinance (Attachment 2 to the staff report).

CEQA (California Environmental Quality Act):

Pursuant to the California Environmental Quality Act ("CEQA") and the CEQA Guidelines, the proposed Ordinance affects commercial development or businesses and is not subject to further review under CEQA for the following reasons: (1) the Ordinance is an action being taken for enhanced environmental protection (14 Cal. Code Regs. § 15308); (2) there is no possibility that the ordinance may have a significant effect on the environment (14 Cal. Code Regs. § 15061(b)(3)); and (3) it will not result in a direct or reasonably foreseeable indirect physical change in the environment (14 Cal. Code Regs. § 15060(c)(2)).

Recommendation:

It is recommended that the City Council consider:

1. Reading by title only, waiving further reading, and introducing the proposed Ordinance;
2. Scheduling a public hearing on December 3, 2025, for the second reading and adoption of the Ordinance; and/or
3. Taking such additional, related, action that may be desirable.

Action Taken: The City Council approved the recommendation and introduced and waived the first reading of the proposed Ordinance, on Consent Calendar.

Ordinance, 1st reading

An Ordinance adopting the 2025 Editions of the California Building Code, the California Residential Code, the California Electrical Code, the California Mechanical Code, the California Plumbing Code, the California Energy Code, California Wildland-Urban Interface Code, the California Historical Code, the California Fire Code, the California Existing Building Code, the California Green Building Standards Code, the California Referenced Standards Code, the California Building Standards Administrative Code, making certain amendments based upon local conditions; and amending the Monterey Park Municipal Code to reflect such changes

9.E. Agreement with San Gabriel Basin Water Quality Authority for the Operation of the South El Monte Operable Unit (SEMOU) Treatment Facility

Under an agreement with the San Gabriel Basin Water Quality Authority (WQA), the City of Monterey Park has been receiving reimbursement for costs related to the treatment of water contaminated by industrial activities from the 1940's. The contaminated aquifer is located in an area called the South El Monte Operating Unit (SEMOU) that had been managed by the Environmental Protection Agency (EPA).

On September 1, 2024, the California Department of Toxic Substances Control (DTSC) took over the management of the SEMOU, including the transfer of all responsibility from EPA to DTSC. The City's agreement with WQA expired on August 31, 2024. To continue receiving reimbursement for treatment costs (now through DTSC), the City would need to enter into a new agreement with WQA.

Recommendation:

It is recommended that the City Council consider:

1. Authorizing the City Manager to execute the Agreement with the San Gabriel Basin Water Quality Authority (WQA), in a form approved by the City Attorney, for the operation of the South El Monte Operable Unit (SEMOU) Treatment Facility;
2. Taking such additional, related, action that may be desirable.

Action Taken: The City Council approved the recommendation, on Consent Calendar.

9.F. Family Court Awareness Month Resolution (As Requested by Council Member Sanchez)

The attached resolution is being brought forth to the Council for consideration at the request of Council Member Sanchez.

Recommendation:

It is recommended that the City Council consider:

1. Approving the attached resolution; and
2. Taking such additional, related, action that may be desirable.

Action Taken: The City Council adopted Resolution No. 2025-R93, on Consent Calendar.

Resolution No. 2025-R93

A resolution of the City Council of the City of Monterey Park, California, declaring the month of November 2025 as Family Court Awareness Month

9.G. Native American Heritage Month Resolution (As Requested by Council Member Sanchez)

Agenda Item No. 9.G. was heard after Public Communications.

The attached resolution is being brought forth to the Council for consideration at the request of Council Member Sanchez.

Recommendation:

It is recommended that the City Council consider:

1. Approving the attached resolution; and
2. Taking such additional, related, action that may be desirable.

Public Speaker:

- Samuel Lopez, descendant of the Gabrielino-Tongva tribe, vocalized his support of the proposed resolution to recognize the Month of November as Native American Heritage Month. He spoke about the importance of honoring Native Americans as the first settlers and acknowledged the City's support to promote cultural education within the community.

Action Taken: The City Council approved Resolution No. 2025-R94, on Consent Calendar.

Motion: Moved by Council Member Sanchez and seconded by Council Member Ngo, motion carried by the following vote:

Ayes: Council Members: Henry Lo, Vinh Ngo, Jose Sanchez, Thomas Wong, Elizabeth Yang

Noes: Council Members: None

Absent: Council Members: None

Abstain: Council Members: None

Recusal: Council Members: None

Resolution No. 2025-R94

A resolution recognizing the month of November 2025 as Native American Heritage Month in the City of Monterey Park

9.H. National Homeless Youth Awareness Month Resolution (As Requested by Council Member Sanchez)

The attached resolution is being brought forth to the Council for consideration at the request of Council Member Sanchez.

Recommendation:

It is recommended that the City Council consider:

1. Approving the attached resolution; and
2. Taking such additional, related, action that may be desirable.

Action Taken: The City Council approved Resolution No. 2025-R95, on Consent Calendar.

Resolution No. 2025-R95

A resolution of the City Council of the City of Monterey Park, California, declaring the month of November 2025 as National Homeless Youth Awareness Month

9.I. Movember Awareness Month

The Movember Foundation is the leading global organization dedicated to transforming men's health. Since its inception, the Movember community has raised \$1.3 billion and funded over 1,320 programs in 20 countries

(<https://us.movember.com/>). These initiatives are saving and improving lives of men affected by prostate cancer, testicular cancer, and mental health programs.

Each year, the Foundation challenges men to grow mustaches during Movember (formerly known as November) to spark conversations and raise critical funds for its men's health programs.

The mustaches serve as a symbol of awareness, encouraging men to prioritize annual checkups for prostate and testicular health. As a mustache grows, it becomes a conversation starter, spreading awareness and educating communities about the health issues men face. The Vision of the Movember Foundation is to create a lasting impact on the face of men's health worldwide.

Recommendation:

It is recommended that the City Council consider:

1. Adopting a Resolution declaring the month of November 2025 as "Movember"; and
2. Taking such additional, related, action that may be desirable.

Action Taken: The City Council approved Resolution No. 2025-R96, on Consent Calendar.

Resolution No. 2025-R96

A resolution of the City Council of the City of Monterey Park declaring the month of November as "Movember," an annual event involving men growing mustaches during the month to raise awareness of prostate cancer and other male cancer and associated charities

10. Public Hearing

None.

11. New Business

11.A. Adopt a Resolution to Cast Votes for a City Member to the San Gabriel Basin Water Quality Authority Board

The San Gabriel Basin Water Quality Authority ("SGBWQA") was established by the State Legislature under Senate Bill 1679 in 1992 to develop, finance, and implement groundwater treatment programs in the San Gabriel Valley. The SGBWQA is under the direction and leadership of a 7-member board consisting of the following: one member of each of the three overlying municipal water districts, one from a city with prescriptive water pumping rights, one from a city without prescriptive water pumping rights, and two representing water producers in the San Gabriel Basin.

According to the bylaws of the SGBWQA, a city with prescriptive water pumping rights, of which Monterey Park falls under, may nominate and elect a City Member to the Water Quality Authority Board. All votes cast must be for only one candidate.

Each City with pumping rights has one vote for each 10,000 residents or the majority thereof, as determined by the U.S. Census Data. The City of Monterey Park has six votes to be cast.

This election is to fill the vacancy of the Board Member representing cities with pumping rights. The election will take place at the SGBWQA's regular meeting on Wednesday, December 17, 2025.

Recommendation:

It is recommended that the City Council consider:

1. Adopting a resolution voting for a City Member to represent cities with prescriptive pumping rights on the Board of the San Gabriel Basin Water Quality Authority;
2. Directing the City Clerk to send a copy of the Resolution to the San Gabriel Basin Water Quality Authority to receive no later than December 16, 2025, at 12:00 p.m.;
3. Taking such additional, related, action that may be desirable.

Discussion: Assistant City Manager Garcia showed a staff report detailing the process of electing a City Member for The San Gabriel Basin Water Quality Authority.

Action Taken: The City Council approved the recommendation, approved Resolution No. 2025-R97, and appointed Robert Gonzales, City of Azusa Mayor as the representative of the Board of the San Gabriel Basin Water Quality Authority.

Motion: Moved by Council Member Wong and seconded by Mayor Pro Tem Lo, motion by the following vote:

Ayes: Council Members: Henry Lo, Vinh Ngo, Jose Sanchez, Thomas Wong, Elizabeth Yang

Noes: Council Members: None

Absent: Council Members: None

Abstain: Council Members: None

Recusal: Council Members: None

Resolution No. 2025-R97

A resolution of the City Council of the City of Monterey Park, California, authorizing the casting of its votes for Robert Gonzales, to represent cities with prescriptive pumping rights on the board of the San Gabriel Basin Water Quality Authority

12. City Communications (City Council) / Future Agenda Items

Council Member Ngo spoke about his attendance at the Senior Safety Workshop series, the Health Fair held at the Langley Center and the Monterey Vista School Stem Night. He mentioned his participation in the Neighborhood Business Walk with Senator Sasha Renée Pérez and the Pink Patch Car Show and the Pickleball Tournament at Barnes Park.

Council Member Sanchez thanked the City Clerk's Office for the promotional materials during the 2025 Elections and the Police Department for hosting the Pink Patch Car Show. He spoke about the Dodgers' win as the World Series Champions. He reported his attendance at the Angel Awards where Member of the Los Angeles County Board of Supervisors Hilda Solis was awarded "Woman of the Year" and shared his appreciation to the residents that attended the Monster Mash.

Mayor Pro Tem Lo talked about his attendance at the Garvey Education Foundation fundraising event and the Pumpkin Run held by the City of Alhambra with Council Member Wong.

Mayor Yang spoke about the Little Angels Dance Group from Korea who performed at the Barnes Park amphitheater and her appearance at the ribbon cutting ceremony at Yihui Coffee and the Whitmore Villas. She talked about the recent events that have occurred throughout the City such as Active Shooter Training held at the Emergency Operations Center and the American Cancer Society Youth Ambassadors conference at the Bruggemeyer Library. She reported her attendance at the recent Meet-up with the Mayor at Litz Restaurant and announced future dates for the rest of the year.

13. Closed Session (if Required; City Attorney to Announce)

None.

14. Adjournment

There being no further business for consideration, the meeting was adjourned at 8:31 p.m.

Maychelle Yee
City Clerk

Approved on MM DD, 2025, at the Regular City Council Meeting



City Council Staff Report

Date: December 3, 2025
Agenda Item Number: 9.B.

To: The Honorable Mayor and City Council
From: Amy Lee, City Treasurer
Subject: Monthly Investment Report

Recommendation:

It is recommended that the City Council consider:

1. Receiving and filing the monthly investment report; and
2. Taking such additional, related, action that may be desirable.

Executive Summary:

As of October 31, 2025, invested funds for the City of Monterey Park total \$89,468,829.84.

Background:

In accordance with the City's Investment Policy, a monthly investment report is presented to the City Council showing the types of investments, dates and maturities, amounts of deposits, rates of interest, and the current market values for securities with maturity more than 12 months. The attached monthly investment report includes a portfolio summary from Chandler Asset Management.

Strategic Plan Goal:

N/A

Fiscal Impact:

N/A

Attachments:

1. Monthly Investment Report

ATTACHMENT 1

Monthly Investment Report

**CITY OF MONTEREY PARK
INVESTMENT REPORT
OCTOBER 31, 2025**

INVESTMENTS PORTFOLIO PROFILE:

TOTAL BALANCE AT 10/31/2025

\$ 89,468,829.84

INVESTMENT COMPOSITION

(1) <u>LA COUNTY POOLED INVESTMENT FUND</u>	ON DEMAND	3.43%	<u>\$ 26,788,105.32</u>
(2) <u>LOCAL AGENCY INVESTMENT FUND</u>	ON DEMAND	4.150%	<u>\$ 28,184,416.09</u>
(3) <u>CHANDLER ASSET MANAGEMENT</u>		4.58%	<u>\$ 26,740,275.02</u>

(4) <u>CERTIFICATES OF DEPOSIT</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	
1	FLASTAR BANK NA	07/25/24	01/26/26	4.85% 245,000
2	RIZE FED CREDIT UNION	12/13/24	12/14/26	4.25% 245,000
3	FIRST SEACOAST BANK	01/27/25	01/27/27	4.15% 247,000
4	GOLDMAN SACHES BANK	01/28/25	01/28/27	4.15% 244,000
5	FIRST BUSINESS BANK	01/30/25	01/29/27	4.15% 244,000
6	FIRST KY BANK	01/30/25	02/01/27	4.15% 249,000
7	AUSTIN TELCO FED CREDIT UNION	01/31/25	02/01/27	4.25% 249,000
8	SOUND CREDIT UNION	01/31/25	02/01/27	4.20% 249,000
9	MORGAN STANLEY BANK	02/12/25	02/12/27	4.30% 244,000
10	MORGAN STANLEY PRIVATE BANK	02/12/25	02/12/27	4.30% 244,000
11	OREGON COMMUNITY CREDIT UNION	02/24/25	02/24/27	4.30% 249,000
12	MERRICK BANK	02/28/25	02/26/27	4.30% 249,000
13	FIRST WESTERN TRUST BANK	03/06/25	03/06/26	4.25% 249,000
14	SOUTHERN STATES BANK	03/21/25	03/22/27	4.15% 249,000
15	CORPORATE AMERICA FAMILY CREDIT UI	03/27/25	03/27/26	4.25% 249,000
16	PARKWAY BANK & TRUST	03/27/25	03/27/26	4.20% 239,000
17	TOYOTA FINANCIAL SAVINGS BANK	04/10/25	04/12/27	4.00% 245,000
18	UBS BANK	04/23/25	04/23/27	3.95% 249,000
19	AMERICAN EXPRESS NATIONAL BANK	04/30/25	04/30/27	4.05% 245,000
20	STATE BANK INDIA	05/05/25	05/05/27	4.10% 244,000
21	TRANSPORTATION ALLIANCE BANK	05/12/25	05/12/27	4.00% 249,000
22	FINWISE BANK	05/21/25	05/21/27	4.00% 249,000
23	CONNEXUS CREDIT UNION	07/23/25	07/23/27	4.10% 245,000
24	HARBORSTONE CREDIT UNION	08/06/25	08/06/26	4.25% 249,000
25	HOPE FEDERAL CREDIT UNION	08/21/25	08/21/26	4.10% 240,000
26	CIVIC FEDERAL CREDIT UNION	08/29/25	08/28/26	4.15% 249,000
27	PREFERRED BANK	09/03/25	09/03/26	3.93% 113,033
28	OPTUM BANK	09/15/25	09/15/27	3.70% 245,000
29	FIRST BANK	09/19/25	03/19/27	3.70% 245,000
30	UNIVERSITY OF ILLINOIS CREDIT UNION	09/24/25	09/24/27	3.65% 249,000
31	DORT FINANCIAL CREDIT UNION	10/10/25	10/12/27	3.75% 247,000
32	ALLIANT CREDIT UNION	10/30/25	10/30/26	4.00% 249,000
<i>Total CDs (32)</i>			4.113%	<u>\$ 7,756,033.41</u>

OTHER INFORMATION:

BANK BALANCE: ⁽¹⁾

\$11,150,661.24

AVERAGE MATURITY DAYS

176

AVERAGE INTEREST RATE FOR THE MONTH

4.060%

THE CITY'S INVESTMENT HAS SUFFICIENT LIQUIDITY TO MEET THE CITY'S EXPENDITURE REQUIREMENTS FOR THE NEXT 180 DAYS. THE 180-DAY LIQUIDITY DISCLOSURE IS REQUIRED PER GOVERNMENT CODE 53646.

THERE HAVE BEEN NO VARIANCES TO THE INVESTMENT POLICY.

(1) Bank balance is maintained to cover outstanding warrants, payroll checks and on-going operating costs.

PORTFOLIO SUMMARY

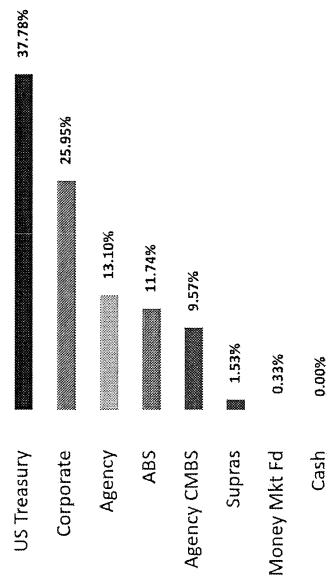


City of Monterey Park | Account #11189 | As of October 31, 2025

Portfolio Characteristics

Average Modified Duration	1.80
Average Coupon	4.27%
Average Purchase YTM	4.58%
Average Market YTM	3.87%
Average Credit Quality*	AA
Average Final Maturity	2.24
Average Life	1.95

Sector Allocation



Performance Review

Total Rate of Return**	1M	3M	YTD	1YR	2YRS	3YRS	5YRS	10YRS	Since Inception (03/12/24)
City of Monterey Park	0.34%	1.53%	4.67%	5.22%	--	--	--	--	5.57%
Benchmark Return	0.34%	1.51%	4.28%	4.83%	--	--	--	--	4.95%

*The average credit quality is a weighted average calculation of the highest of S&P, Moody's and Fitch.
 **Periods over 1 year are annualized.
 Benchmark: ICE BofA 1-3 Year US Treasury & Agency Index

Execution Time: 11/04/2025 06:43:26 PM

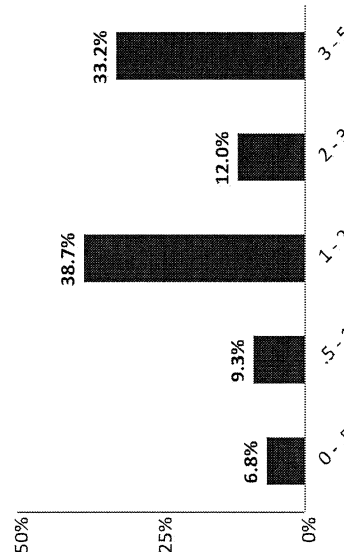
Chandler Asset Management | info@chandlerasset.com | www.chandlerasset.com | 800.317.4747

CONFIDENTIAL | 2

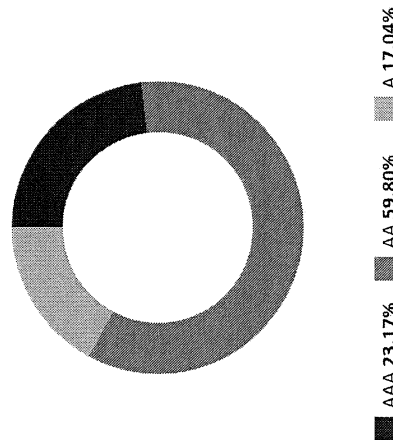
Account Summary

	End Values as of 09/30/2025	End Values as of 10/31/2025
Market Value	26,906,804.81	27,025,267.82
Accrued Interest	225,649.43	198,010.98
Total Market Value	27,132,454.24	27,223,278.80
Income Earned	118,655.99	102,245.99
Cont/WD	0.00	0.00
Par	26,755,922.35	26,872,573.37
Book Value	26,609,516.29	26,740,275.02
Cost Value	26,497,286.43	26,632,513.66

Maturity Distribution



Credit Quality*



Top Issuers

United States	37.78%
FHLMC	9.57%
Farm Credit System	6.72%
Federal Home Loan Banks	6.38%
Morgan Stanley	1.65%
International Bank for Recon and Dev	1.53%
Bank of America Credit Card Trust	1.40%
John Deere Owner Trust	1.40%



City Council Staff Report

Date: December 3, 2025

Agenda Item Number: 9.C.

To: The Honorable Mayor and City Council

From: Timothy Hou, Director of Community Development
Jason Hing, Fire Chief

Subject: Adopt a resolution authorizing a Purchase and Sale Agreement and Escrow Instructions for the Purchase of Real Property commonly known as 810 Monterey Pass Road (Assessor's Parcel Number 5252-003-043)

Recommendation:

It is recommended that the City Council consider:

1. Adopting Resolution No. xxx authorizing the City Manager to execute all agreements and related documents necessary to acquire the real property commonly known as 810 Monterey Pass Road, in a form approved by the City Attorney, and amending the budget for Fiscal Year 2025-26 to appropriate \$258,000 from the General Fund; and
2. Taking such additional, related, action that may be desirable.

CEQA (California Environmental Quality Act):

The Director of Community Development ("Director") reviewed the environmental impacts of the proposed land acquisition project pursuant to the California Environmental Quality Act (Public Resources Code §§ 21000, et seq. "CEQA") and the regulations promulgated thereunder (14 Cal. Code of Regs. §§ 15000, et seq., the "CEQA Guidelines"). CEQA does not apply where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. This activity involves the acquisition of real property for a future public use by the City. Any future use and development of the site will be independently reviewed under CEQA. Accordingly, no further environmental review is required.

Executive Summary:

To address a previously identified need to improve aging public safety infrastructure, the Director conducted a search for a suitable site near the existing Fire Station 63. The Director recommends adopting a resolution authorizing the City Manager to approve a purchase and sale agreement and escrow instructions ("Agreement") to purchase the real property commonly known as 810 Monterey Pass Road, Monterey Park, California 91754.

Background:

The City previously identified a need to improve aging public safety infrastructure to meet growing demands for public safety service. Consequently, the Director searched for possible

sites and funding to enhance public safety services with an emphasis on the existing Fire Station 63 currently operating at 704 Monterey Pass Road.

On August 27, 2025, the City and JRL LLC, a California limited liability company (“Seller”), entered negotiations for the purchase and sale of real property located at 810 Monterey Pass Road (“Site”). On November 20, 2025, the City and the Seller reached tentative agreement on proposed deal terms including a purchase price of \$5,250,000.

The Monterey Park Fire Department currently operates Fire Station 63, approximately ¼ mile east of the Site. Fire Station 63 was built in 1958 and is staffed by 3 firefighters 24 hours per day. The 63,109 sq. ft. (1.44 acres) site includes a 2,675 sq. ft. station building, telecommunications equipment, water pumps serving the Water Division, and parking for various Fire Department vehicles including ambulances, a fire engine and an urban search and rescue vehicle. Photos of the existing Fire Station 63 illustrate a lack of critical space and infrastructure needed to meet the needs of current and future Fire operations (Attachment 3).

The Site is a larger rectangular lot consisting of approximately 80,581 sq. ft. (1.85 acres) of land located on the southeast side of Monterey Pass Road, between Davidson Drive and Vagabond Drive (Assessor’s Parcel No. 5252-003-043). The Site is currently improved with an approximately 21,470 sq. ft. commercial industrial building and associated asphalt or concrete paved area, landscaped areas, and utilities. An aerial map identifying the Site is included (Attachment 3).

The City Manager negotiated an agreement between the City and the Seller for the as-is sale of the Site for an agreed upon purchase price of \$5,250,000, with estimated transaction closing costs and expenses of \$8,000, for a sum of \$5,258,000. The Director conducted the following due diligence within the escrow timeframe outlined in the Agreement:

- Completed Phase I Environmental Site Assessment Report.
- Completed Due Diligence Limited Site Investigation including, without limitation, the following work:
 - Geophysical survey
 - Soil borings and soil sampling
 - Groundwater sampling
 - Sub slab soil gas sampling
 - Indoor and outdoor air sampling procedures
- Reviewed preliminary title report and property condition disclosure reports.

The City has not yet determined the nature and extent of the potential public improvements that might ultimately occupy the Site. Due to its favorable proximity to the existing Fire Station 63, layout, and existing improvements, the Site may be suitable for a future replacement fire station. However, there are currently no future use plans developed and other uses to support City services may also be considered.

General Plan and Zoning Designation:

The Site is located within the Office Professional Non-McCaslin Business Park (O-P) Zone and has a General Plan Land Use Designation of “Innovation/Technology.” Uses for Innovation/Technology include research and development, light manufacturing, service

commercial, professional offices, entertainment, breweries/wineries/distilleries, trade and technical schools, public utilities, and similar uses per zoning regulations. Pursuant to Table 21.12 (A) in the M.P.M.C., permitted uses in the O-P Zone include government or public facilities. Additionally, government or public facility is broadly defined in M.P.M.C. § 21.04.437 as “offices or uses established by any governmental or public entity which are established to provide direct service to the public at a particular location.”

Strategic Plan Goal:

Purchase of this Site satisfies the 2025-26 Strategic Plan Goal No. 4 to “Maintain, Build and Modernize Infrastructure and Facilities to Support the Current and Future Needs of Our City Community,” by continuing public facility improvements with an emphasis on Fire Station 63. Furthermore, acquisition of property to site a future replacement fire station satisfies the 2025-26 Strategic Plan Goal No. 1 to “Ensure Public Safety with a Modernized and Community-Oriented Approach.”

Fiscal Impact:

The purchase will be funded through financing secured via a \$2,000,000 AB102 grant and \$3,250,000 from the General Fund. For this purpose, the Director is requesting a budget amendment of \$258,000 to appropriate to account number 1015002-5501-95049. This amount is intended to cover the cost of the purchase price, escrow closing costs and expenses, for a total of \$5,258,000.

Attachments:

1. Resolution
2. Photos of Existing Fire Station 63
3. Aerial Image of Site

ATTACHMENT 1

Resolution No. XXX

RESOLUTION NO. ____

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE ALL AGREEMENTS AND RELATED DOCUMENTS NECESSARY TO ACQUIRE THE REAL PROPERTY COMMONLY KNOWN AS 810 MONTEREY PASS ROAD, IN A FORM APPROVED BY THE CITY ATTORNEY, AND AMEND THE BUDGET FOR FISCAL YEAR 2025-26 TO APPROPRIATE \$258,000 FROM THE GENERAL FUND.

BE IT RESOLVED by the Council of the City of Monterey Park as follows:

SECTION 1: The City Council finds as follows:

- A. The City of Monterey Park ("City") negotiated to acquire the real property commonly known as 810 Monterey Pass Road (Assessor's Parcel Number 5252-003-043) (the "Property") from JRL LLC, a California limited liability company ("Seller") for a purchase price of \$5,250,000, with estimated transaction closing costs and expense of \$8,000, for a sum of \$5,258,000.
- B. The purchase of Property will be partially funded through a \$2,000,000 grant pursuant to AB102, and \$3,258,000 from the General Fund.
- C. The City reviewed the project's environmental impacts under the California Environmental Quality Act (Public Resources Code §§ 21000 et seq., "CEQA") and the regulations promulgated thereunder (14 Cal. Code of Regulations §§15000, et seq., the "CEQA Guidelines").
- D. The City and Seller desire to enter into a purchase and sale agreement for the Property.

SECTION 2: *Environmental Assessment.* Adopting this Resolution is exempt from further environmental review pursuant to the California Environmental Quality Act Public Resources Code §§ 21000, et seq., "CEQA") and the regulations promulgated thereunder (14 Cal. Code of Regulations §§ 15000, et seq., the "CEQA Guidelines"). Acquisition of the Property (by itself) does not have the potential to cause significant effects on the environment. Consequently, it is categorically exempt in accordance with CEQA Guidelines § 15061(b)(3) as CEQA only applies to projects that have the potential to cause a significant effect on the environment.

SECTION 3: *Notice of Exemption.* The Director of Community Development, or designee, is directed to file a Notice of Exemption in accordance with CEQA §§ 15062, and any other applicable law.

SECTION 4: Authorizations. The City Council authorizes the purchase of the Property from the Seller to the City upon payment by City of \$5,250,000, with estimated transaction closing costs and expense of \$8,000, for a sum of \$5,258,000. In order to effectuate that conveyance, the Mayor and City Manager are authorized to execute all documents, in a form approved by the City Attorney, needed to implement the conveyance of the Property as contemplated by this Resolution including, without limitation, escrow instructions, the grant deed, closing statement, and the certificate of acceptance. The City Manager is further authorized to accept the grant deed and cause them to be recorded in the Office of the County Recorder of the County of Los Angeles.

SECTION 5: The City Manager, or designee, is directed to amend the Fiscal Year 2025-26 Budget to appropriate \$258,000 to Account Number 1015002-5501-95049 for this property acquisition.

SECTION 6: Severability. If any part of this Resolution or its Application is deemed invalid by a court of competent jurisdiction, the City Council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Resolution are severable.

SECTION 7: Construction. This Resolution must be broadly construed to achieve the purposes stated in this Resolution. It is the City Council's intent that the provisions of this Resolution be interpreted or implemented by the City and others in a manner that facilitates the purposes set forth in this Resolution.

SECTION 8: Reliance On Record. Each and every one of the findings and determinations in this Resolution are based on the competent and substantial evidence, both oral and written, contained in the entire record relating to the project. The findings and determinations constitute the independent findings and determinations of the City Council in all respects and are fully and completely supported by substantial evidence in the record as a whole.

SECTION 9: Limitations. The City Council's analysis and evaluation of the project is based on the best information currently available. It is inevitable that in evaluating a project that absolute and perfect knowledge of all possible aspects of the project will not exist. One of the major limitations on analysis of the project is the City Council's lack of knowledge of future events. In all instances, best efforts were made to form accurate assumptions. Somewhat related to this are the limitations on the City's ability to solve what are in effect regional, state, and national problems and issues. The City must work within the political framework within which it exists and with the limitations inherent in that framework.

SECTION 10: Summaries of Information. All summaries of information in the findings, which precede this section, are based on the substantial evidence in the record. The absence of any particular fact from any such summary is not an indication that a particular finding is not based in part on that fact.

SECTION 11: *Effective Date*. This Resolution will become effective immediately upon adoption.

SECTION 12: *Electronic Signatures*. This Resolution may be executed with electronic signatures in accordance with Government Code §16.5. Such electronic signatures will be treated in all respects as having the same effect as an original signature.

SECTION 13: *Recordation*. The Mayor, or presiding officer, is authorized to affix its signature to this Resolution signifying its adoption by the City Council, and the City Clerk, or its duly appointed deputy, is directed to attest.

PASSED AND ADOPTED this 3rd day of December, 2025.

Elizabeth Yang, Mayor

ATTEST:

Maychelle Yee, City Clerk

APPROVED AS TO FORM:
Karl H. Berger, City Attorney

By:_____
Justin A. Tamayo, Assistant City Attorney



**STANDARD OFFER, AGREEMENT AND ESCROW INSTRUCTIONS
FOR PURCHASE OF REAL ESTATE**
(Non-Residential)

Dated: August 27, 2025

1. Buyer.

1.1 City of Monterey Park, a general law city and municipal corporation, ("Buyer") hereby offers to purchase the real property, hereinafter described, from the owner thereof ("Seller") (collectively, the "Parties" or individually, a "Party"), through an escrow ("Escrow") to close ~~30 or~~ 15 days after the waiver or satisfaction of the Buyer's Contingencies, ("Expected Closing Date") to be held by Central Escrow Group - Escrow Officer: Beatrice Wang ("Escrow Holder") whose address is 515 West Garvey Avenue, Suite 118, Monterey Park, California 91754, Phone No. 626.280.1700, Facsimile No. _____ upon the terms and conditions set forth in this agreement ("Agreement"). Buyer shall have the right to assign Buyer's rights hereunder, but any such assignment shall not relieve Buyer of Buyer's obligations herein unless Seller expressly releases Buyer.

1.2 The term "Date of Agreement" as used herein shall be the date when by execution and delivery (as defined in paragraph 20.2) of this document or a subsequent counteroffer thereto, Buyer and Seller have reached agreement in writing whereby Seller agrees to sell, and Buyer agrees to purchase, the Property upon terms accepted by both Parties.

2. Property.

2.1 The real property ("Property") that is the subject of this offer consists of (insert a brief physical description) Approximately 21,470 square feet of building situated on approximately 80,581 square feet of land is located in the County of Los Angeles, is commonly known as (street address, city, state, zip) 810 Monterey Pass Road, Monterey Park, California 91754 and is legally described as: To be determined in Escrow (APN: 5252-003-043).

2.2 If the legal description of the Property is not complete or is inaccurate, this Agreement shall not be invalid and the legal description shall be completed or corrected to meet the requirements of California Title Company ("Title Company"), which shall issue the title policy hereinafter described.

2.3 The Property includes, at no additional cost to Buyer, the permanent improvements thereon, including those items which pursuant to applicable law are a part of the property, as well as the following items, if any, owned by Seller and at present located on the Property: electrical distribution systems (power panel, bus ducting, conduits, disconnects, lighting fixtures); telephone distribution systems (lines, jacks and connections only); space heaters; heating, ventilating, air conditioning equipment ("HVAC"); air lines; fire sprinkler systems; security and fire detection systems; carpets; window coverings; wall coverings; and _____ (collectively, the "Improvements").

2.4 The fire sprinkler monitor: ☐ is owned by Seller and included in the Purchase Price, ☐ is leased by Seller, and Buyer will need to negotiate a new lease with the fire monitoring company, ☐ ownership will be determined during Escrow, or ☒ there is no fire sprinkler monitor.

2.5 Except as provided in Paragraph 2.3, the Purchase Price does not include Seller's personal property, furniture and furnishings, and all personal items, including but not limited to office supplies, computer room equipment, warehouse racks all of which shall be removed by Seller prior to Closing.

3. Purchase Price.

3.1 The purchase price ("Purchase Price") to be paid by Buyer to Seller for the Property shall be \$5,400,000.00, payable as follows:
(Strike any not applicable)

(a) Cash down payment, including the Deposit as defined in paragraph 4.3 (or if an all cash transaction, the Purchase Price):

\$5,400,000.00

~~(b) Amount of "New Loan" as defined in paragraph 5.1, if any:~~

~~(c) Buyer shall take title to the Property subject to and/or assume the following existing deed(s) of trust ("Existing Deed(s) of Trust") securing the existing promissory note(s) ("Existing Note(s)");~~

~~(i) An Existing Note ("First Note") with an unpaid principal balance as of the Closing of approximately:~~

~~Said First Note is payable at _____ per month, including interest at the rate of _____ % per annum until paid (and/or the entire unpaid balance is due on _____).~~

~~(ii) An Existing Note ("Second Note") with an unpaid principal balance as of the Closing of approximately:~~

~~Said Second Note is payable at _____ per month, including interest at the rate of _____ % per annum until paid (and/or the entire unpaid balance is due on _____).~~

~~(d) Buyer shall give Seller a deed of trust ("Purchase Money Deed of Trust") on the property, to secure the promissory note of Buyer to Seller described in paragraph 6 ("Purchase Money Note") in the amount of:~~

Total Purchase Price:

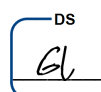
\$5,400,000.00



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3.2 If Buyer is taking title to the Property subject to, or assuming, an Existing Deed of Trust and such deed of trust permits the beneficiary to demand payment of fees including, but not limited to, points, processing fees, and appraisal fees as a condition to the transfer of the Property, Buyer agrees to pay such fees up to a maximum of 1.5% of the unpaid principal balance of the applicable Existing Note.

4. Deposits.

4.1 ☐ Buyer has delivered to Broker a check in the sum of -----, payable to Escrow Holder, to be delivered by Broker to Escrow Holder within 2 or ----- business days after both Parties have executed this Agreement and the executed Agreement has been delivered to Escrow Holder, or ☒ within 2 or ----- business days after both Parties have executed this Agreement and the executed Agreement has been delivered to Escrow Holder. Buyer shall deliver to Escrow Holder a check in the sum of \$162,000.00. If said check is not received by Escrow Holder within said time period then Seller may elect to unilaterally terminate this transaction by giving written notice of such election to Escrow Holder whereupon neither Party shall have any further liability to the other under this Agreement. Should Buyer and Seller not enter into an agreement for purchase and sale, Buyer's check or funds shall, upon request by Buyer, be promptly returned to Buyer.

~~4.2 Additional deposits:~~

~~(a) Within 5 business days after the Date of Agreement, Buyer shall deposit with Escrow Holder the additional sum of ----- to be applied to the Purchase Price at the Closing.~~

~~(b) Within 5 business days after the contingencies discussed in paragraph 9.1(a) through (m) are approved or waived, Buyer shall deposit with Escrow Holder the additional sum of ----- to be applied to the Purchase Price at the Closing.~~

~~(c) If an Additional Deposit is not received by Escrow Holder within the time period provided then Seller may notify Buyer, Escrow Holder, and Brokers, in writing that, unless the Additional Deposit is received by Escrow Holder within 2 business days following said notice, the Escrow shall be deemed terminated without further notice or instructions.~~

4.3 Escrow Holder shall deposit the funds deposited with it by Buyer pursuant to paragraphs 4.1 and 4.2 (collectively the "Deposit"), in a State or Federally chartered bank in an interest bearing account whose term is appropriate and consistent with the timing requirements of this transaction. The interest therefrom shall accrue to the benefit of Buyer, who hereby acknowledges that there may be penalties or interest forfeitures if the applicable instrument is redeemed prior to its specified maturity. Buyer's Federal Tax Identification Number is -----. NOTE: Such interest bearing account cannot be opened until Buyer's Federal Tax Identification Number is provided.

4.4 Notwithstanding the foregoing, within 5 days after Escrow Holder receives the monies described in paragraph 4.1 above, Escrow Holder shall release \$100 of said monies to Seller as and for independent consideration for Seller's execution of this Agreement and the granting of the contingency period to Buyer as herein provided. Such independent consideration is non-refundable to Buyer but shall be credited to the Purchase Price in the event that the purchase of the Property is completed.

4.5 Upon waiver of all of Buyer's contingencies the Deposit shall become non-refundable but applicable to the Purchase Price except in the event of a Seller breach, or in the event that the Escrow is terminated pursuant to the provisions of Paragraph 9.1(n) (Destruction, Damage or Loss) or 9.1(o) (Material Change).

Prior to the waiver of contingencies, Buyer may request, and Seller shall agree, that Escrow Holder shall return the Deposit to Buyer if this transaction is terminated pursuant to Section 8.7 herein below.

~~5. Financing Contingency. (Strike if not applicable)~~

~~5.1 This offer is contingent upon Buyer obtaining from an insurance company, financial institution or other lender, a commitment to lend to Buyer a sum equal to at least ----- % of the Purchase Price, on terms acceptable to Buyer. Such loan ("New Loan") shall be secured by a first deed of trust or mortgage on the Property. If this Agreement provides for Seller to carry back junior financing, then Seller shall have the right to approve the terms of the New Loan. Seller shall have 7 days following receipt of the commitment setting forth the proposed terms of the New Loan to approve or disapprove of such proposed terms. If Seller fails to notify Escrow Holder, in writing, of the disapproval within said 7 days it shall be conclusively presumed that Seller has approved the terms of the New Loan.~~

~~5.2 If Buyer shall fail to notify its Broker, Escrow Holder and Seller, in writing within ----- days following the Date of Agreement, that the New Loan has not been obtained, it shall be conclusively presumed that Buyer has either obtained said New Loan or has waived this New Loan contingency.~~

~~5.3 If Buyer shall notify its Broker, Escrow Holder and Seller, in writing, within the time specified in paragraph 5.2 hereof, that Buyer has not obtained said New Loan, this Agreement shall be terminated, and Buyer shall be entitled to the prompt return of the Deposit, plus any interest earned thereon, less only Escrow Holder and Title Company cancellation fees and costs, which Buyer shall pay.~~

~~6. Seller Financing. (Purchase Money Note). (Strike if not applicable)~~

~~6.1 If Seller approves Buyer's financials (see paragraph 6.5) the Purchase Money Note shall provide for interest on unpaid principal at the rate of ----- % per annum, with principal and interest paid as follows: ----- The Purchase Money Note and Purchase Money Deed of Trust shall be on the current forms commonly used by Escrow Holder, and be junior and subordinate only to the Existing Note(s) and/or the New Loan expressly called for by this Agreement.~~

~~6.2 The Purchase Money Note and/or the Purchase Money Deed of Trust shall contain provisions regarding the following (see also paragraph 10.3 (b)):~~

~~(a) Prepayment. Principal may be prepaid in whole or in part at any time without penalty, at the option of the Buyer.~~

~~(b) Late Charge. A late charge of 6% shall be payable with respect to any payment of principal, interest, or other charges, not made within 10 days after it is due.~~

~~(c) Due On Sale. In the event the Buyer sells or transfers title to the Property or any portion thereof, then the Seller may, at Seller's option, require the entire unpaid balance of said Note to be paid in full.~~

~~6.3 If the Purchase Money Deed of Trust is to be subordinate to other financing, Escrow Holder shall, at Buyer's expense prepare and record on Seller's behalf a request for notice of default and/or sale with regard to each mortgage or deed of trust to which it will be subordinate.~~

~~6.4 WARNING: CALIFORNIA LAW DOES NOT ALLOW DEFICIENCY JUDGEMENTS ON SELLER FINANCING. IF BUYER ULTIMATELY DEFAULTS ON THE LOAN, SELLER'S SOLE REMEDY IS TO FORECLOSE ON THE PROPERTY.~~

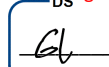
~~6.5 Seller's obligation to provide financing is contingent upon Seller's reasonable approval of Buyer's financial condition. Buyer to provide a current financial statement and copies of its Federal tax returns for the last 3 years to Seller within 10 days following the Date of Agreement. Seller has 10 days following receipt of such documentation to satisfy itself with regard to Buyer's financial condition and to notify Escrow Holder as to whether or not Buyer's financial condition is acceptable. If Seller fails to notify Escrow Holder, in writing, of the disapproval of this contingency within said time period, it shall be conclusively presumed that Seller~~



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~~has approved Buyer's financial condition. If Seller is not satisfied with Buyer's financial condition or if Buyer fails to deliver the required documentation then Seller may notify Escrow Holder in writing that Seller Financing will not be available, and Buyer shall have the option, within 10 days of the receipt of such notice, to either terminate this transaction or to purchase the Property without Seller financing. If Buyer fails to notify Escrow Holder within said time period of its election to terminate this transaction then Buyer shall be conclusively presumed to have elected to purchase the Property without Seller financing. If Buyer elects to terminate, Buyer's Deposit shall be refunded less Title Company and Escrow Holder cancellation fees and costs, all of which shall be Buyer's obligation.~~

7. Real Estate Brokers.

7.1 Each Party acknowledges receiving a Disclosure Regarding Real Estate Agency Relationship, confirms and consents to the following agency relationships in this transaction with the following real estate broker(s) ("Brokers") and/or their agents ("Agent(s)"):

Seller's Brokerage Firm CBD Investment Inc. License No. 01280398 is the broker of (check one): ☒ the Seller; or ☐ both the Buyer and Seller (dual agent).

Seller's Agent Henry Liu License No. 01378289 is (check one): ☒ the Seller's Agent (salesperson or broker associate); or ☐ both the Seller's Agent and the Buyer's Agent (dual agent).

Buyer's Brokerage Firm Kidder Mathews of California, Inc. License No. 01946490 is the broker of (check one): ☒ the Buyer; or ☐ both the Buyer and Seller (dual agent).

Buyer's Agent Linda Lee, CCIM License No. 01278768 is (check one): ☒ the Buyer's Agent (salesperson or broker associate); or ☐ both the Buyer's Agent and the Seller's Agent (dual agent).

The Parties acknowledge that other than the Brokers and Agents listed above, there are no other brokers or agents representing the Parties or due any fees and/or commissions under this Agreement. Buyer shall use the services of Buyer's Broker exclusively in connection with any and all negotiations and offers with respect to the Property for a period of 1 year from the date inserted for reference purposes at the top of page 1.

7.2 Buyer and Seller each represent and warrant to the other that he/she/it has had no dealings with any person, firm, broker, agent or finder in connection with the negotiation of this Agreement and/or the consummation of the purchase and sale contemplated herein, other than the Brokers and Agents named in paragraph 7.1, and no broker, agent or other person, firm or entity, other than said Brokers and Agents is/are entitled to any commission or finder's fee in connection with this transaction as the result of any dealings or acts of such Party. Buyer and Seller do each hereby agree to indemnify, defend, protect and hold the other harmless from and against any costs, expenses or liability for compensation, commission or charges which may be claimed by any broker, agent, finder or other similar party, other than said named Brokers and Agents by reason of any dealings or act of the indemnifying Party.

8. Escrow and Closing.

8.1 Upon acceptance hereof by Seller, this Agreement, including any counteroffers incorporated herein by the Parties, shall constitute not only the agreement of purchase and sale between Buyer and Seller, but also instructions to Escrow Holder for the consummation of the Agreement through the Escrow. Escrow Holder shall not prepare any further escrow instructions restating or amending the Agreement unless specifically so instructed by the Parties or a Broker herein. Subject to the reasonable approval of the Parties, Escrow Holder may, however, include its standard general escrow provisions. In the event that there is any conflict between the provisions of the Agreement and the provisions of any additional escrow instructions the provisions of the Agreement shall prevail as to the Parties and the Escrow Holder. **Seller shall open an Escrow Account with Escrow Holder within three (3) business days of the execution of the Agreement.**

8.2 As soon as practical after the receipt of this Agreement and any relevant counteroffers, Escrow Holder shall ascertain the Date of Agreement as defined in paragraphs 1.2 and 20.2 and advise the Parties and Brokers, in writing, of the date ascertained.

8.3 Escrow Holder is hereby authorized and instructed to conduct the Escrow in accordance with this Agreement, applicable law and custom and practice of the community in which Escrow Holder is located, including any reporting requirements of the Internal Revenue Code. In the event of a conflict between the law of the state where the Property is located and the law of the state where the Escrow Holder is located, the law of the state where the Property is located shall prevail.

8.4 Subject to satisfaction of the contingencies herein described, Escrow Holder shall close this escrow (the "Closing") by recording a general warranty deed (a grant deed in California) and the other documents required to be recorded, and by disbursing the funds and documents in accordance with this Agreement.

8.5 Buyer and Seller shall each pay one-half of the Escrow Holder's charges and Seller shall pay the usual recording fees and any required documentary transfer taxes. Seller shall pay the premium for a standard coverage owner's or joint protection policy of title insurance. (See also paragraph 11.)

8.6 Escrow Holder shall verify that all of Buyer's contingencies have been satisfied or waived prior to Closing. The matters contained in paragraphs 9.1 subparagraphs (b), (c), (d), (e), (g), (i), (n), and (o), 9.4, 12, 13, 14, 16, 18, 20, 21, 22, and 24 are, however, matters of agreement between the Parties only and are not instructions to Escrow Holder.

8.7 If this transaction is terminated for non-satisfaction and non-waiver of a Buyer's Contingency, as defined in paragraph 9.2 or disapproval of any other matter subject to Buyer's approval, then neither of the Parties shall thereafter have any liability to the other under this Agreement, except to the extent of a breach of any affirmative covenant or warranty in this Agreement. In the event of such termination, Buyer shall, subject to the provisions of paragraph 8.10, be promptly refunded all funds deposited by Buyer with Escrow Holder, less only the \$100 provided for in paragraph 4.4 and the Title Company and Escrow Holder cancellation fees and costs, all of which shall be Buyer's obligation. If this transaction is terminated as a result of Seller's breach of this Agreement then Seller shall pay the Title Company and Escrow Holder cancellation fees and costs.

8.8 The Closing shall occur on the Expected Closing Date, or as soon thereafter as the Escrow is in condition for Closing; provided, however, that if the Closing does not occur by the Expected Closing Date and said Date is not extended by mutual instructions of the Parties, a Party not then in default under this Agreement may notify the other Party, Escrow Holder, and Brokers, in writing that, unless the Closing occurs within 5 business days following said notice, the Escrow shall be deemed terminated without further notice or instructions.

8.9 Except as otherwise provided herein, the termination of Escrow shall not relieve or release either Party from any obligation to pay Escrow Holder's fees and costs or constitute a waiver, release or discharge of any breach or default that has occurred in the performance of the obligations, agreements, covenants or warranties contained therein.

8.10 If this Escrow is terminated for any reason other than Seller's breach or default, then as a condition to the return of Buyer's deposit, Buyer shall within 5 days after written request deliver to Seller, at no charge, copies of all surveys, engineering studies, soil reports, maps, master plans, feasibility studies and other similar items prepared by or for Buyer that pertain to the Property.

9. Contingencies to Closing.

9.1 IF, BEFORE EXPIRATION OF THE APPLICABLE TIME, BUYER FAILS TO PROVIDE ESCROW HOLDER WRITTEN NOTICE OF BUYER'S DISAPPROVAL OF ANY OF

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BUYER'S CONTINGENCIES OR ANY OTHER MATTER THAT IS SUBJECT TO BUYER'S APPROVAL IN THIS AGREEMENT, THEN BUYER SHALL BE CONCLUSIVELY DEEMED TO HAVE SATISFIED SUCH BUYER'S CONTINGENCIES AND/OR APPROVED OF SUCH OTHER MATTERS. If a number of days is completed in any of the optional spaces in subparagraphs 9.1 (a) through (m), then such number shall apply and override the pre-printed number, even if the pre-printed number is not stricken. The Closing of this transaction is contingent upon the satisfaction or waiver of the following contingencies:

(a) **Disclosure.** Seller shall make to Buyer, through Escrow, all of the applicable disclosures required by law (See AIR CRE ("AIR") standard form entitled "Seller's Mandatory Disclosure Statement") and provide Buyer with a completed Property Information Sheet ("Property Information Sheet") concerning the Property, duly executed by or on behalf of Seller in the current form or equivalent to that published by the AIR within 10 or _____ days following the Date of Agreement.

Buyer has 10 **business** days from the receipt of said disclosures to approve or disapprove the matters disclosed.

(b) **Physical Inspection.** Buyer has ~~10 or~~ 60 days following the receipt of the Property Information Sheet or the Date of Agreement, whichever is later, to satisfy itself with regard to the physical aspects and size of the Property.

(c) **Hazardous Substance Conditions Report.** Buyer has ~~30 or~~ 60 days following the receipt of the Property Information Sheet or the Date of Agreement, whichever is later, to satisfy itself with regard to the environmental aspects of the Property. Seller recommends that Buyer obtain a Hazardous Substance Conditions Report concerning the Property and relevant adjoining properties. Any such report shall be paid for by Buyer. A "Hazardous Substance" for purposes of this Agreement is defined as any substance whose nature and/or quantity of existence, use, manufacture, disposal or effect, render it subject to Federal, state or local regulation, investigation, remediation or removal as potentially injurious to public health or welfare. A "Hazardous Substance Condition" for purposes of this Agreement is defined as the existence on, under or relevantly adjacent to the Property of a Hazardous Substance that would require remediation and/or removal under applicable Federal, state or local law.

(d) **Soil Inspection.** Buyer has ~~30 or~~ 60 days following the receipt of the Property Information Sheet or the Date of Agreement, whichever is later, to satisfy itself with regard to the condition of the soils on the Property. Seller recommends that Buyer obtain a soil test report. Any such report shall be paid for by Buyer. Seller shall provide Buyer copies of any soils report that Seller may have within 10 days following the Date of Agreement.

(e) **Governmental Approvals.** Buyer has ~~30 or~~ 60 days following the Date of Agreement to satisfy itself with regard to approvals and permits from governmental agencies or departments which have or may have jurisdiction over the Property and which Buyer deems necessary or desirable in connection with its intended use of the Property, including, but not limited to, permits and approvals required with respect to zoning, planning, building and safety, fire, police, handicapped and Americans with Disabilities Act requirements, transportation and environmental matters.

(f) **Conditions of Title.** Escrow Holder shall cause a current commitment for title insurance ("Title Commitment") concerning the Property issued by the Title Company, as well as legible copies of all documents referred to in the Title Commitment ("Underlying Documents"), and a scaled and dimensioned plot showing the location of any easements to be delivered to Buyer within ~~10 or~~ 60 days following the Date of Agreement. Buyer has 10 days from the receipt of the Title Commitment, the Underlying Documents and the plot plan to satisfy itself with regard to the condition of title. The disapproval by Buyer of any monetary encumbrance, which by the terms of this Agreement is not to remain against the Property after the Closing, shall not be considered a failure of this contingency, as Seller shall have the obligation, at Seller's expense, to satisfy and remove such disapproved monetary encumbrance at or before the Closing.

(g) **Survey.** Buyer has ~~30 or~~ 60 days following the receipt of the Title Commitment and Underlying Documents to satisfy itself with regard to any ALTA title supplement based upon a survey prepared to American Land Title Association ("ALTA") standards for an owner's policy by a licensed surveyor, showing the legal description and boundary lines of the Property, any easements of record, and any improvements, poles, structures and things located within 10 feet of either side of the Property boundary lines. Any such survey shall be prepared at Buyer's direction and expense. If Buyer has obtained a survey and approved the ALTA title supplement, Buyer may elect within the period allowed for Buyer's approval of a survey to have an ALTA extended coverage owner's form of title policy, in which event Buyer shall pay any additional premium attributable thereto.

(h) **Existing Leases and Tenancy Statements.** Seller shall within 10 or _____ days following the Date of Agreement provide both Buyer and Escrow Holder with legible copies of all leases, subleases or rental arrangements (collectively, "Existing Leases") affecting the Property, and with a tenancy statement ("Estoppel Certificate") in the latest form or equivalent to that published by the AIR, executed by Seller and/or each tenant and subtenant of the Property. Seller shall use its best efforts to have each tenant complete and execute an Estoppel Certificate. If any tenant fails or refuses to provide an Estoppel Certificate then Seller shall complete and execute an Estoppel Certificate for that tenancy. Buyer has 10 **business** days from the receipt of said Existing Leases and Estoppel Certificates to satisfy itself with regard to the Existing Leases and any other tenancy issues.

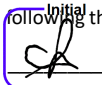
(i) **Owner's Association.** Seller shall within 10 or _____ days following the Date of Agreement provide Buyer with a statement and transfer package from any owner's association servicing the Property. Such transfer package shall at a minimum include: copies of the association's bylaws, articles of incorporation, current budget and financial statement. Buyer has 10 **business** days from the receipt of such documents to satisfy itself with regard to the association.

(j) **Other Agreements.** Seller shall within 10 or _____ days following the Date of Agreement provide Buyer with legible copies of all other agreements ("Other Agreements") known to Seller that will affect the Property after Closing. Buyer has 10 **business** days from the receipt of said Other Agreements to satisfy itself with regard to such Agreements.

(k) **Financing.** If paragraph 5 hereof dealing with a financing contingency has not been stricken, the satisfaction or waiver of such New Loan contingency.

~~(l) **Existing Notes.** If paragraph 3.1(c) has not been stricken, Seller shall within 10 or _____ days following the Date of Agreement provide Buyer with legible copies of the Existing Notes, Existing Deeds of Trust and related agreements (collectively, "Loan Documents") to which the Property will remain subject after the Closing. Escrow Holder shall promptly request from the holders of the Existing Notes a beneficiary statement ("Beneficiary Statement") confirming: (1) the amount of the unpaid principal balance, the current interest rate, and the date to which interest is paid, and (2) the nature and amount of any impounds held by the beneficiary in connection with such loan. Buyer has 10 or _____ days following the receipt of the Loan Documents and Beneficiary Statements to satisfy itself with regard to such financing. Buyer's obligation to close is conditioned upon Buyer being able to purchase the Property without acceleration or change in the terms of any Existing Notes or charges to Buyer except as otherwise provided in this Agreement or approved by Buyer, provided, however, Buyer shall pay the transfer fee referred to in paragraph 3.2 hereof. Likewise if Seller is to carry back a Purchase Money Note then Seller shall within 10 or _____ days following the Date of Agreement provide Buyer with a copy of the proposed Purchase Money Note and Purchase Money Deed of Trust. Buyer has 10 or _____ days following the receipt of such documents to satisfy itself with regard to the form and content thereof.~~

(m) **Personal Property.** In the event that any personal property is included in the Purchase Price, Buyer has ~~10 or~~ 60 days following the Date of Agreement to satisfy itself with regard to the title condition of such personal property. Seller recommends that Buyer obtain a UCC-1 report. Any such report shall be paid for by Buyer. Seller shall provide Buyer copies of any liens or encumbrances affecting such personal property that it is aware of within 10 or _____ days following the Date of Agreement.



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(n) *Destruction, Damage or Loss.* Subsequent to the Date of Agreement and prior to Closing there shall not have occurred a destruction of, or damage or loss to, the Property or any portion thereof, from any cause whatsoever, which would cost more than \$10,000.00 to repair or cure. If the cost of repair or cure is \$10,000.00 or less, Seller shall repair or cure the loss prior to the Closing. Buyer shall have the option, within 10 days after receipt of written notice of a loss costing more than \$10,000.00 to repair or cure, to either terminate this Agreement or to purchase the Property notwithstanding such loss, but without deduction or offset against the Purchase Price. If the cost to repair or cure is more than \$10,000.00, and Buyer does not elect to terminate this Agreement, Buyer shall be entitled to any insurance proceeds applicable to such loss. Unless otherwise notified in writing, Escrow Holder shall assume no such destruction, damage or loss has occurred prior to Closing.

(o) *Material Change.* Buyer shall have 10 days following receipt of written notice of a Material Change within which to satisfy itself with regard to such change. "**Material Change**" shall mean a substantial adverse change in the use, occupancy, tenants, title, or condition of the Property that occurs after the date of this offer and prior to the Closing. Unless otherwise notified in writing, Escrow Holder shall assume that no Material Change has occurred prior to the Closing.

(p) *Seller Performance.* The delivery of all documents and the due performance by Seller of each and every undertaking and agreement to be performed by Seller under this Agreement.

(q) *Brokerage Fee.* Payment at the Closing of such brokerage fee as is specified in this Agreement or later written instructions to Escrow Holder executed by Seller and Brokers ("**Brokerage Fee**"). It is agreed by the Parties and Escrow Holder that Brokers are a third party beneficiary of this Agreement insofar as the Brokerage Fee is concerned, and that no change shall be made with respect to the payment of the Brokerage Fee specified in this Agreement, without the written consent of Brokers.

9.2 The contingencies specified in subparagraphs 9.1(a) through (m) are for the benefit of, and may be waived by, Buyer, and are referred to collectively as "**Buyer's Contingencies**" and individually as a "**Buyer's Contingency**."

9.3 Buyer's timely and written disapproval or conditional approval of a Buyer's Contingency or any other matter that is subject to Buyer's approval in this Agreement shall constitute disapproval thereof ("**Disapproved Item(s)**"). Concurrent with notice of a Disapproved Item, Buyer may make a request to Seller regarding such Disapproved Item ("**Buyer's Request**"). If Buyer fails to make a timely and written Buyer's Request, then this Agreement shall terminate due to the non-satisfaction and non-waiver of a contingency. Seller may respond to a Buyer's Request within 10 days following Seller's receipt thereof ("**Seller's Response**"). Seller's acceptance of a Buyer's Request shall amend this Agreement accordingly. If Seller fails to provide a timely and written Seller's Response, then Seller's Response shall be deemed to be a rejection of Buyer's Request. Buyer may, within 10 days following the earlier of Buyer's receipt of a Seller's Response (which is not an acceptance of Buyer's Request) or the date of Seller's deemed rejection of a Buyer's Request ("**Buyer's Reply Period**"), reply to a Seller's Response ("**Buyer's Reply**") and elect to (i) terminate this Agreement due to the non-satisfaction and non-waiver of the applicable contingency, (ii) accept the Seller's Response in which event this Agreement shall be amended accordingly, or (iii) withdraw Buyer's Request and waive the Disapproved Item in which event Buyer shall accept the Property subject to the Disapproved Item. If Buyer fails to provide a timely and written Buyer's Reply, then Buyer shall be deemed to have elected to terminate this Agreement as of the end of the Buyer's Reply Period. The date Buyer accepts a Seller's Response or withdraws a Buyer's Request and waives a Disapproved Item shall be the date of Buyer's approval of the Disapproved Item. A Party shall provide to Escrow Holder copy of all notices of a Disapproved Item, Buyer's Request, Seller's Response and Buyer's Reply and Escrow Holder shall promptly provide copies thereof to the other Party. Unless the Parties in writing agree otherwise, if the Expected Closing Date is a specific calendar date and a Buyer's Reply Period expires after such specific calendar date, then notwithstanding paragraph 1.1, the Expected Closing Date shall be extended to be 3 business days after the earlier of the date Buyer withdraws a Buyer's Request and waives the applicable Disapproved Item or Buyer accepts the applicable Seller's Response.

9.4 The Parties acknowledge that extensive local, state and Federal legislation establish broad liability upon owners and/or users of real property for the investigation and remediation of Hazardous Substances. The determination of the existence of a Hazardous Substance Condition and the evaluation of the impact of such a condition are highly technical and beyond the expertise of Brokers. The Parties acknowledge that they have been advised by Brokers to consult their own technical and legal experts with respect to the possible presence of Hazardous Substances on the Property or adjoining properties, and Buyer and Seller are not relying upon any investigation by or statement of Brokers with respect thereto. The Parties hereby assume all responsibility for the impact of such Hazardous Substances upon their respective interests herein.

10. Documents and Other Items Required at or Before Closing.

10.1 Five days prior to the Closing date Escrow Holder shall obtain an updated Title Commitment concerning the Property from the Title Company and provide copies thereof to each of the Parties.

10.2 Seller shall deliver to Escrow Holder in time for delivery to Buyer at the Closing:

(a) Grant or general warranty deed, duly executed and in recordable form, conveying fee title to the Property to Buyer.

(b) If applicable, the Beneficiary Statements concerning Existing Note(s).

(c) If applicable, the Existing Leases and Other Agreements together with duly executed assignments thereof by Seller and Buyer. The assignment of Existing Leases shall be on the most recent Assignment and Assumption of Lessor's Interest in Lease form published by the AIR or its equivalent.

(d) An affidavit executed by Seller to the effect that Seller is not a "foreign person" within the meaning of Internal Revenue Code Section 1445 or successor statutes. If Seller does not provide such affidavit in form reasonably satisfactory to Buyer at least 3 business days prior to the Closing, Escrow Holder shall at the Closing deduct from Seller's proceeds and remit to the Franchise Tax Board such sum as is required by such statute.

(e) If the Property is located in California, an affidavit executed by Seller to the effect that Seller is not a "nonresident" within the meaning of California Revenue and Tax Code Section 18662 or successor statutes. If Seller does not provide such affidavit in form reasonably satisfactory to Buyer at least 3 business days prior to the Closing, Escrow Holder shall at the Closing deduct from Seller's proceeds and remit to the Franchise Tax Board such sum as is required by such statute.

(f) If applicable, a bill of sale, duly executed, conveying title to any included personal property to Buyer.

(g) If the Seller is a corporation, a duly executed corporate resolution authorizing the execution of this Agreement and the sale of the Property.

10.3 Buyer shall deliver to Seller through Escrow:

(a) The cash portion of the Purchase Price and such additional sums as are required of Buyer under this Agreement shall be deposited by Buyer with Escrow Holder, by federal funds wire transfer, or any other method acceptable to Escrow Holder in immediately collectable funds, no later than 2:00 P.M. on the business day prior to the Expected Closing Date provided, however, that Buyer shall not be required to deposit such monies into Escrow if at the time set for the deposit of such monies Seller is in default or has indicated that it will not perform any of its obligations hereunder. Instead, in such circumstances in order to reserve its rights to proceed Buyer need only provide Escrow with evidence establishing that the required monies were available.

(b) If a Purchase Money Note and Purchase Money Deed of Trust are called for by this Agreement, the duly executed originals of those documents, the Purchase Money Deed of Trust being in recordable form, together with evidence of fire insurance on the improvements in the amount of the full replacement cost naming Seller as a mortgage loss payee, and a real estate tax service contract (at Buyer's expense), assuring Seller of notice of the status of payment of real property taxes during the life of the Purchase Money Note.

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- (c) The Assignment and Assumption of Lessor's Interest in Lease form specified in paragraph 10.2(c) above, duly executed by Buyer.
- (d) Assumptions duly executed by Buyer of the obligations of Seller that accrue after Closing under any Other Agreements.
- (e) If applicable, a written assumption duly executed by Buyer of the loan documents with respect to Existing Notes.
- (f) If the Buyer is a corporation, a duly executed corporate resolution authorizing the execution of this Agreement and the purchase of the Property.

10.4 At Closing, Escrow Holder shall cause to be issued to Buyer a standard coverage (or ALTA extended, if elected pursuant to 9.1(g)) owner's form policy of title insurance effective as of the Closing, issued by the Title Company in the full amount of the Purchase Price, insuring title to the Property vested in Buyer, subject only to the exceptions approved by Buyer. In the event there is a Purchase Money Deed of Trust in this transaction, the policy of title insurance shall be a joint protection policy insuring both Buyer and Seller.

IMPORTANT: IN A PURCHASE OR EXCHANGE OF REAL PROPERTY, IT MAY BE ADVISABLE TO OBTAIN TITLE INSURANCE IN CONNECTION WITH THE CLOSE OF ESCROW SINCE THERE MAY BE PRIOR RECORDED LIENS AND ENCUMBRANCES WHICH AFFECT YOUR INTEREST IN THE PROPERTY BEING ACQUIRED. A NEW POLICY OF TITLE INSURANCE SHOULD BE OBTAINED IN ORDER TO ENSURE YOUR INTEREST IN THE PROPERTY THAT YOU ARE ACQUIRING.

11. Prorations and Adjustments.

11.1 *Taxes.* Applicable real property taxes and special assessment bonds shall be prorated through Escrow as of the date of the Closing, based upon the latest tax bill available. The Parties agree to prorate as of the Closing any taxes assessed against the Property by supplemental bill levied by reason of events occurring prior to the Closing. Payment of the prorated amount shall be made promptly in cash upon receipt of a copy of any supplemental bill.

11.2 *Insurance.* **WARNING:** Any insurance which Seller may have maintained will terminate on the Closing. Buyer is advised to obtain appropriate insurance to cover the Property.

11.3 *Rentals, Interest and Expenses.* Scheduled rentals, interest on Existing Notes, utilities, and operating expenses shall be prorated as of the date of Closing. The Parties agree to promptly adjust between themselves outside of Escrow any rents received after the Closing.

11.4 *Security Deposit.* Security Deposits held by Seller shall be given to Buyer as a credit to the cash required of Buyer at the Closing.

11.5 *Post Closing Matters.* Any item to be prorated that is not determined or determinable at the Closing shall be promptly adjusted by the Parties by appropriate cash payment outside of the Escrow when the amount due is determined.

~~11.6 *Variations in Existing Note Balances.* In the event that Buyer is purchasing the Property subject to an Existing Deed of Trust(s), and in the event that a Beneficiary Statement as to the applicable Existing Note(s) discloses that the unpaid principal balance of such Existing Note(s) at the closing will be more or less than the amount set forth in paragraph 3.1(c) hereof ("Existing Note Variation"), then the Purchase Money Note(s) shall be reduced or increased by an amount equal to such Existing Note Variation. If there is to be no Purchase Money Note, the cash required at the Closing per paragraph 3.1(a) shall be reduced or increased by the amount of such Existing Note Variation.~~

~~11.7 *Variations in New Loan Balance.* In the event Buyer is obtaining a New Loan and the amount ultimately obtained exceeds the amount set forth in paragraph 5.1, then the amount of the Purchase Money Note, if any, shall be reduced by the amount of such excess.~~

11.8 *Owner's Association Fees.* Escrow Holder shall: (i) bring Seller's account with the association current and pay any delinquencies or transfer fees from Seller's proceeds, and (ii) pay any up front fees required by the association from Buyer's funds.

12. Representations and Warranties of Seller and Disclaimers.

12.1 Seller's warranties and representations shall survive the Closing and delivery of the deed for a period of 3 years, and any lawsuit or action based upon them must be commenced within such time period. Seller's warranties and representations are true, material and relied upon by Buyer and Brokers in all respects. Seller hereby makes the following warranties and representations to Buyer and Brokers:

(a) *Authority of Seller.* Seller is the owner of the Property and/or has the full right, power and authority to sell, convey and transfer the Property to Buyer as provided herein, and to perform Seller's obligations hereunder.

(b) *Maintenance During Escrow and Equipment Condition At Closing.* Except as otherwise provided in paragraph 9.1(n) hereof, Seller shall maintain the Property until the Closing in its present condition, ordinary wear and tear excepted.

(c) *Hazardous Substances/Storage Tanks.* Seller has no knowledge, except as otherwise disclosed to Buyer in writing, of the existence or prior existence on the Property of any Hazardous Substance, nor of the existence or prior existence of any above or below ground storage tank.

(d) *Compliance.* Except as otherwise disclosed in writing, Seller has no knowledge of any aspect or condition of the Property which violates applicable laws, rules, regulations, codes or covenants, conditions or restrictions, or of improvements or alterations made to the Property without a permit where one was required, or of any unfulfilled order or directive of any applicable governmental agency or casualty insurance company requiring any investigation, remediation, repair, maintenance or improvement be performed on the Property.

(e) *Changes in Agreements.* Prior to the Closing, Seller will not violate or modify any Existing Lease or Other Agreement, or create any new leases or other agreements affecting the Property, without Buyer's written approval, which approval will not be unreasonably withheld.

(f) *Possessory Rights.* Seller has no knowledge that anyone will, at the Closing, have any right to possession of the Property, except as disclosed by this Agreement or otherwise in writing to Buyer.

(g) *Mechanics' Liens.* There are no unsatisfied mechanics' or materialmen's lien rights concerning the Property.

(h) *Actions, Suits or Proceedings.* Seller has no knowledge of any actions, suits or proceedings pending or threatened before any commission, board, bureau, agency, arbitrator, court or tribunal that would affect the Property or the right to occupy or utilize same.

(i) *Notice of Changes.* Seller will promptly notify Buyer and Brokers in writing of any Material Change (see paragraph 9.1(o)) affecting the Property that becomes known to Seller prior to the Closing.

(j) *No Tenant Bankruptcy Proceedings.* Seller has no notice or knowledge that any tenant of the Property is the subject of a bankruptcy or insolvency proceeding.

(k) *No Seller Bankruptcy Proceedings.* Seller is not the subject of a bankruptcy, insolvency or probate proceeding.

(l) *Personal Property.* Seller has no knowledge that anyone will, at the Closing, have any right to possession of any personal property included in the Purchase Price nor knowledge of any liens or encumbrances affecting such personal property, except as disclosed by this Agreement or otherwise in writing to Buyer.

12.2 Buyer hereby acknowledges that, except as otherwise stated in this Agreement, Buyer is purchasing the Property in its existing condition and will, by the time called for herein, make or have waived all inspections of the Property Buyer believes are necessary to protect its own interest in, and its contemplated use of, the Property. The Parties acknowledge that, except as otherwise stated in this Agreement, no representations, inducements, promises, agreements, assurances, oral or written, concerning the Property, or any aspect of the occupational safety and health laws, Hazardous Substance laws, or any other act, ordinance or law, have been made by either Party or Brokers, or relied upon by either Party hereto.

11.10 In the event that Buyer learns that a Seller representation or warranty might be untrue prior to the Closing, and Buyer elects to purchase the Property anyway then, and in that event, Buyer waives any right that it may have to bring an action or proceeding against Seller or Brokers regarding said representation or

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warranty. Seller represents that Seller must deliver to Buyer within the time periods specified in subparagraphs 9.1 and 10.2 of this Agreement all of the written documentation in its possession regarding the Property ("Documentation"). The Documentation constitutes Seller's actual knowledge regarding any matter that may affect the Property or Buyer's decision to acquire the Property. Buyer is responsible for ascertaining any matter that may constitute Seller's constructive knowledge of matters pertaining to the Property, e.g., through title reports. Should Buyer discover information actually known to Seller but not disclosed as part of the Documentation, the Buyer may (if before title is conveyed) cancel the sale of the Property and recover its earnest money without loss or (if after title is conveyed) seek damages from Seller for all costs associated with rehabilitation of the Property, failure to recover its costs following the sale of the Property (i.e., the difference between the purchase price and the sales price), or such additional loss resulting from Seller's failure to disclose.

12.4 Any environmental reports, soils reports, surveys, and other similar documents which were prepared by third party consultants and provided to Buyer by Seller or Seller's representatives, have been delivered as an accommodation to Buyer and without any representation or warranty as to the sufficiency, accuracy, completeness, and/or validity of said documents, all of which Buyer relies on at its own risk. Seller believes said documents to be accurate, but Buyer is advised to retain appropriate consultants to review said documents and investigate the Property.

13. Possession.

Possession of the Property shall be given to Buyer at the Closing subject to the rights of tenants under Existing Leases.

14. Buyer's Entry.

At any time during the Escrow period, Buyer, and its agents and representatives, shall have the right at reasonable times and subject to rights of tenants, to enter upon the Property for the purpose of making inspections and tests specified in this Agreement. No destructive testing shall be conducted, however, without Seller's prior approval which shall not be unreasonably withheld. Following any such entry or work, unless otherwise directed in writing by Seller, Buyer shall return the Property to the condition it was in prior to such entry or work, including the re-compaction or removal of any disrupted soil or material as Seller may reasonably direct. All such inspections and tests and any other work conducted or materials furnished with respect to the Property by or for Buyer shall be paid for by Buyer as and when due and Buyer shall indemnify, defend, protect and hold harmless Seller and the Property of and from any and all claims, liabilities, losses, expenses (including reasonable attorneys' fees), damages, including those for injury to person or property, arising out of or relating to any such work or materials or the acts or omissions of Buyer, its agents or employees in connection therewith.

15. Further Documents and Assurances.

The Parties shall each, diligently and in good faith, undertake all actions and procedures reasonably required to place the Escrow in condition for Closing as and when required by this Agreement. The Parties agree to provide all further information, and to execute and deliver all further documents, reasonably required by Escrow Holder or the Title Company.

16. Attorneys' Fees.

~~If any Party or Broker brings an action or proceeding (including arbitration) involving the Property whether founded in tort, contract or equity, or to declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be entitled to reasonable attorneys' fees and costs. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term "Prevailing Party" shall include, without limitation, a Party or Broker who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other Party or Broker of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred.~~

17. Prior Agreements/Amendments.

17.1 This Agreement supersedes any and all prior agreements between Seller and Buyer regarding the Property.

17.2 Amendments to this Agreement are effective only if made in writing and executed by Buyer and Seller.

18. Broker's Rights.

18.1 If this sale is not consummated due to the default of either the Buyer or Seller, the defaulting Party shall be liable to and shall pay to Brokers the Brokerage Fee that Brokers would have received had the sale been consummated. If Buyer is the defaulting party, payment of said Brokerage Fee is in addition to any obligation with respect to liquidated or other damages, with the Buyer's prior written consent..

~~18.2 Upon the Closing, Brokers are authorized to publicize the facts of this transaction.~~

19. Notices.

19.1 Whenever any Party, Escrow Holder or Brokers herein shall desire to give or serve any notice, demand, request, approval, disapproval or other communication, each such communication shall be in writing and shall be delivered personally, by messenger, or by mail, postage prepaid, to the address set forth in this agreement or by facsimile transmission, electronic signature, digital signature, or email.

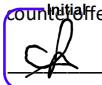
19.2 Service of any such communication shall be deemed made on the date of actual receipt if personally delivered, or transmitted by facsimile transmission, electronic signature, digital signature, or email. Any such communication sent by regular mail shall be deemed given 48 hours after the same is mailed. Communications sent by United States Express Mail or overnight courier that guarantee next day delivery shall be deemed delivered 24 hours after delivery of the same to the Postal Service or courier. If such communication is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

19.3 Any Party or Broker hereto may from time to time, by notice in writing, designate a different address to which, or a different person or additional persons to whom, all communications are thereafter to be made.

20. Duration of Offer.

20.1 If this offer is not accepted by Seller on or before 5:00 P.M. according to the time standard applicable to the city of _____ on the date of _____, it shall be deemed automatically revoked.

20.2 The acceptance of this offer, or of any subsequent counteroffer hereto, that creates an agreement between the Parties as described in paragraph 1.2, shall be deemed made upon delivery to the other Party or either Broker herein of a duly executed writing unconditionally accepting the last outstanding offer or counteroffer.

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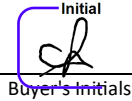
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21. LIQUIDATED DAMAGES. (This Liquidated Damages paragraph is applicable only if initialed by both Parties).

THE PARTIES AGREE THAT IT WOULD BE IMPRACTICABLE OR EXTREMELY DIFFICULT TO FIX, PRIOR TO SIGNING THIS AGREEMENT, THE ACTUAL DAMAGES WHICH WOULD BE SUFFERED BY SELLER IF BUYER FAILS TO PERFORM ITS OBLIGATIONS UNDER THIS AGREEMENT. THEREFORE, IF, AFTER THE SATISFACTION OR WAIVER OF ALL CONTINGENCIES PROVIDED FOR THE BUYER'S BENEFIT, BUYER BREACHES THIS AGREEMENT, SELLER SHALL BE ENTITLED TO LIQUIDATED DAMAGES IN THE AMOUNT OF \$162,000.00. UPON PAYMENT OF SAID SUM TO SELLER, BUYER SHALL BE RELEASED FROM ANY FURTHER LIABILITY TO SELLER, AND ANY ESCROW CANCELLATION FEES AND TITLE COMPANY CHARGES SHALL BE PAID BY SELLER.

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22. ARBITRATION OF DISPUTES. (This Arbitration of Disputes paragraph is applicable only if initialed by both Parties.)

22.1 ANY CONTROVERSY AS TO WHETHER SELLER IS ENTITLED TO LIQUIDATED DAMAGES AND/OR BUYER IS ENTITLED TO THE RETURN OF THE DEPOSIT SHALL BE DETERMINED BY BINDING ARBITRATION ADMINISTERED BY THE JUDICIAL ARBITRATION & MEDIATION SERVICES, INC. ("JAMS") IN ACCORDANCE WITH ITS COMMERCIAL ARBITRATION RULES ("COMMERCIAL RULES"). ARBITRATION HEARINGS SHALL BE HELD IN THE COUNTY WHERE THE PROPERTY IS LOCATED. SUCH CONTROVERSY SHALL BE ARBITRATED BY A SINGLE ARBITRATOR, APPOINTED UNDER THE COMMERCIAL RULES WHO HAS HAD AT LEAST 5 YEARS OF EXPERIENCE IN THE TYPE OF REAL ESTATE THAT IS THE SUBJECT OF THIS AGREEMENT. THE ARBITRATOR SHALL HEAR AND DETERMINE SAID CONTROVERSY IN ACCORDANCE WITH APPLICABLE LAW OF THE JURISDICTION WHERE THE PROPERTY IS LOCATED, THE INTENTION OF THE PARTIES AS EXPRESSED IN THIS AGREEMENT AND ANY AMENDMENTS THERETO, AND UPON THE EVIDENCE PRODUCED AT AN ARBITRATION HEARING. PRE-ARBITRATION DISCOVERY SHALL BE PERMITTED IN ACCORDANCE WITH THE COMMERCIAL RULES OR STATE LAW APPLICABLE TO ARBITRATION PROCEEDINGS. THE ARBITRATOR SHALL RENDER AN AWARD WITHIN 30 DAYS AFTER THE CONCLUSION OF THE HEARING, ~~WHICH MAY INCLUDE ATTORNEYS' FEES AND COSTS TO THE PREVAILING PARTY PER PARAGRAPH 16 HEREOF~~ AND SHALL BE ACCOMPANIED BY A REASONED OPINION. THE FAILURE OR REFUSAL OF A PARTY TO PAY SUCH PARTY'S REQUIRED SHARE OF THE DEPOSITS FOR ARBITRATOR COMPENSATION OR ADMINISTRATIVE CHARGES SHALL CONSTITUTE A WAIVER BY SUCH PARTY TO PRESENT EVIDENCE OR CROSS-EXAMINE WITNESSES, BUT SUCH WAIVER SHALL NOT ALLOW FOR A DEFAULT JUDGMENT AGAINST THE NON-PAYING PARTY IN THE ABSENCE OF EVIDENCE AND LEGAL ARGUMENT AS THE ARBITRATOR MAY REQUIRE FOR MAKING AN AWARD. JUDGMENT MAY BE ENTERED ON THE AWARD IN ANY COURT OF COMPETENT JURISDICTION NOTWITHSTANDING THE FAILURE OF A PARTY DULY NOTIFIED OF THE ARBITRATION HEARING TO APPEAR THEREAT. **The Parties shall be entitled to conduct discovery as a part of any Arbitration.**

22.2 BUYER'S RESORT TO OR PARTICIPATION IN SUCH ARBITRATION PROCEEDINGS SHALL NOT BAR SUIT IN A COURT OF COMPETENT JURISDICTION BY THE BUYER FOR DAMAGES AND/OR SPECIFIC PERFORMANCE. ~~UNLESS AND UNTIL THE ARBITRATION RESULTS IN AN AWARD TO THE SELLER OF LIQUIDATED DAMAGES, IN WHICH EVENT SUCH AWARD SHALL ACT AS A BAR AGAINST ANY ACTION BY BUYER FOR DAMAGES AND/OR SPECIFIC PERFORMANCE.~~

22.3 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 SUCH RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE.~~ YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

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

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23. Miscellaneous.

23.1 **Binding Effect.** This Agreement shall be binding on the Parties without regard to whether or not paragraphs 21 and 22 are initialed by both of the Parties. Paragraphs 21 and 22 are each incorporated into this Agreement only if initialed by both Parties at the time that the Agreement is executed. Signatures to this Agreement accomplished by means of electronic signature or similar technology shall be legal and binding.

23.2 **Applicable Law.** This Agreement shall be governed by, and paragraph 22.3 is amended to refer to, the laws of the state in which the Property is located. Any litigation or arbitration between the Parties hereto concerning this Agreement shall be initiated in the county in which the Property is located.

23.3 **Time of Essence.** Time is of the essence of this Agreement.

23.4 **Counterparts.** This Agreement may be executed by Buyer and Seller in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Escrow Holder, after verifying that the counterparts are identical except for the signatures, is authorized and instructed to combine the signed signature pages on one of the counterparts, which shall then constitute the Agreement.

23.5 **Waiver of Jury Trial.** THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING INVOLVING THE PROPERTY OR ARISING OUT OF THIS AGREEMENT.

23.6 **Conflict.** Any conflict between the printed provisions of this Agreement and the typewritten or handwritten provisions shall be controlled by the typewritten or handwritten provisions. **Seller and Buyer must initial any and all handwritten provisions.**

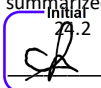
23.7 **1031 Exchange.** Both Seller and Buyer agree to cooperate with each other in the event that either or both wish to participate in a 1031 exchange. Any party initiating an exchange shall bear all costs of such exchange. The cooperating Party shall not have any liability (special or otherwise) for damages to the exchanging Party in the event that the sale is delayed and/or that the sale otherwise fails to qualify as a 1031 exchange.

23.8 **Days.** Unless otherwise specifically indicated to the contrary, the word "days" as used in this Agreement shall mean and refer to calendar days.

24. Disclosures Regarding the Nature of a Real Estate Agency Relationship.

24.1 The Parties and Brokers agree that their relationship(s) shall be governed by the principles set forth in the applicable sections of the California Civil Code, as summarized in paragraph 24.2.

24.2 When entering into a discussion with a real estate agent regarding a real estate transaction, a Buyer or Seller should from the outset understand what type

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of agency relationship or representation it has with the agent or agents in the transaction. Buyer and Seller acknowledge being advised by the Brokers in this transaction, as follows:

(a) *Seller's Agent.* A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or subagent has the following affirmative obligations: (1) *To the Seller:* A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Seller. (2) *To the Buyer and the Seller:* a. Diligent exercise of reasonable skills and care in performance of the agent's duties. b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(b) *Buyer's Agent.* A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations. (1) *To the Buyer:* A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Buyer. (2) *To the Buyer and the Seller:* a. Diligent exercise of reasonable skills and care in performance of the agent's duties. b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(c) *Agent Representing Both Seller and Buyer.* A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer. (1) In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer: a. A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either Seller or the Buyer. b. Other duties to the Seller and the Buyer as stated above in their respective sections (a) or (b) of this paragraph 24.2. (2) In representing both Seller and Buyer, the agent may not, without the express permission of the respective Party, disclose to the other Party confidential information, including, but not limited to, facts relating to either Buyer's or Seller's financial position, motivations, bargaining position, or other personal information that may impact price, including Seller's willingness to accept a price less than the listing price or Buyer's willingness to pay a price greater than the price offered. (3) The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect their own interests. Buyer and Seller should carefully read all agreements to assure that they adequately express their understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional. Buyer has the duty to exercise reasonable care to protect Buyer, including as to those facts about the Property which are known to Buyer or within Buyer's diligent attention and observation. Both Seller and Buyer should strongly consider obtaining tax advice from a competent professional because the federal and state tax consequences of a transaction can be complex and subject to change.

(d) *Further Disclosures.* Throughout this transaction Buyer and Seller may receive more than one disclosure, depending upon the number of agents assisting in the transaction. Buyer and Seller should each read its contents each time it is presented, considering the relationship between them and the real estate agent in this transaction and that disclosure. Buyer and Seller each acknowledge receipt of a disclosure of the possibility of multiple representation by the Broker representing that principal. This disclosure may be part of a listing agreement, buyer representation agreement or separate document. Buyer understands that Broker representing Buyer may also represent other potential buyers, who may consider, make offers on or ultimately acquire the Property. Seller understands that Broker representing Seller may also represent other sellers with competing properties that may be of interest to this Buyer. Brokers have no responsibility with respect to any default or breach hereof by either Party. The Parties agree that no lawsuit or other legal proceeding involving any breach of duty, error or omission relating to this transaction may be brought against Broker more than one year after the Date of Agreement and that the liability (including court costs and attorneys' fees), of any Broker with respect to any breach of duty, error or omission relating to this Agreement shall not exceed the fee received by such Broker pursuant to this Agreement; provided, however, that the foregoing limitation on each Broker's liability shall not be applicable to any gross negligence or willful misconduct of such Broker.

24.3 *Confidential Information.* Buyer and Seller agree to identify to Brokers as "Confidential" any communication or information given Brokers that is considered by such Party to be confidential.

25. Construction of Agreement. In construing this Agreement, all headings and titles are for the convenience of the Parties only and shall not be considered a part of this Agreement. Whenever required by the context, the singular shall include the plural and vice versa. This Agreement shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

26. Additional Provisions.

Additional provisions of this offer, if any, are as follows or are attached hereto by an addendum or addenda consisting of paragraphs 28 through 34. (If there are no additional provisions write "NONE".)

See attached Addendum, made a part hereof by reference as though set forth in full.

ATTENTION: NO REPRESENTATION OR RECOMMENDATION IS MADE BY AIR CRE OR BY ANY BROKER AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS AGREEMENT OR THE TRANSACTION TO WHICH IT RELATES. THE PARTIES ARE URGED TO:

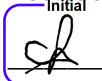
1. SEEK ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS AGREEMENT.
2. RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PROPERTY. SAID INVESTIGATION SHOULD INCLUDE BUT NOT BE LIMITED TO: THE POSSIBLE PRESENCE OF HAZARDOUS SUBSTANCES, THE ZONING OF THE PROPERTY, THE INTEGRITY AND CONDITION OF ANY STRUCTURES AND OPERATING SYSTEMS, AND THE SUITABILITY OF THE PROPERTY FOR BUYER'S INTENDED USE.

WARNING: IF THE PROPERTY IS LOCATED IN A STATE OTHER THAN CALIFORNIA, CERTAIN PROVISIONS OF THIS AGREEMENT MAY NEED TO BE REVISED TO COMPLY WITH THE LAWS OF THE STATE IN WHICH THE PROPERTY IS LOCATED.

NOTE:

1. THIS FORM IS NOT FOR USE IN CONNECTION WITH THE SALE OF RESIDENTIAL PROPERTY.
2. IF EITHER PARTY IS A CORPORATION, IT IS RECOMMENDED THAT THIS AGREEMENT BE SIGNED BY TWO CORPORATE OFFICERS.

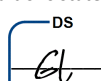
The undersigned Buyer offers and agrees to buy the Property on the terms and conditions stated and acknowledges receipt of a copy hereof.

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Date: 9/13/2025

BROKER

Kidder Mathews of California, Inc.

Attn: Linda Lee, CCIM

Title: Executive Vice President

Address: 601 South Figueroa Street, Suite 2700
Los Angeles, California 90017

Phone: 626.873.1802

Fax: _____

Email: linda.lee@kidder.com

Federal ID No.: _____

Broker DRE License #: 01946490

Agent DRE License #: 01278768

BUYER

City of Monterey Park, a general law city and municipal corporation

Signed by:

By: _____

Name Printed: Priscilla Alvarez

Title: City Manager

Phone: (626) 307-1497

Fax: _____

Email: ialvarez@MontereyPark.ca.gov

APPROVED AS TO FORM:

Signed by:

By: _____

Name Printed: Karl H. Berger

Title: City Attorney

Phone: 213.236.0600

Fax: _____

Email: KBerger@bwsllaw.com

Address: _____

Federal ID No.: _____

27. Acceptance.

27.1 Seller accepts the foregoing offer to purchase the Property and hereby agrees to sell the Property to Buyer on the terms and conditions therein specified.

27.2 In consideration of real estate brokerage service rendered by Brokers, Seller agrees to pay Brokers a real estate Brokerage Fee in a sum equal to 4.5 % of the Purchase Price to be divided between the Brokers as follows: Seller's Broker 2 % and Buyer's Broker 2.5 %. This Agreement shall serve as an irrevocable instruction to Escrow Holder to pay such Brokerage Fee to Brokers out of the proceeds accruing to the account of Seller at the Closing.

27.3 Seller acknowledges receipt of a copy hereof and authorizes Brokers to deliver a signed copy to Buyer.

NOTE: A PROPERTY INFORMATION SHEET IS REQUIRED TO BE DELIVERED TO BUYER BY SELLER UNDER THIS AGREEMENT.

9/10/2025

Date: _____

BROKER

CBD Investment Inc.

DocuSigned by:

Attn: Henry Liu

Title: _____

342A678F3C9D45A...

Address: _____

Phone: _____

Fax: _____

Email: _____

Federal ID No.: _____

Broker DRE License #: 01280398

Agent's DRE License #: 01378289

SELLER

JRL, LLC, a California limited liability company

DocuSigned by:

By: _____

Name Printed: _____

Title: _____

Phone: _____

Fax: _____

Email: _____

By: _____

Name Printed: _____

Title: _____

Phone: _____

Fax: _____

Email: _____

Address: _____

Federal ID No.: _____

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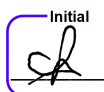
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Addendum to
AIR CRE Standard Offer, Agreement and Escrow Instructions
for Purchase of Real Estate (non-residential)

810 Monterey Pass Road
 Monterey Park, California 91754

This Addendum (the “Addendum”) is made as of August 27, 2025, and is attached to and made a part thereof that certain AIR CRE Standard Offer, Agreement and Escrow Instructions for Purchase of Real Estate (non-residential) dated August 27, 2025 (the “AIR Agreement”), by and between JRL, LLC, a California limited liability company (the “Seller”) and City of Monterey Park, a general law city and municipal corporation (the “Buyer”), with respect to the improved real property located at 810 Monterey Pass Road, Monterey Park, California 91754, as further defined in the AIR Agreement (the “Property”). In the event of any inconsistencies between the terms of this Addendum and the terms of the AIR Agreement, the terms of this Addendum shall control. The AIR Agreement, as supplemented by this Addendum, is referred to herein as the “Agreement”. Unless otherwise indicated in this Addendum, Paragraph references are to Paragraphs of the Agreement and defined terms (indicated with an initial capital letter) shall have the meaning set forth in the AIR Agreement.

28. **Materials.** Seller shall use all commercially reasonable efforts to provide the Materials, as defined within the PSA, in Seller’s possession to the Buyer during the Contingency term.

29. **Closing.** The balance of the Purchase Price, in excess of the Deposit, shall be deposited by Buyer into Escrow no later than one (1) business day prior to the Expected Closing Date which such Expected Closing Date shall be not later than seventy-five (75) days from the opening of Escrow.

30. **Miscellaneous.**

Prior to Closing, Seller shall (i) not enter into any agreement, obligation or lease with any tenant other than Buyer at the Property that will be binding on Buyer or the Property after the close of the Escrow account and (ii) not convey any interest in Property or subject the Property to any additional liens, encumbrances, covenants, conditions, easements, rights of way or similar matters which will not be eliminated prior to the Closing.

31. **Form of AIR Agreement and Addendum.** The Agreement, consisting of the AIR Agreement and this Addendum, is comprised of standard form documents and Broker makes no representations or warranties with respect to the adequacy of the Agreement for either Seller’s or Buyer’s particular purposes. Broker has, at the direction of Seller and/or Buyer, merely “filled in the blanks” and attached an appropriate Addendum based on prior discussions and/or correspondences of the Parties. By executing below, Seller and Buyer each acknowledge that the Agreement is delivered subject to the express condition that Broker have merely followed the instructions of the Parties in preparing the Agreement, and the Brokers do not assume any responsibility for its adequacy, accuracy, completeness or form. Seller and Buyer acknowledge and understand that in providing the Agreement, Broker has acted to expedite this transaction on behalf of Seller and/or Buyer, and has functioned within the scope of professional ethics by doing so. Seller and Buyer are further advised that Broker is not qualified to provide

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legal or tax advice and hereby advise Seller and Buyer to have the Agreement reviewed by an attorney, tax professional and other applicable experts.

32. **Counterparts.** This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which together shall constitute a single Agreement. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon provided such signature page is attached to any other counterpart identical thereto except having additional signature pages executed by the other party. Signatures of this Agreement submitted via facsimile transmission or other electronic means (including but not limited to DocuSign, email or .pdf signatures) shall be deemed an original signature, valid and binding for all intents and purposes.

33. **Title Policy.** Seller shall pay for a CTLA title policy to be issued by California Title Company and Buyer shall be responsible for the cost of any survey or incremental increased cost for an ALTA policy.

34. **Cancellation.** Escrow may be cancelled by Buyer within sixty (60) days of the opening of the Escrow Account without penalty.

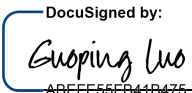
IN WITNESS WHEREOF, this Addendum is hereby executed as of the day and year first written above.

SELLER:

BUYER:

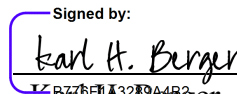
JRL, LLC, a California limited liability company

City of Monterey Park, a general law city and municipal corporation

By: 
 Name: _____
 Title: _____

By: 
 Name: _____
 Title: City Manager

APPROVED AS TO FORM:

By: 
 Name: Karl H. Berger
 Title: City Attorney


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ADDENDUM TO THE STANDARD OFFER, AGREEMENT AND ESCROW INSTRUCTIONS FOR PURCHASE OF REAL ESTATE

Date: November 20, 2025

By and Between

Buyer: City of Monterey Park, a general law city and municipal corporation

Seller: JRL, LLC, a California limited liability company

Property Address: 810 Monterey Pass Road, Monterey Park, California 91754
(street address, city, state, zip)

This Addendum is attached and made part of the above-referenced Agreement (said Agreement and the Addendum are hereinafter collectively referred to as the "Agreement"). In the event of any conflict between the provisions of this Addendum and the printed provisions of the Agreement, this Addendum shall control.

Seller and Buyer hereby amend the Agreement as follows:

35. Purchase Price. Seller shall provide a credit to Buyer upon close of escrow in the amount of \$150,000.00.

36. Soil Inspection (9.1(d)). Buyer hereby waives the Soil Inspection contingency.

37. Governmental Approvals (9.1(e)). Governmental Approvals contingency date is hereby extended to 5:00pm on December 5, 2025 and close of escrow shall occur on or before December 19, 2025.

BUYER

City of Monterey Park, a general law city and municipal corporation

Signed by:
By: 
DocuSigned by: 589036CA0D924E5...
Name Printed: Inez Alvarez
Title: City Manager
Phone: 626.307.1497
Email: ialvarez@MontereyPark.ca.gov

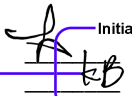
SELLER

JRL, LLC, a California limited liability company

DocuSigned by:
By: 
ABEFE55FB41B475...
Name Printed: Guoping Luo
Title: _____
Phone: _____
Email: _____

APPROVED AS TO FORM:

Signed by:
By: 
B776F1A3289A4B2...
Name Printed: Karl H. Berger
Title: City Attorney
Phone: 213.236.0600
Email: KBerger@bwslaw.com

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CENTRAL ESCROW GROUP, INC.

515 West Garvey Avenue, Suite 118, Monterey Park, CA 91754
Office (626) 280-1700 Fax (626) 280-1717

SUPPLEMENTAL ESCROW INSTRUCTIONS

TO: Central Escrow Group, Inc.

Date: September 12, 2025
Escrow Officer: Beatrice Wang
Escrow Number: CEG112576-BW

CENTRAL ESCROW GROUP, INC. IS LICENSED AS AN ESCROW AGENT BY THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION OF THE STATE OF CALIFORNIA, LICENSE # 96DBO-57158.

I/We, the undersigned principals, hand Central Escrow Group, Inc. ("Escrow Holder"), a copy of the AIRCR CONTRACTS Standard Offer, Agreement and Escrow Instructions For Purchase of Real Estate Dated August 27, 2025, (hereinafter the "Purchase Agreement") which is incorporated herein by reference and shall serve as escrow instructions, if executed and legible. Escrow Holder's duties are limited to those paragraphs in the Purchase Agreement specifically outlining the duties Escrow Holder is obligated to perform. All other terms and conditions in the Purchase Agreement are between Buyer and Seller only, and Escrow Holder is not to be concerned with or liable for any obligations between the parties or their brokers or any other items in the Purchase Agreement.

For clarification purposes, the following is restated from the Purchase Agreement:

Close of Escrow is to be November 26, 2025

TERMS OF TRANSACTION		
Buyer has deposited with escrow	\$	162,000.00
Buyer will deposit prior to Close of Escrow	\$	5,238,000.00
TOTAL CONSIDERATION:	\$	5,400,000.00

I/We the undersigned will deliver to Escrow Holder any instruments or funds required for Escrow Holder to comply with these instructions, all of which Escrow Holder is authorized to use provided that on or before Close of Escrow, Escrow Holder is in a position to obtain a Policy of Title Insurance as required by Purchase Agreement, with the usual title company exceptions and a liability of at least the amount of the total consideration above, on the real property in the County of Los Angeles, State of California described as follows:

LEGAL DESCRIPTION PER EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

SELLER STATES PROPERTY ADDRESS IS: 810 Monterey Pass Road, Monterey Park, CA 91754

TITLE SHALL BE VESTED IN: CITY OF MONTEREY PARK, A GENERAL LAW CITY AND MUNICIPAL CORPORATION (Buyer shall provide Escrow Holder with complete vesting in escrow. Escrow Holder is instructed to correct the Grant Deed being delivered in the above numbered escrow to reflect the vesting designated by Buyer, over the notarized signature of Seller thereon, with no further authorization required.)

PROPERTY IS FREE FROM ENCUMBRANCES EXCEPT:

1. Current General and Special County and City Taxes (if any) for the fiscal year including personal property taxes, if any, assessed against the former owner.
2. Covenants, conditions, restrictions, rights of way, easements and the exception or reservation of minerals, oil, gas, water, carbons and hydrocarbons on or under said land, now of record.

ADDITIONAL INSTRUCTIONS ATTACHED HERETO AND MADE A PART HEREOF
My initials below represent my agreement and acknowledgment of the foregoing

SELLERS INITIALS _____

BUYERS INITIALS _____

3. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5 (commencing with Section 75) of the Revenue and Taxation Code of the State of California.

SUPPLEMENTAL ESCROW INSTRUCTIONS:

1. **CITY REQUIREMENTS:** Parties hereto are aware that subject property may be located within a City that has requirements and/or ordinances regarding the sale and transfer of real property. Escrow Holder is herein instructed NOT TO TAKE ANY ACTION regarding same, unless handed further written instructions from Buyer and Seller herein.

****ADDITIONAL ESCROW INSTRUCTIONS AND TERMS ("GENERAL PROVISIONS") ATTACHED HERETO ARE BY REFERENCE INCORPORATED HEREIN AND MADE A PART HEREOF. THE UNDERSIGNED HEREBY ACKNOWLEDGE THEY HAVE RECEIVED AND READ THE "GENERAL PROVISIONS" AND APPROVE, ACCEPT AND AGREE TO BE BOUND THEREBY.**

****INDEMNIFICATION:** Parties herein agree to indemnify Escrow Officer, BEATRICE WANG, ("Escrow Holder") of CENTRAL ESCROW GROUP, INC. and CENTRAL ESCROW GROUP, INC. from and against any and all actions, claims, costs, damages, disbursements, expenses, judgements, liabilities, obligations, penalties and suits of any kind or nature whatsoever, including but not limited to attorney's fees which may or shall directly or indirectly arise from or incur by reason of any of the terms and provision stated in the Agreement and the General Provisions and/or the non-authentic document(s), or signature(s) contained on any document(s) furnished to Escrow Holder from Buyer and Seller.

BUYER(S):

**CITY OF MONTEREY PARK, A GENERAL
LAW CITY AND MUNICIPAL CORPORATION**

APPROVED AS TO FORM:

Signed by:

[Signature]

By: **INEZ ALVAREZ**, Manager

Signed by:

Karl H. Berger

By: **KARL H. BERGER**, City Attorney

SELLER(S):

JRL LLC

By: **GUO PING LUO**, Manager

ADDITIONAL INSTRUCTIONS ATTACHED HERETO AND MADE A PART HEREOF
My initials below represent my agreement and acknowledgment of the foregoing

SELLERS INITIALS _____

BUYERS INITIALS *[Signature]*

ADDITIONAL ESCROW INSTRUCTIONS AND TERMS (GENERAL PROVISIONS)

1. **Terms and Subject Headings:** In these escrow instructions, the terms "you", "your", and "Escrow Holder" shall mean CENTRAL ESCROW GROUP, INC., wherever the context requires, the masculine gender includes the feminine and/or neuter and the singular number includes the plural.
2. **Opening of Escrow:**
 - A. Your duty to act as escrow holder **shall not commence** until these instructions signed by all parties are received by Escrow Holder. Until such time either party may unilaterally cancel by written request delivered to Escrow Holder, a party may withdraw funds and/or documents deposited by that party, **except** as expressly limited by an Offer to Purchase, Deposit Receipt, C.A.R. Form, or any other Purchase Agreement between the parties received by Escrow Holder.
 - B. These Supplemental Escrow Instructions and General Provisions may be executed in counterparts, each of which shall be deemed an original regardless of the date of this execution and delivery. All such counterparts together shall constitute one and same document. Any and all further escrow instructions, amendments or supplements shall also be governed by the terms and conditions of these Supplemental Escrow Instructions and General Provisions, except as may be amended or modified by the written mutual agreement of the parties and Escrow Holder.
3. **Conflicts with California Residential Purchase Agreement and Joint Escrow Instructions:** The parties agree that the escrow instructions in the California Residential Purchase Agreement and Joint Escrow Instructions, like all other instructions in this escrow transaction, are governed by and superseded by these general provisions. The parties agree to execute supplemental instructions confirming their agreement to any additional terms and conditions of Escrow Holder, including these general provisions, and authorize Escrow Holder to resign from processing this escrow transaction if mutual agreement cannot be reached between the parties and Escrow Holder relative to the terms of conditions of Escrow Holder's duty
4. **Responsibility of Escrow Holder:**
 - A. All parties agree that your rights and liability in this transaction is as an escrow holder, and no other legal relationship is created. You are an escrow holder only on the express terms of these instructions. You have no duty or responsibility to notify me or any other party related to this escrow of any sale, resale, loan, exchange or other transaction involving any property herein described or of any profit realized by any person, firm, corporation or parties (broker, agent) to this or any other escrow, regardless of the fact that such transaction(s) may be handled by you in this escrow or in another escrow. You shall not be required to take any action in connection with the collection, maturity or apparent outlaw of any obligations deposited in this escrow, unless otherwise instructed.
 - B. Escrow Holder's duties hereunder shall be limited to the safekeeping of such money and documents received by you as escrow holder and for the disposition of same in accordance with the written instructions accepted by Escrow Holder in this escrow. Escrow Holder shall not be liable for any damages, losses, costs or expenses incurred by any party in the handling and processing of escrow as a result of any act or failure to act made or omitted in good faith or for any action taken that Escrow Holder shall in good faith believe to be genuine.
 - C. NOTWITHSTANDING ANY PROVISIONS TO THE CONTRARY IN THE PURCHASE AGREEMENT, ESCROW INSTRUCTIONS, AMENDMENTS, OR LENDER INSTRUCTIONS; **ESCROW HOLDER DOES NOT VERIFY SIGNATURES** OR INVESTIGATE WHETHER THERE IS FALSE IMPERSONATION, FORGERY, OR FRAUD ON DOCUMENTS DEPOSITED INTO THIS ESCROW BY THE PARTIES OR THEIR AGENTS.
 - D. ESCROW HOLDER IS NOT LIABLE OR RESPONSIBLE IN ANY MANNER FOR THE SUFFICIENCY OR CORRECTNESS AS TO FORM, CONTENT, MANNER OF EXECUTION, OR VALIDITY OF ANY DOCUMENTS; OR AS TO THE IDENTITY, AUTHORITY, CAPACITY OR RIGHTS OF ANY PERSON EXECUTING THE SAME WHICH ARE DEPOSITED INTO ESCROW. ESCROW HOLDER IS NOT LIABLE OR RESPONSIBLE FOR ANY LOSS THAT MAY OCCUR BY REASON OF FORGERIES, FRAUD OR FALSE REPRESENTATIONS MADE BY OR INVOLVING THIRD PARTIES, A PRINCIPAL'S AGENTS, OR PRINCIPAL TO THIS ESCROW. IF A PARTY OR LENDER DESIRES THAT ESCROW HOLDER VERIFY ANY SIGNATURE(S) ON INSTRUCTIONS, CHECKS, LOAN DOCUMENTS, OR OTHER ITEMS A SEPARATE WRITTEN ESCROW INSTRUCTION MUST BE ENTERED INTO THAT SPECIFICALLY EVIDENCES ESCROW HOLDERS EXPRESS AGREEMENT TO UNDERTAKE SUCH RESPONSIBILITY, UPON THE PAYMENT OF AN ADDITIONAL FEE.
 - E. Escrow Holder is authorized and directed to deposit any and all funds received in this escrow in an "Escrow Trust Account" with any state or national bank in the name of Escrow Holder with other escrow funds pending the completion of this escrow. UNLESS OTHERWISE AGREED IN WRITING, EACH PARTY UNDERSTANDS THAT THE ESCROW TRUST ACCOUNT IS NON-INTEREST BEARING. NO FINANCIAL OR OTHER BENEFITS WILL BE EARNED BY OR PROVIDED TO ANY OF THE PARTIES WITH RESPECT TO SUCH FUNDS; NOTWITHSTANDING, ESCROW HOLDER AND ITS AFFILIATES MAY

ADDITIONAL INSTRUCTIONS ATTACHED HERETO AND MADE A PART HEREOF
My initials below represent my agreement and acknowledgment of the foregoing

SELLERS INITIALS _____

BUYERS INITIALS _____

RECEIVE DIRECT OR INDIRECT FINANCIAL AND OTHER BENEFITS FROM THE DEPOSITORY WITH RESPECT TO SUCH FUNDS. THESE BENEFITS SHALL BE TREATED AS ADDITIONAL COMPENSATION TO ESCROW HOLDER FOR ITS SERVICES IN THIS TRANSACTION.

- F. All parties depositing funds in connection with this escrow are hereby notified that the funds so deposited are insured by the bank only to the limits provided by the Federal Deposit Insurance Corporation.
- G. If it is necessary, proper or convenient for the consummation of this escrow, you are authorized to deposit or have deposited funds or documents, or both, handed you under these escrow instructions with any duly authorized sub-escrow holder, including, but not limited to, any bank, trust company, title company, savings and loan association, or licensed escrow agent, subject to your order at or before Close of Escrow in connection with closing this escrow. Any such deposit shall be deemed a deposit under the meaning of these escrow instructions.
5. **Time Is Of The Essence In These Instructions:** If the date by which a Buyer's or Seller's performance is due is other than your regular business day, such performance shall be due on your next succeeding business day. In the event that the conditions of this escrow have not been complied with at the expiration of the time provided for herein, or any extension thereof, you are nevertheless instructed to complete the same at the earliest possible date thereafter, unless a party makes written demand upon you for cancellation and the return of the money and/or instruments deposited. If written demand to cancel is received, at your sole discretion, you may stop and withhold all further proceedings in this escrow without liability for interest on funds held or for damages, until a satisfactory mutual cancellation instructions signed by all parties are deposited into this escrow or the demand is withdrawn by the party or by further mutual instructions in a form satisfactory to Escrow Holder.
6. **Prorating Authorization:** Escrow Holder will make all prorations and adjustments on the basis of a thirty (30) day month, unless otherwise instructed in writing. The "Close of Escrow" with reference to said prorations and adjustments used in this escrow means the date on which documents are recorded, unless otherwise specified in writing.
7. **Property Tax Proration:** Escrow Holder will prorate real property taxes based upon tax figures provided by the title company in this transaction, without liability to Escrow Holder as to their correctness. Buyer is aware that the property will be reassessed upon change of ownership. The County Tax Assessor may issue supplemental tax bills for more than the amount used for prorating purposes, or in the event there has been an overpayment, the overpayment amount may not be refunded, but may instead be held for a subsequent credit against the payment of future taxes on the property. Buyer and Seller hereby agree that any overpayment or underpayment of taxes shall be adjusted by and between the Buyer and Seller outside of escrow. TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED BETWEEN BUYER AND SELLER OUTSIDE OF ESCROW. Escrow Holder is hereby released from responsibility or liability of any kind arising out of any such overpayment or underpayment of taxes, which shall survive the Close of Escrow.
8. **Preliminary Change of Ownership Report:** Section 480.3 of the Revenue and Taxation Code requires that a "Preliminary Change of Ownership Report" be completed and certified by Buyer and filed concurrently with the Deed or other documents that reflect a change of ownership in real property. The Buyer herein agrees to complete and sign said report and deliver same to Escrow Holder for filing. Escrow Holder shall forward same to the title company for submission to the Recorder's Office at the Close of Escrow. Buyer understands and acknowledges that the County Recorder's Office will charge an additional non-refundable fee of twenty Dollars (\$20.00) should the fully completed/certified report not accompany the conveyance document or be rejected. In addition to this fee, there may be additional expenses incurred by Buyer outside of escrow or after the Close of Escrow as a result of Buyer's failure to file a fully completed/certified report. Buyer authorizes Escrow Holder to debit the Buyer's account for said twenty Dollars (\$20.00) prior to the Close of Escrow in the event the change of ownership statement is not deposited with Escrow Holder as provided for herein. Buyer is responsible for completing and returning any Change of Ownership Report required by the Office of the County Assessor after the Close of Escrow and shall be exclusively responsible for any penalty or reassessment tax imposed by the Office of the County Assessor for Buyer's failure to return any Change of Ownership Report to the Office of the County Assessor.
9. **Foreign Investment In Real Property Act – FIRPTA – Withholding:** The sale of a U.S. real property interest by a foreign person is subject to the Foreign Investment in Real Property Tax Act of 1980 (FIRPTA) income tax withholding. Persons purchasing U.S. real property interests from foreign persons, certain purchasers' agents, and settlement officers are required to withhold ten percent (10%) or fifteen percent (15%) of the amount realized. Withholding is intended to ensure U.S. taxation of gains realized on disposition of such interests. The Buyer shall remain the withholding agent notwithstanding any act by the Escrow Holder. The Buyer must find out if Seller is a foreign person. If Seller is a foreign person and Buyer fails to withhold, the Buyer may be held liable for the tax.
- Seller and Buyer agree to execute and deliver to Escrow Holder any instrument, affidavit and statement or to perform any act reasonably necessary to carry out the provisions of FIRPTA and regulations promulgated there under. Seller herein certifies under penalty of perjury, that the information provided on said form is true, correct and complete. Buyer and Seller hereby agree to hold Escrow Holder harmless and indemnify Escrow Holder regarding compliance with this instruction.
10. **State Tax Withholding: CAL-FIRPTA Notification To Buyer And Seller Regarding Tax Withholding Requirements Of California On The Sale Of Real Property:** Certain Sellers may be exempt from withholding. Each Party must seek independent tax advice from a professional. California Revenue and Taxation Code Section 18662 (as amended) requires prepayment of income tax by withholding of three and one-third percent (3-1/3%) on the total sales price on real property for individuals and non-individual sellers of real property, whether resident or non-resident. Alternatively, a Seller may elect to withhold on the gain on the sale and based on the

ADDITIONAL INSTRUCTIONS ATTACHED HERETO AND MADE A PART HEREOF

My initials below represent my agreement and acknowledgment of the foregoing

SELLERS INITIALS _____

BUYERS INITIALS _____

applicable withholding rates effective at the Close of Escrow. For more information, Buyers and Sellers should refer to **Form 593**, Real Estate Withholding Certificate and Computation of Estimated Gain or Loss from the California Franchise Tax Board.

Withholding is also required for real estate foreclosures and short sale transactions unless any exemptions certified on **Form 593** apply or the sale qualifies under the automatic exclusions. For more information on real estate foreclosures and short sale transactions, refer to Publication 1016, Real Estate Withholding Guidelines by the California Franchise Tax Board. Any further questions regarding Withholding Requirements for Sale of California Real Estate may be answered at www.ftb.ca.gov or by seeking independent professional tax advice.

The parties acknowledge that Escrow Holder is under no duty to take action regarding withholding without further mutual written instructions of buyer and seller in a form satisfactory to Escrow Holder, together with the completion of Franchise Tax Board forms. Section 18662 of California Revenue and Taxation Code (as amended) requires a BUYER of real property to withhold if the Seller's exemption is not met. If withholding is not made Buyer may become subject to a penalty in the amount equal to the greater of ten percent (10%) of the amount required to be withheld or five hundred dollars (\$500.00). For additional information, contact: FRANCHISE TAX BOARD, WITHHOLD AT SOURCE UNIT, P.O. BOX 651, SACRAMENTO, CA 95812-0651, PHONE: (916) 845-4900 OR Toll Free AT (888) 792-4900. Seller and Buyer hereby agree to comply with Section 18662 of California Revenue and Taxation Code (as amended), and Seller shall cause to be deposited into escrow such forms that maybe necessary for the parties hereto to be in compliance with said tax code (as amended). The parties agree to hold Escrow Holder harmless and indemnify Escrow Holder for complying with any CAL-FIRPTA instruction or any third-party claims that may arise.

11. **Tax Reporting/1099:** As a condition to Escrow Holder's agreement to process this transaction, certain information must be provided by the Sellers/Transferors to the Escrow Holder before the date of closing. Under the Tax Reform Act, Internal Revenue Service Code Section 6045(e), Escrow Holder will report the gross proceeds of an ownership interest in reportable real estate to the Internal Revenue Service ("IRS"). The Seller/Transferor is required by law to furnish a correct Taxpayer Identification Number ("TIN") or Social Security Number to Escrow Holder. The Seller/Transferor is aware that the failure to do so may subject the Seller/Transferor to civil or criminal penalties. Each Seller/Transferor must provide a permanent address to which the Escrow Holder can mail the IRS Form 1099-S following the Close of Escrow.

In the event there is more than one Seller/Transferor, any allocation of the gross proceeds from the within transaction must be received by Escrow Holder prior to the date of closing. If Escrow Holder fails to receive a complete allocation or receives no allocation as to any Seller/Transferor, Escrow Holder must report the entire unallocated gross proceeds to that Seller/Transferor. If conflicting allocations are received, Escrow Holder must Report the entire gross proceeds on each Seller/Transferor's 1099-S Form to the IRS. Sellers/Transferors' who are married or domestic partners on the closing date and who hold title to the subject property as tenants in common, joint tenancy or community property are treated for reporting purposes as a single Seller/Transferor.

12. **Allocation of Costs:** Escrow Holder is instructed to debit Buyer and Seller in accordance with Purchase Agreement and pay relevant bills as presented at the Close of Escrow. Escrow Holder shall not be responsible for paying bills received after Close of Escrow, and Buyer and Seller hereby release Escrow Holder from any liability or responsibility in connection therewith. All parties agree to pay escrow fees and charges, including messenger fees, overnight delivery charges, recording fees, charges for evidence of title, and handling and notary fees, if applicable, whether at cancellation or Close of Escrow. Escrow Holder is authorized to release funds, if applicable, from money on deposit to pay for any credit report, appraisal, City Report, lender, or association statement, demand, transfer fees or documents which may be required to be paid in advance of closing. Funds released prior to the Close of Escrow are non-refundable regardless of the consummation of this escrow. If not provided for in the Purchase Agreement, the Owner's Title Insurance premium will be charged to Seller and the ALTA Lender's Policy, if applicable, will be charged to Buyer at Close of Escrow, and all other closing costs are to be charged pursuant to the Purchase Agreement. Unless otherwise instructed, Escrow Holder will debit the Seller for any transfer tax that may be imposed by any City or County in which the subject property of this escrow is located and is authorized to pay any bonds, assessments, taxes, or any lien of records, including any prepayment penalties, if any, to transfer title to Buyer as called for in this escrow.
13. **Authorization to Send Documentation:** Unless otherwise instructed, the Buyer(s) and Seller(s) hereby authorize Escrow Holder to release estimated closing statements, executed escrow instructions, amendments, and final closing statement or consolidated Settlement Statement to any new lender or "short-pay" lender necessary to close the escrow. This authorization shall pertain to the documentation set forth above only. Escrow Holder may furnish a copy of these instructions, amendments, notice of cancellation, title reports, estimated and final closing statements to any real estate broker, lender or title company, referenced in this escrow, prior to Close of Escrow
14. **Personal Property:** Any Personal Property the subject of this transaction (except Mobile homes) is exclusively between the parties and of no concern to Escrow Holder. Escrow Holder shall conduct no lien or title search of personal property regarding the sale or transfer of any personal property through this escrow. Should the parties desire that you conduct a lien or title search of personal property, the parties or lender requesting the same shall enter into a separate and specific written agreement which evidences Escrow Holder's agreement to undertake such responsibility upon the payment of additional fees.
15. **Beneficiary Statement/Pay off Demands:** Escrow Holder is not responsible for the contents or accuracy of any beneficiary demands, beneficiary statements, or pay off demands delivered to you by the existing lien holders or homeowner associations. Escrow Holder is

ADDITIONAL INSTRUCTIONS ATTACHED HERETO AND MADE A PART HEREOF

My initials below represent my agreement and acknowledgment of the foregoing

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not required to submit any such beneficiary statements and/or demand to the parties for approval before the Close of Escrow unless expressly instructed to do so in writing. Should the parties desire to pre-approve any such beneficiary statement and/or demand, the parties requesting the same shall deliver separate and specific written escrow instructions to Escrow Holder. The Parties and lender are aware the title company utilized for obtaining a Title Insurance Policy will also be utilized in this transaction as a sub-escrow holder; and shall be charged with the exclusive duty of making the payment of any taxes, beneficiary or payoff demands; and obtain a full or partial reconveyance of any liens or encumbrances paid through this escrow to place title of the property in the manner provided for in any lender's instructions or other escrow instructions. **Seller is aware that interest on existing loans is paid in arrears, and that their account will be charged interest on the payoffs of existing loans until the lender receives the payoff funds from the title company after the Close of Escrow.** The parties expressly indemnify and hold you harmless against third-party claims for any fees, costs or expenses where you have acted in good faith, with reasonable care and prudence and/or in compliance with these escrow instructions.

16. Title Insurance:

- A. You are instructed to open a title order for title insurance to the subject real property in the condition identified in the Purchase Agreement or Escrow Instructions by the parties. However, you are not required to submit any title report issued or documents described in any title report in connection with this escrow to any party or agent unless directed to do so in writing. You may, however, do so without incurring liability to any party for such submission. You are hereby authorized to submit such report to any proposed lender, and are authorized to deliver assurances of title, and insurance policies, if any, to hold or for senior encumbrances or order, or if there are no encumbrances, then to Buyer or his order.
- B. The parties authorize the recording of any instrument delivered through this escrow if necessary or proper for the issuance of the required policy of title insurance or for the closing of this escrow. Funds, instructions or instruments received in this escrow may be delivered to, or deposited with any title insurance company or title company to comply with the terms and conditions of this escrow. Recording fees shall be charged to the account of the benefited party.
- C. Buyer and Seller authorize and instruct Escrow Holder to utilize the legal description deposited into escrow or provided by the title insurance company in this transaction for the preparation of any deed or other documentation necessary to close this transaction. Escrow Holder has no duty to investigate and does not guarantee the accuracy of said legal description and is released of any and all liability, responsibility and is held harmless in connection thereto.

17. Final Funds: Pursuant to the "Good Funds" legislation, Assembly Bill 512 (AB 512) effective January 1, 1990, the parties hereto are made aware that closing funds to be deposited by Buyer, Seller and/or lender as a condition of escrow must be **CLEARED** prior to recordation (Close of Escrow). Escrow Holder will require deposit of final funds **FIVE (5) business days** prior to the Close of Escrow if funds are deposited in the form of a Cashier's Check, or **TWO (2) business days** prior to the Close of Escrow, if funds are deposited by Wire Transfer. **All final funds due to close escrow in EXCESS OF ONE HUNDRED THOUSAND DOLLARS (\$100,000.00) MUST BE WIRE TRANSFERRED.** Final funds must be issued or wired by a U. S. bank or savings and loan association located in the State of California. **Buyer's deposit of final funds with Escrow Holder shall be deemed satisfaction and removal of all contingencies, terms and conditions and approval of the loan documents, terms and conditions. Buyer's deposit of final funds shall also serve as Buyer's authorization and instructions to Escrow Holder to close the escrow at the earliest possible date.** Escrow Holder may, in its sole discretion, require Buyer and/or Seller to deposit additional funds into escrow (a "pad") to cover expenses in excess of those originally estimated. The unused portion of any such "pad" shall be refunded to Buyer and/or Seller after closing.

18. New Loans:

- A. After receipt of Buyer's final funds, Escrow Holder may request Buyer's new lender (if any) to fund the new loan proceeds one business day prior to Close of Escrow. Buyer is aware that interest on any new loan funded in connection with this escrow will accrue from the date of lender's funding and that there may be a delay between the funding date and recording date due to the recording schedule of the Recorder's office or the hold placed on certain deposits because of the above-referenced "Good Funds" legislation. Escrow Holder shall have no liability for the payment of interest on any loan or for the early funding by the lender or any delay caused by the lender's failure to timely fund or based on the date of distribution of funds at Close of Escrow.
- B. Escrow Holder is not to be responsible or concerned in any way with the terms of any new loan or the content of any loan documents in connection with this escrow. Escrow Holder's duties are limited to receiving loan documents into the escrow file, transmitting the loan documents for execution and transmitting the executed loan documents to lender for review and approval. The parties understand and agree that Escrow Holder does not interpret or explain loan documents, nor is Escrow Holder involved or concerned with the underwriting, disclosures, approval and processing of any loan or the contents and effects of loan documents prepared by a lender.
- C. The parties understand that Escrow Holder is only a settlement agent, not a "creditor" regarding new loans, therefore Escrow Holder has no duty of disclosure under TILA, RESPA, or HOEPA (15 U.S.C. 1635(a), 15 U.S.C. 1638(a), 15 U.S.C. 1639(a)(1)) regarding any loans. Any questions regarding the loan terms, documents or disclosures are to be directed to the loan broker or lender of the party. Escrow Holder is completing the Settlement Statement in this transaction in reliance on the information provided to Escrow Holder by the loan brokers or lender and this information is not verified by Escrow Holder. Escrow Holder shall not be liable or responsible for any inaccuracies regarding loan estimates or the actual loan terms

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- D. Escrow Holder is irrevocably instructed to comply only with the portion of any lender's instructions pertaining to usual escrow functions under California law. Escrow Holder is not required or responsible in any way for making disclosures, warranting any facts, or ensuring for the lender any secondary sales transaction, purchase, guarantee by FHA, VA, PMI or loan is purchased by investors. Escrow Holder shall not be required to perform title functions or performing lender's notice, regulatory or underwriting responsibilities under California or Federal law. Escrow Holder is authorized and instructed to forward lender's instructions regarding title, recording functions, and payment of encumbrances to the title company in this transaction for performance by title company in its capacity as insurer, recorder, abstractor of title and/or sub-escrow. NOTWITHSTANDING ANY OTHER DOCUMENTS OR INSTRUCTIONS SUBMITTED TO ESCROW HOLDER, WHETHER OR NOT SIGNED BY ESCROW HOLDER, THE ESCROW HOLDER HAS NO DUTY OR OBLIGATION TO REIMBURSE ANY BUYER(S)/ BORROWER(S)/ BROKER(S) OR LENDER(S) ANY SUM OR TO PURCHASE ANY LOAN, NOTE, DEED OR DEBT RELATING TO THIS ESCROW TRANSACTION.
- E. Escrow Holder shall not be responsible in any way whatsoever nor are you to be concerned with any question of usury in any loan or encumbrance, whether new or of record, which may arise during the processing of this escrow.
- F. **RESPA RULE:** Buyer and Seller hereby authorize and instruct Escrow Holder to debit Buyer for the Owner's title insurance premium and other charges if required by Buyer's lender in order to comply with the Real Estate Settlement Procedures Act. Escrow Holder is further instructed to debit Seller and credit Buyer as reimbursement for any such costs and charges which were to be paid by Seller as per the Purchase Agreement.

19. **Property Insurance:**

- A. It is Buyer's obligation to ensure that any new or assigned property hazard insurance policy regarding the real or personal property in this escrow fully complies with the lenders requirements regarding amount of coverage, terms, payee(s), insured, etc., and that the evidence of hazard insurance is timely deposited with Escrow Holder. Escrow Holder is hereby instructed to pay from Buyer's account the first year's premium at the Close of Escrow to Buyer's chosen insurance agent and may forward a copy of any evidence of an insurance policy to any lender, if requested. Escrow Holder shall have no duty or responsibility regarding hazard insurance, except to forward the first year's premium, or evidence of payment, and the evidence of buyer obtaining insurance to the lender. It is Buyer's or lender's exclusive duty to verify the policy of insurance provides adequate coverage for Buyer's and lender's needs and are obligated to ensure the policy of insurance is issued and remains in effect after the Close of Escrow.
- B. HOA Insurance (if applicable): Escrow Holder is authorized and instructed to debit funds deposited by Buyer for payment of any fee assessed by the Master Insurance Agent of the HOA for issuance of their Certificate. Buyer has satisfied himself of the existence of the master insurance coverage of the HOA and understands that this coverage is limited. Buyer is advised to fully investigate the extent and scope of its coverage and obtain any additional or supplemental coverage outside of escrow. Escrow Holder is not to be concerned nor held liable or responsible in connection therewith.
- C. ALL CASH (if applicable): It is Buyer's exclusive duty to obtain adequate hazard insurance coverage on the property that is the subject of this escrow. Buyer has the option of paying any hazard insurance premium through escrow. In the event Buyer exercises said option, Buyer shall in writing designate the insurance agent to be used and thereafter deposit sufficient funds into escrow for the first year premium prior to Close of Escrow.

20. **No Disclosures or Warranties:**

- A. The parties acknowledge that depending on the type (Commercial or Residential) and location (City) of real property involved in this escrow, there may be disclosure(s) as well as civil ordinance requirement(s) that would affect the transfer of the real property. Escrow Holder urges both parties to seek appropriate counsel from an attorney or licensed real estate broker to ascertain what disclosures, certificates and/or civil ordinances, if any, need to be complied with prior to the Close of Escrow, and outside of the escrow between the parties. The parties' signature upon these instruction shall be deemed evidence to the Escrow Holder that the parties have obtained independent counsel, are aware of any disclosures/civil ordinance requirements and will comply with same outside of this escrow. Unless otherwise instructed in writing to the contrary within the body of the Escrow Instructions, Escrow Holder has no responsibility or liability in connection with any such disclosures or requirements.
- B. Escrow Holder is not responsible or liable for the validity, regularity or sufficiency of municipal residential property reports, or retro-fit standards to be complied with upon the transfer of real property. You are instructed to forward request for Residential Property Report or Certificate of Compliance as handed to you to the appropriate governmental agency. You are to charge Seller with any fee to file such document, unless otherwise instructed. You are not to be responsible or liable for the content or timeliness of the response of any governmental agency.
- C. Escrow Holder is not responsible or concerned with the giving of any disclosures except as expressly required by Federal or State law to be given by an escrow agent. You have no responsibility or concern with the effect of zoning ordinances, land division regulations, homeowner associations or building restrictions, covenants, conditions, or restrictions (CCRs) which may pertain to or affect the land or improvements that are the subject of this escrow. The parties must satisfy themselves outside of escrow that the transaction covered by this escrow is not in violation of the Subdivision Map Act or any other law regulating land sub-division, CCR or homeowners association rule; and you as Escrow Holder have no responsibility or liability in connection therewith, and are

ADDITIONAL INSTRUCTIONS ATTACHED HERETO AND MADE A PART HEREOF

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not to be concerned with the enforcement of said law. The parties' signatures on this instruction shall be deemed evidence that they are each aware of any such requirements.

- D. The parties agree that Escrow Holder is not responsible for requesting information and/or demands from any Homeowners Association, Home Protection Plan Provider, or Natural Hazard Disclosure Provider, unless expressly requested by the parties.
21. **Property Condition:** Escrow Holder makes no physical examination or inspection of any real or personal property described in these instructions or in any instrument or document deposited herewith. Escrow Holder accepts no agency or duty, and none may be implied in any manner under California Civil Code §1102.11, any other statute or authority, or written agreement for making or giving any disclosures under the Transfer of Residential Property. The parties hereby expressly acknowledge that Escrow Holder has no duty or liability whatsoever for the physical condition or habitability of any property the subject of this escrow
22. **Disbursements:** All disbursements shall be made by check of your company on said account; and all parties acknowledge and agree that Escrow Holder shall charge a twenty dollar (\$20.00) fee to any party requesting a duplicate check for any reason. All documents and funds due to respective parties herein shall be by United States mail to their addresses provided to Escrow Holder, unless otherwise instructed. The parties acknowledge that Escrow Holder has no control over or liability regarding a bank's timely processing or receipt of any disbursement made by check or wire transfer pursuant to a party's instruction. It shall be the party's duty to provide correct wire instructions to Escrow Holder, who shall not be obligated to confirm account's beneficiary. Escrow Holder is not responsible or liable for any act by a third-party, or any injury caused by delays or rejection of wire transfers due to the routing or account numbers, or for any loss due to an incorrect payee on any account that Escrow Holder is directed to wire funds into.
23. **Assignment of Proceeds:** If the parties to this escrow unilaterally assign or order the proceeds of this escrow to be paid to other than the original parties to this escrow, such assignment or order is subordinated to the expenses of this escrow, liens of record on the subject property, and payments directed to be made by original parties together. The parties understand and agree that such assignment of proceeds is subject to the approval of any lender. If the result of such assignment or order would be to leave the escrow without sufficient funds to close, then you are directed to close nevertheless, and pay such assignments or orders out of the net proceeds due except for such assignments or orders, and to pay them in the order in which such assignment or orders are received by you. If any assignment or transfer of interest is by operation of law, with or without the approval or consent of any or all of the parties hereto, you shall retain the right to deduct any and all escrow costs, fees and expenses provided for herein or under your current fee schedule from said assigned or transferred funds, properties or rights.
24. **Dishonored Checks:** If any check submitted to escrow is dishonored upon presentment for payment, Escrow Holder is authorized to notify all parties, their respective agents or any other person or entity Escrow Holder deems in its sole discretion necessary to notify of such nonpayment. The parties shall reimburse Escrow Holder for any costs or expenses in connection therewith. **THE SELLER'S EXCLUSIVE LEGAL OR EQUITABLE REMEDY FOR ANY INJURY FROM THE DISHONORING OF ANY CHECK OR FUNDS FROM BUYER SHALL LIE ONLY AGAINST BUYER AND NOT ESCROW HOLDER.**
25. **Reimbursement of Funds:** If Escrow Holder disburses more funds to or for the benefit of any party than they are entitled to receive, or the escrow has a shortage to or for the benefit of any party, that benefitting party agrees to repay Escrow Holder the amount of the overpayment or shortage within five days of its demand, after which interest shall accrue at the rate of ten percent (10%) per annum. In the event of any failure to pay fees, costs or expenses due hereunder, on Escrow Holder's demand the parties agree to pay a reasonable fee for any attorney services which may be required to collect such fees, costs, or expenses, in addition to any other fees and costs as the court may otherwise determine.
26. **Document Retention:** The parties acknowledge, consent and expressly authorize the Escrow Holder to convert, store, or otherwise maintain any original documents (including executed purchase agreements) or copy thereof submitted or otherwise provided to Escrow Holder in an electronic format or medium for all purposes. Upon Escrow Holder's transfer of any document into an electronic format, it is expressly authorized without any liability to destroy the original paper documents submitted or otherwise provided to Escrow Holder. The parties to these Escrow Instructions authorize Escrow Holder to destroy these instructions and all other instructions, documents and electronic records of this escrow at any time after five (5) years from the Close of Escrow, cancellation, or date of the last activity without liability and without further notice to the parties. The parties further acknowledge and agree that Escrow Holder shall be entitled to charge a document retrieval fee to any party requesting access to an original document that is in storage in accordance with your schedule of fees and charges.
27. **Choice of Law and Limitations:** These instructions are to be construed and interpreted according to California Law. **NO ACTION SHALL LIE AGAINST ESCROW HOLDER FOR ANY CLAIM, LOSS, LIABILITY OR ALLEGED CAUSE OF ACTION OF ANY KIND OR NATURE WHATSOEVER, HOWEVER CAUSED OR OCCURRED, UNDER THIS ESCROW OR IN CONNECTION WITH THE HANDLING OR PROCESSING OF THIS ESCROW, UNLESS BROUGHT WITHIN TWELVE (12) MONTHS AFTER THE CLOSE OF ESCROW OR ANY CANCELLATION OR TERMINATION OF ESCROW FOR ANY REASON WHATSOEVER.**
28. **No Legal, Financial or Tax Advice:** THE PARTIES ACKNOWLEDGE AND UNDERSTAND THAT ESCROW HOLDER IS NOT AUTHORIZED TO PRACTICE LAW NOR DOES IT GIVE FINANCIAL ADVICE. THE PARTIES ARE ADVISED TO SEEK LEGAL AND FINANCIAL COUNSEL AND ADVICE CONCERNING THE EFFECT OF THE PURCHASE AGREEMENT, THESE ESCROW INSTRUCTIONS AND GENERAL PROVISIONS, ANY LOAN DOCUMENTS OR OTHER FINANCIAL/TAX

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DOCUMENTS OR CONSEQUENCES. THE PARTIES ACKNOWLEDGE THAT NO REPRESENTATIONS ARE MADE BY ESCROW HOLDER AND NO RELIANCE PLACED ON THE LEGAL SUFFICIENCY, LEGAL CONSEQUENCES, FINANCIAL EFFECTS OR TAX CONSEQUENCES OF ANYTHING WITHIN THIS ESCROW TRANSACTION.

29. **Witness Fees:** If any officer, agent, employee, or representative of Escrow Holder is required to respond to any subpoena or other order to personally appear in an action or proceeding in which Escrow Holder's breach or fault is not in issue, the party requiring such appearance agrees to indemnify and hold you harmless from and against all costs, expenses and reasonable attorney's fees expended or incurred by you in connection with such appearance. The party requiring such appearance shall pay to Escrow Holder and its officer, agent, employee, or representative, in addition to the amounts from time to time provided for by law, the sum of four hundred dollars (\$400.00) as an additional witness fee for each day or part thereof that an officer, agent, employee or representative of Escrow Holder is required to attend. As a condition precedent to any obligation to appear under such subpoena or order, the party requesting such appearance must concurrently with the service of the subpoena or order pay the additional witness fee that is agreed to herein for each day's actual attendance, even if no testimony is given.
30. **Legal Fees:** All of the parties to this escrow, jointly and severally, promise to pay promptly on demand, as well as to indemnify you and to hold you harmless from and against all administrative governmental investigations, audit and legal fees, litigation and interpleader costs, damages, judgments, attorneys' fees, arbitration costs and fees, expenses, obligations and liabilities of every kind (collectively "costs") which in good faith you may incur or suffer in connection with or arising out of this escrow, whether said costs arise during the performance of or subsequent to this escrow, directly or indirectly, and whether at trial, or on appeal, in administrative action, or in an arbitration. You are given a lien upon all the rights, title and interests of the parties and all escrow papers and other property and monies deposited into this escrow to protect your rights and to indemnify and reimburse you. If the parties do not pay any fees, costs or expenses due you under the escrow instructions or do not pay for costs and attorneys' fees incurred in any litigation, administrative action and/or arbitration, on demand, they each agree to pay a reasonable fee or any attorney services which may be required to collect such fees or expenses, whether attorneys' fees are incurred before trial, at trial, on appeal or in arbitration.
31. **Dispute Resolution-- Mediation:** Notwithstanding any other mediation provisions, Buyer, Seller and broker(s) also agree to mediate any dispute or claim arising out of this Agreement between themselves and Escrow Holder, before resorting to court action. Escrow Holder also agrees to such mediation prior to, or within a reasonable time after, the dispute or claim is presented to the Escrow Holder. Mediation fees, if any, shall be divided equally among the parties involved. If, for any dispute or claim to which this paragraph applies, any party (i) commences an action without first attempting to resolve the matter through mediation, or (ii) before commencement of an action, refuses to mediate after a request has been made, then that party shall not be entitled to recover attorney fees, even if they would otherwise be available to that party in any such action. Exclusions from this mediation agreement are:
- EXCLUSIONS: The following matters are excluded from mediation: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in Civil Code §2985; (ii) an interpleader action; and (iii) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court. The filing of a court action to enable the recording of a notice of pending action, or for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a waiver nor violation of the mediation provisions.
32. **Fees and Expenses:** Fees and charges agreed upon for your services shall be considered compensation for ordinary services as contemplated by these instructions. The parties hereby acknowledge and agree one or more parties to this escrow may receive a reduced escrow fee. ALL PARTIES ACKNOWLEDGE AND AGREE THAT ESCROW HOLDER SHALL CHARGE BUYER AND SELLER AN AUDIT FEE FOR THIS ESCROW TRANSACTION IN ACCORDANCE WITH YOUR SCHEDULE OF FEES AND CHARGES. If the conditions of this escrow are not promptly fulfilled by the parties, or if you render any service not provided in these instructions, or if the parties request a substantial modification of its terms; or if any controversy arises, or if you are made a party to, or intervene in or are required to participate in any mediation, arbitration or litigation, including an interpleader action, pertaining to this escrow or its subject matter, prior to, during, or after the Close of Escrow, you shall be reasonably compensated for such extraordinary services and reimbursed for all costs and expenses incurred by you, including any legal fees or costs incurred whether litigation is filed or not, and costs and expenses occasioned by the default, delay, controversy, mediation, arbitration or litigation.
33. **Conflicting Demands/Instructions & Interpleader Actions:** If conflicting demands are made upon you or notice given of any controversy or legal action between the parties or third person(s) in connection with this escrow, you shall not be required to determine or resolve conflicting demands or claims or take any action, but shall have the absolute right to stop and withhold all further proceedings in the performance of this escrow without liability, until any such conflicting demands or claims have been determined, resolved, or eliminated by mutual written agreement of the parties, a valid amendment or supplement to your escrow instructions, or a final order or judgment of a court of competent jurisdiction in form satisfactory to you is deposited into escrow. You may also, at your sole discretion, file an action in interpleader or declaratory relief, and are instructed and authorized to deposit any documents or funds which are the subject of conflicting demands or claims with the court pursuant to any such action, less your escrow fees, costs, and attorneys fees incurred to date.
34. **Resignation:** At any time prior to the Close of Escrow, Escrow Holder may, at its sole option, and without liability to the parties, give written notice to the parties and resign from the escrow, as escrow holder. Escrow Holder shall be entitled to be reasonably compensated for the escrow service performed and reimbursed all costs and expenses incurred up to resignation. The balance of any funds, property or documents shall be returned to the parties who deposited same or forwarded to a new escrow holder as mutually designated in writing

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by the parties.

35. **Miscellaneous Conditions:**

- A. You are authorized to use any standardized, preprinted form in order to comply with these instructions. Escrow Holder is authorized to use its own forms or any usual forms of any title insurance company or title company and may insert dates and terms on the instruments, if incomplete when executed by a party.
- B. Escrow Holder is authorized and instructed by the undersigned that it may, in its sole discretion, rely and act upon facsimile instructions, e-mail or electronic instructions or signatures including but not limited to escrow instructions, amendments or modifications, demands, lender instructions, pay-off instructions and bills from the parties or third parties, as though they are original instructions signed by the parties or third parties. In doing so, Escrow Holder is released of liability, responsibility and indemnified for any loss resulting from such reliance. The refusal of any lender involved in this transaction to accept electronically signed records or documents shall not affect this instruction or the validity of any other electronically signed record or document in this transaction.
- C. This escrow will be processed in the English language. Should any Principal elect to use a language translator to assist them in understanding the escrow process, or any documentation that is part of this escrow, that language translator will be selected and provided by the Principal in need of such assistance. The Escrow Holder will not provide any language translation services. In the event any language translation is provided by Escrow Holder it is rudimentary, solely as a courtesy and may not be relied upon. Escrow Holder will not be liable or responsible for the correctness of any language translator's interpretation of the escrow process or of any other documentation that is a part of this escrow.
- D. In the event any instruction or term in these Escrow Instructions is held invalid by judicial proceeding, the remaining shall continue to be operative and enforceable.

36. **Final Funds:** I/We agree to pay FUNDS REQUIRED TO CLOSE ESCROW UPON DEMAND.

37. **Cancellation:** The parties, jointly and severally, agree that if escrow cancels, is terminated or otherwise not closed, the parties shall pay you any costs and expenses which you have incurred or have become obligated for in processing this transaction including, but not limited to, courier fees, filing fees, attorneys' fees and costs, third-party vendor fees for services performed for this escrow, and an escrow cancellation fee for services rendered in an amount of five hundred dollars (\$500.00) or up to the full amount of the escrow fee depending on the status of the escrow at "cancellation." The parties agree that such costs, expenses and fees shall be paid from funds already on deposit or deposited in escrow before any cancellation or other termination of this escrow is effective. The parties agree that said charges for expenses, costs and fees may be apportioned between Buyer and Seller in a manner which, in Escrow Holder's sole discretion, it considers equitable and Escrow Holder's decision will be binding and conclusive upon the parties. Except as provided in the Purchase Agreement, upon receipt of mutual cancellation instructions, a final order or judgment of a court of competent jurisdiction with accompanying writs of execution, levies or garnishments in form satisfactory to Escrow Holder, you are instructed to disburse the escrow funds and instruments in accordance with such cancellation instruction, order, judgment or accompanying writ; and the subject escrow shall, without further notice be considered terminated and cancelled. IN THE EVENT ANY PARTY REQUESTS CANCELLATION OF THIS ESCROW AT ANY TIME ALL SUCH PARTIES ARE AWARE THAT THIS ESCROW WILL NOT BE CONSIDERED CANCELLED AND NO FUNDS WILL BE DISBURSED UNTIL ESCROW HOLDER HAS RECEIVED CANCELLATION INSTRUCTIONS SIGNED BY ALL PARTIES OR COURT ORDER IN FORM SATISFACTORY TO ESCROW HOLDER.

38. **No Activity Cancellation:** The parties to the transaction agree that if no additional instructions are received from one or both of the parties in this transaction within one hundred twenty (120) days from the date escrow is to close, or any written extension thereof, the Escrow Holder shall at its option consider the escrow cancelled and is authorized to take a cancellation fee in the amount of five hundred dollars (\$500.00) or up to the full amount of the escrow fee, based on Escrow Holder's determination of services performed. Any remaining deposits, documents or other items held by Escrow Holder may be disbursed to the depositors or parties specified in the instructions. Nothing herein restricts the ability of the Escrow Holder to file an interpleader action in the event of a dispute over the proper distribution of funds deposited with escrow.

Seller(s) Initials _____ / _____

Buyer(s) Initials  / _____

39. **Hold Open Fee:** Unless otherwise instructed in writing and in addition to other fees and costs Escrow Holder may receive, if this escrow does not close or cancel for any reason, 60 days after the original designated closing date, Escrow Holder is authorized and hereby instructed to withdraw from any funds on deposit in escrow, each month and pay to itself a holding fee of \$75.00 for each calendar month or fraction thereof, that undistributed funds or documents are retained in escrow. Further, Escrow Holder is irrevocably instructed that this escrow transaction will automatically cancel when all funds on deposit are disbursed.

Seller(s) Initials _____ / _____

Buyer(s) Initials  / _____

ADDITIONAL INSTRUCTIONS ATTACHED HERETO AND MADE A PART HEREOF
My initials below represent my agreement and acknowledgment of the foregoing

SELLERS INITIALS _____

BUYERS INITIALS  _____

THE UNDERSIGNED HEREBY ACKNOWLEDGE THEY HAVE RECEIVED AND READ THESE ADDITIONAL ESCROW INSTRUCTIONS AND GENERAL PROVISIONS AND APPROVE, ACCEPT AND AGREE TO BE BOUND HEREBY.

BUYER(S):

CITY OF MONTEREY PARK, A GENERAL
LAW CITY AND MUNICIPAL CORPORATION

APPROVED AS TO FORM:

Signed by:

[Signature]

By: **ENEZ ALVAREZ, Manager**

Signed by:

Karl H. Berger

By: **KARL H. BERGER, City Attorney**

SELLER(S):

JRL LLC

By: **GUO PING LUO, Manager**

-- END OF INSTRUCTIONS --



CENTRAL ESCROW GROUP, INC.

515 West Garvey Avenue, Suite 118, Monterey Park, CA 91754
Office (626) 280-1700 Fax (626) 280-1717

SUPPLEMENTAL ESCROW INSTRUCTIONS

TO: Central Escrow Group, Inc.

Date: September 12, 2025
Escrow Officer: Beatrice Wang
Escrow Number: CEG112576-BW

CENTRAL ESCROW GROUP, INC. IS LICENSED AS AN ESCROW AGENT BY THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION OF THE STATE OF CALIFORNIA, LICENSE # 96DBO-57158.

I/We, the undersigned principals, hand Central Escrow Group, Inc. ("Escrow Holder"), a copy of the AIRCR CONTRACTS Standard Offer, Agreement and Escrow Instructions For Purchase of Real Estate Dated August 27, 2025, (hereinafter the "Purchase Agreement") which is incorporated herein by reference and shall serve as escrow instructions, if executed and legible. Escrow Holder's duties are limited to those paragraphs in the Purchase Agreement specifically outlining the duties Escrow Holder is obligated to perform. All other terms and conditions in the Purchase Agreement are between Buyer and Seller only, and Escrow Holder is not to be concerned with or liable for any obligations between the parties or their brokers or any other items in the Purchase Agreement.

For clarification purposes, the following is restated from the Purchase Agreement:

Close of Escrow is to be November 26, 2025

TERMS OF TRANSACTION		
Buyer has deposited with escrow	\$	162,000.00
Buyer will deposit prior to Close of Escrow	\$	5,238,000.00
TOTAL CONSIDERATION:	\$	5,400,000.00

I/We the undersigned will deliver to Escrow Holder any instruments or funds required for Escrow Holder to comply with these instructions, all of which Escrow Holder is authorized to use provided that on or before Close of Escrow, Escrow Holder is in a position to obtain a Policy of Title Insurance as required by Purchase Agreement, with the usual title company exceptions and a liability of at least the amount of the total consideration above, on the real property in the County of Los Angeles, State of California described as follows:

LEGAL DESCRIPTION PER EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

SELLER STATES PROPERTY ADDRESS IS: 810 Monterey Pass Road, Monterey Park, CA 91754

TITLE SHALL BE VESTED IN: CITY OF MONTEREY PARK, A GENERAL LAW CITY AND MUNICIPAL CORPORATION (Buyer shall provide Escrow Holder with complete vesting in escrow. Escrow Holder is instructed to correct the Grant Deed being delivered in the above numbered escrow to reflect the vesting designated by Buyer, over the notarized signature of Seller thereon, with no further authorization required.)

PROPERTY IS FREE FROM ENCUMBRANCES EXCEPT:

1. Current General and Special County and City Taxes (if any) for the fiscal year including personal property taxes, if any, assessed against the former owner.
2. Covenants, conditions, restrictions, rights of way, easements and the exception or reservation of minerals, oil, gas, water, carbons and hydrocarbons on or under said land, now of record.

ADDITIONAL INSTRUCTIONS ATTACHED HERETO AND MADE A PART HEREOF
My initials below represent my agreement and acknowledgment of the foregoing.

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3. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5 (commencing with Section 75) of the Revenue and Taxation Code of the State of California.

SUPPLEMENTAL ESCROW INSTRUCTIONS:

1. **CITY REQUIREMENTS:** Parties hereto are aware that subject property may be located within a City that has requirements and/or ordinances regarding the sale and transfer of real property. Escrow Holder is herein instructed NOT TO TAKE ANY ACTION regarding same, unless handed further written instructions from Buyer and Seller herein.

****ADDITIONAL ESCROW INSTRUCTIONS AND TERMS ("GENERAL PROVISIONS") ATTACHED HERETO ARE BY REFERENCE INCORPORATED HEREIN AND MADE A PART HEREOF. THE UNDERSIGNED HEREBY ACKNOWLEDGE THEY HAVE RECEIVED AND READ THE "GENERAL PROVISIONS" AND APPROVE, ACCEPT AND AGREE TO BE BOUND THEREBY.**

****INDEMNIFICATION:** Parties herein agree to indemnify Escrow Officer, BEATRICE WANG, ("Escrow Holder") of CENTRAL ESCROW GROUP, INC. and CENTRAL ESCROW GROUP, INC. from and against any and all actions, claims, costs, damages, disbursements, expenses, judgements, liabilities, obligations, penalties and suits of any kind or nature whatsoever, including but not limited to attorney's fees which may or shall directly or indirectly arise from or incur by reason of any of the terms and provision stated in the Agreement and the General Provisions and/or the non-authentic document(s), or signature(s) contained on any document(s) furnished to Escrow Holder from Buyer and Seller.

BUYER(S):

**CITY OF MONTEREY PARK, A GENERAL
LAW CITY AND MUNICIPAL CORPORATION**

APPROVED AS TO FORM:

By: **KARL H. BERGER**, City Attorney

By: **INEZ ALVAREZ**, Manager

SELLER(S):

JRL LLC

DocuSigned by:
Guoping Luo
ABEF55FB41B475...

By: **GUO PING LUO**, Manager

ADDITIONAL INSTRUCTIONS ATTACHED HERETO AND MADE A PART HEREOF
My initials below represent my agreement and acknowledgment of the foregoing.

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ADDITIONAL ESCROW INSTRUCTIONS AND TERMS (GENERAL PROVISIONS)

1. **Terms and Subject Headings:** In these escrow instructions, the terms "you", "your", and "Escrow Holder" shall mean CENTRAL ESCROW GROUP, INC., wherever the context requires, the masculine gender includes the feminine and/or neuter and the singular number includes the plural.
2. **Opening of Escrow:**
 - A. Your duty to act as escrow holder **shall not commence** until these instructions signed by all parties are received by Escrow Holder. Until such time either party may unilaterally cancel by written request delivered to Escrow Holder, a party may withdraw funds and/or documents deposited by that party, **except** as expressly limited by an Offer to Purchase, Deposit Receipt, C.A.R. Form, or any other Purchase Agreement between the parties received by Escrow Holder.
 - B. These Supplemental Escrow Instructions and General Provisions may be executed in counterparts, each of which shall be deemed an original regardless of the date of this execution and delivery. All such counterparts together shall constitute one and same document. Any and all further escrow instructions, amendments or supplements shall also be governed by the terms and conditions of these Supplemental Escrow Instructions and General Provisions, except as may be amended or modified by the written mutual agreement of the parties and Escrow Holder.
3. **Conflicts with California Residential Purchase Agreement and Joint Escrow Instructions:** The parties agree that the escrow instructions in the California Residential Purchase Agreement and Joint Escrow Instructions, like all other instructions in this escrow transaction, are governed by and superseded by these general provisions. The parties agree to execute supplemental instructions confirming their agreement to any additional terms and conditions of Escrow Holder, including these general provisions, and authorize Escrow Holder to resign from processing this escrow transaction if mutual agreement cannot be reached between the parties and Escrow Holder relative to the terms of conditions of Escrow Holder's duty
4. **Responsibility of Escrow Holder:**
 - A. All parties agree that your rights and liability in this transaction is as an escrow holder, and no other legal relationship is created. You are an escrow holder only on the express terms of these instructions. You have no duty or responsibility to notify me or any other party related to this escrow of any sale, resale, loan, exchange or other transaction involving any property herein described or of any profit realized by any person, firm, corporation or parties (broker, agent) to this or any other escrow, regardless of the fact that such transaction(s) may be handled by you in this escrow or in another escrow. You shall not be required to take any action in connection with the collection, maturity or apparent outlaw of any obligations deposited in this escrow, unless otherwise instructed.
 - B. Escrow Holder's duties hereunder shall be limited to the safekeeping of such money and documents received by you as escrow holder and for the disposition of same in accordance with the written instructions accepted by Escrow Holder in this escrow. Escrow Holder shall not be liable for any damages, losses, costs or expenses incurred by any party in the handling and processing of escrow as a result of any act or failure to act made or omitted in good faith or for any action taken that Escrow Holder shall in good faith believe to be genuine.
 - C. NOTWITHSTANDING ANY PROVISIONS TO THE CONTRARY IN THE PURCHASE AGREEMENT, ESCROW INSTRUCTIONS, AMENDMENTS, OR LENDER INSTRUCTIONS; **ESCROW HOLDER DOES NOT VERIFY SIGNATURES** OR INVESTIGATE WHETHER THERE IS FALSE IMPERSONATION, FORGERY, OR FRAUD ON DOCUMENTS DEPOSITED INTO THIS ESCROW BY THE PARTIES OR THEIR AGENTS.
 - D. ESCROW HOLDER IS NOT LIABLE OR RESPONSIBLE IN ANY MANNER FOR THE SUFFICIENCY OR CORRECTNESS AS TO FORM, CONTENT, MANNER OF EXECUTION, OR VALIDITY OF ANY DOCUMENTS; OR AS TO THE IDENTITY, AUTHORITY, CAPACITY OR RIGHTS OF ANY PERSON EXECUTING THE SAME WHICH ARE DEPOSITED INTO ESCROW. ESCROW HOLDER IS NOT LIABLE OR RESPONSIBLE FOR ANY LOSS THAT MAY OCCUR BY REASON OF FORGERIES, FRAUD OR FALSE REPRESENTATIONS MADE BY OR INVOLVING THIRD PARTIES, A PRINCIPAL'S AGENTS, OR PRINCIPAL TO THIS ESCROW. IF A PARTY OR LENDER DESIRES THAT ESCROW HOLDER VERIFY ANY SIGNATURE(S) ON INSTRUCTIONS, CHECKS, LOAN DOCUMENTS, OR OTHER ITEMS A SEPARATE WRITTEN ESCROW INSTRUCTION MUST BE ENTERED INTO THAT SPECIFICALLY EVIDENCES ESCROW HOLDERS EXPRESS AGREEMENT TO UNDERTAKE SUCH RESPONSIBILITY, UPON THE PAYMENT OF AN ADDITIONAL FEE.
 - E. Escrow Holder is authorized and directed to deposit any and all funds received in this escrow in an "Escrow Trust Account" with any state or national bank in the name of Escrow Holder with other escrow funds pending the completion of this escrow. UNLESS OTHERWISE AGREED IN WRITING, EACH PARTY UNDERSTANDS THAT THE ESCROW TRUST ACCOUNT IS NON-INTEREST BEARING. NO FINANCIAL OR OTHER BENEFITS WILL BE EARNED BY OR PROVIDED TO ANY OF THE PARTIES WITH RESPECT TO SUCH FUNDS; NOTWITHSTANDING, ESCROW HOLDER AND ITS AFFILIATES MAY

ADDITIONAL INSTRUCTIONS ATTACHED HERETO AND MADE A PART HEREOF
DS My initials below represent my agreement and acknowledgment of the foregoing.

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RECEIVE DIRECT OR INDIRECT FINANCIAL AND OTHER BENEFITS FROM THE DEPOSITORY WITH RESPECT TO SUCH FUNDS. THESE BENEFITS SHALL BE TREATED AS ADDITIONAL COMPENSATION TO ESCROW HOLDER FOR ITS SERVICES IN THIS TRANSACTION.

- F. All parties depositing funds in connection with this escrow are hereby notified that the funds so deposited are insured by the bank only to the limits provided by the Federal Deposit Insurance Corporation.
- G. If it is necessary, proper or convenient for the consummation of this escrow, you are authorized to deposit or have deposited funds or documents, or both, handed you under these escrow instructions with any duly authorized sub-escrow holder, including, but not limited to, any bank, trust company, title company, savings and loan association, or licensed escrow agent, subject to your order at or before Close of Escrow in connection with closing this escrow. Any such deposit shall be deemed a deposit under the meaning of these escrow instructions.
5. **Time Is Of The Essence In These Instructions:** If the date by which a Buyer's or Seller's performance is due is other than your regular business day, such performance shall be due on your next succeeding business day. In the event that the conditions of this escrow have not been complied with at the expiration of the time provided for herein, or any extension thereof, you are nevertheless instructed to complete the same at the earliest possible date thereafter, unless a party makes written demand upon you for cancellation and the return of the money and/or instruments deposited. If written demand to cancel is received, at your sole discretion, you may stop and withhold all further proceedings in this escrow without liability for interest on funds held or for damages, until a satisfactory mutual cancellation instructions signed by all parties are deposited into this escrow or the demand is withdrawn by the party or by further mutual instructions in a form satisfactory to Escrow Holder.
6. **Prorating Authorization:** Escrow Holder will make all prorations and adjustments on the basis of a thirty (30) day month, unless otherwise instructed in writing. The "Close of Escrow" with reference to said prorations and adjustments used in this escrow means the date on which documents are recorded, unless otherwise specified in writing.
7. **Property Tax Proration:** Escrow Holder will prorate real property taxes based upon tax figures provided by the title company in this transaction, without liability to Escrow Holder as to their correctness. Buyer is aware that the property will be reassessed upon change of ownership. The County Tax Assessor may issue supplemental tax bills for more than the amount used for prorating purposes, or in the event there has been an overpayment, the overpayment amount may not be refunded, but may instead be held for a subsequent credit against the payment of future taxes on the property. Buyer and Seller hereby agree that any overpayment or underpayment of taxes shall be adjusted by and between the Buyer and Seller outside of escrow. **TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED BETWEEN BUYER AND SELLER OUTSIDE OF ESCROW.** Escrow Holder is hereby released from responsibility or liability of any kind arising out of any such overpayment or underpayment of taxes, which shall survive the Close of Escrow.
8. **Preliminary Change of Ownership Report:** Section 480.3 of the Revenue and Taxation Code requires that a "Preliminary Change of Ownership Report" be completed and certified by Buyer and filed concurrently with the Deed or other documents that reflect a change of ownership in real property. The Buyer herein agrees to complete and sign said report and deliver same to Escrow Holder for filing. Escrow Holder shall forward same to the title company for submission to the Recorder's Office at the Close of Escrow. Buyer understands and acknowledges that the County Recorder's Office will charge an additional non-refundable fee of twenty Dollars (\$20.00) should the fully completed/certified report not accompany the conveyance document or be rejected. In addition to this fee, there may be additional expenses incurred by Buyer outside of escrow or after the Close of Escrow as a result of Buyer's failure to file a fully completed/certified report. Buyer authorizes Escrow Holder to debit the Buyer's account for said twenty Dollars (\$20.00) prior to the Close of Escrow in the event the change of ownership statement is not deposited with Escrow Holder as provided for herein. Buyer is responsible for completing and returning any Change of Ownership Report required by the Office of the County Assessor after the Close of Escrow and shall be exclusively responsible for any penalty or reassessment tax imposed by the Office of the County Assessor for Buyer's failure to return any Change of Ownership Report to the Office of the County Assessor.
9. **Foreign Investment In Real Property Act – FIRPTA – Withholding:** The sale of a U.S. real property interest by a foreign person is subject to the Foreign Investment in Real Property Tax Act of 1980 (FIRPTA) income tax withholding. Persons purchasing U.S. real property interests from foreign persons, certain purchasers' agents, and settlement officers are required to withhold ten percent (10%) or fifteen percent (15%) of the amount realized. Withholding is intended to ensure U.S. taxation of gains realized on disposition of such interests. The Buyer shall remain the withholding agent notwithstanding any act by the Escrow Holder. The Buyer must find out if Seller is a foreign person. If Seller is a foreign person and Buyer fails to withhold, the Buyer may be held liable for the tax.
- Seller and Buyer agree to execute and deliver to Escrow Holder any instrument, affidavit and statement or to perform any act reasonably necessary to carry out the provisions of FIRPTA and regulations promulgated there under. Seller herein certifies under penalty of perjury, that the information provided on said form is true, correct and complete. Buyer and Seller hereby agree to hold Escrow Holder harmless and indemnify Escrow Holder regarding compliance with this instruction.
10. **State Tax Withholding: CAL-FIRPTA Notification To Buyer And Seller Regarding Tax Withholding Requirements Of California On The Sale Of Real Property:** Certain Sellers may be exempt from withholding. Each Party must seek independent tax advice from a professional. California Revenue and Taxation Code Section 18662 (as amended) requires prepayment of income tax by withholding of three and one-third percent (3-1/3%) on the total sales price on real property for individuals and non-individual sellers of real property, whether resident or non-resident. Alternatively, a Seller may elect to withhold on the gain on the sale and based on the

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applicable withholding rates effective at the Close of Escrow. For more information, Buyers and Sellers should refer to **Form 593**, Real Estate Withholding Certificate and Computation of Estimated Gain or Loss from the California Franchise Tax Board.

Withholding is also required for real estate foreclosures and short sale transactions unless any exemptions certified on **Form 593** apply or the sale qualifies under the automatic exclusions. For more information on real estate foreclosures and short sale transactions, refer to Publication 1016, Real Estate Withholding Guidelines by the California Franchise Tax Board. Any further questions regarding Withholding Requirements for Sale of California Real Estate may be answered at www.ftb.ca.gov or by seeking independent professional tax advice.

The parties acknowledge that Escrow Holder is under no duty to take action regarding withholding without further mutual written instructions of buyer and seller in a form satisfactory to Escrow Holder, together with the completion of Franchise Tax Board forms. Section 18662 of California Revenue and Taxation Code (as amended) requires a BUYER of real property to withhold if the Seller's exemption is not met. If withholding is not made Buyer may become subject to a penalty in the amount equal to the greater of ten percent (10%) of the amount required to be withheld or five hundred dollars (\$500.00). For additional information, contact: FRANCHISE TAX BOARD, WITHHOLD AT SOURCE UNIT, P.O. BOX 651, SACRAMENTO, CA 95812-0651, PHONE: (916) 845-4900 OR Toll Free AT (888) 792-4900. Seller and Buyer hereby agree to comply with Section 18662 of California Revenue and Taxation Code (as amended), and Seller shall cause to be deposited into escrow such forms that maybe necessary for the parties hereto to be in compliance with said tax code (as amended). The parties agree to hold Escrow Holder harmless and indemnify Escrow Holder for complying with any CAL-FIRPTA instruction or any third-party claims that may arise.

11. **Tax Reporting/1099:** As a condition to Escrow Holder's agreement to process this transaction, certain information must be provided by the Sellers/Transferors to the Escrow Holder before the date of closing. Under the Tax Reform Act, Internal Revenue Service Code Section 6045(e), Escrow Holder will report the gross proceeds of an ownership interest in reportable real estate to the Internal Revenue Service ("IRS"). The Seller/Transferor is required by law to furnish a correct Taxpayer Identification Number ("TIN") or Social Security Number to Escrow Holder. The Seller/Transferor is aware that the failure to do so may subject the Seller/Transferor to civil or criminal penalties. Each Seller/Transferor must provide a permanent address to which the Escrow Holder can mail the IRS Form 1099-S following the Close of Escrow.

In the event there is more than one Seller/Transferor, any allocation of the gross proceeds from the within transaction must be received by Escrow Holder prior to the date of closing. If Escrow Holder fails to receive a complete allocation or receives no allocation as to any Seller/Transferor, Escrow Holder must report the entire unallocated gross proceeds to that Seller/Transferor. If conflicting allocations are received, Escrow Holder must Report the entire gross proceeds on each Seller/Transferor's 1099-S Form to the IRS. Sellers/Transferors' who are married or domestic partners on the closing date and who hold title to the subject property as tenants in common, joint tenancy or community property are treated for reporting purposes as a single Seller/Transferor.

12. **Allocation of Costs:** Escrow Holder is instructed to debit Buyer and Seller in accordance with Purchase Agreement and pay relevant bills as presented at the Close of Escrow. Escrow Holder shall not be responsible for paying bills received after Close of Escrow, and Buyer and Seller hereby release Escrow Holder from any liability or responsibility in connection therewith. All parties agree to pay escrow fees and charges, including messenger fees, overnight delivery charges, recording fees, charges for evidence of title, and handling and notary fees, if applicable, whether at cancellation or Close of Escrow. Escrow Holder is authorized to release funds, if applicable, from money on deposit to pay for any credit report, appraisal, City Report, lender, or association statement, demand, transfer fees or documents which may be required to be paid in advance of closing. Funds released prior to the Close of Escrow are non-refundable regardless of the consummation of this escrow. If not provided for in the Purchase Agreement, the Owner's Title Insurance premium will be charged to Seller and the ALTA Lender's Policy, if applicable, will be charged to Buyer at Close of Escrow, and all other closing costs are to be charged pursuant to the Purchase Agreement. Unless otherwise instructed, Escrow Holder will debit the Seller for any transfer tax that may be imposed by any City or County in which the subject property of this escrow is located and is authorized to pay any bonds, assessments, taxes, or any lien of records, including any prepayment penalties, if any, to transfer title to Buyer as called for in this escrow.
13. **Authorization to Send Documentation:** Unless otherwise instructed, the Buyer(s) and Seller(s) hereby authorize Escrow Holder to release estimated closing statements, executed escrow instructions, amendments, and final closing statement or consolidated Settlement Statement to any new lender or "short-pay" lender necessary to close the escrow. This authorization shall pertain to the documentation set forth above only. Escrow Holder may furnish a copy of these instructions, amendments, notice of cancellation, title reports, estimated and final closing statements to any real estate broker, lender or title company, referenced in this escrow, prior to Close of Escrow
14. **Personal Property:** Any Personal Property the subject of this transaction (except Mobile homes) is exclusively between the parties and of no concern to Escrow Holder. Escrow Holder shall conduct no lien or title search of personal property regarding the sale or transfer of any personal property through this escrow. Should the parties desire that you conduct a lien or title search of personal property, the parties or lender requesting the same shall enter into a separate and specific written agreement which evidences Escrow Holder's agreement to undertake such responsibility upon the payment of additional fees.
15. **Beneficiary Statement/Pay off Demands:** Escrow Holder is not responsible for the contents or accuracy of any beneficiary demands, beneficiary statements, or pay off demands delivered to you by the existing lien holders or homeowner associations. Escrow Holder is

ADDITIONAL INSTRUCTIONS ATTACHED HERETO AND MADE A PART HEREOF

My initials below represent my agreement and acknowledgment of the foregoing.

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not required to submit any such beneficiary statements and/or demand to the parties for approval before the Close of Escrow unless expressly instructed to do so in writing. Should the parties desire to pre-approve any such beneficiary statement and/or demand, the parties requesting the same shall deliver separate and specific written escrow instructions to Escrow Holder. The Parties and lender are aware the title company utilized for obtaining a Title Insurance Policy will also be utilized in this transaction as a sub-escrow holder; and shall be charged with the exclusive duty of making the payment of any taxes, beneficiary or payoff demands; and obtain a full or partial reconveyance of any liens or encumbrances paid through this escrow to place title of the property in the manner provided for in any lender's instructions or other escrow instructions. **Seller is aware that interest on existing loans is paid in arrears, and that their account will be charged interest on the payoffs of existing loans until the lender receives the payoff funds from the title company after the Close of Escrow.** The parties expressly indemnify and hold you harmless against third-party claims for any fees, costs or expenses where you have acted in good faith, with reasonable care and prudence and/or in compliance with these escrow instructions.

16. Title Insurance:

- A. You are instructed to open a title order for title insurance to the subject real property in the condition identified in the Purchase Agreement or Escrow Instructions by the parties. However, you are not required to submit any title report issued or documents described in any title report in connection with this escrow to any party or agent unless directed to do so in writing. You may, however, do so without incurring liability to any party for such submission. You are hereby authorized to submit such report to any proposed lender, and are authorized to deliver assurances of title, and insurance policies, if any, to hold or for senior encumbrances or order, or if there are no encumbrances, then to Buyer or his order.
- B. The parties authorize the recording of any instrument delivered through this escrow if necessary or proper for the issuance of the required policy of title insurance or for the closing of this escrow. Funds, instructions or instruments received in this escrow may be delivered to, or deposited with any title insurance company or title company to comply with the terms and conditions of this escrow. Recording fees shall be charged to the account of the benefited party.
- C. Buyer and Seller authorize and instruct Escrow Holder to utilize the legal description deposited into escrow or provided by the title insurance company in this transaction for the preparation of any deed or other documentation necessary to close this transaction. Escrow Holder has no duty to investigate and does not guarantee the accuracy of said legal description and is released of any and all liability, responsibility and is held harmless in connection thereto.

- 17. Final Funds:** Pursuant to the "Good Funds" legislation, Assembly Bill 512 (AB 512) effective January 1, 1990, the parties hereto are made aware that closing funds to be deposited by Buyer, Seller and/or lender as a condition of escrow must be **CLEARED** prior to recordation (Close of Escrow). Escrow Holder will require deposit of final funds **FIVE (5) business days** prior to the Close of Escrow if funds are deposited in the form of a Cashier's Check, or **TWO (2) business days** prior to the Close of Escrow, if funds are deposited by Wire Transfer. **All final funds due to close escrow in EXCESS OF ONE HUNDRED THOUSAND DOLLARS (\$100,000.00) MUST BE WIRE TRANSFERRED.** Final funds must be issued or wired by a U. S. bank or savings and loan association located in the State of California. **Buyer's deposit of final funds with Escrow Holder shall be deemed satisfaction and removal of all contingencies, terms and conditions and approval of the loan documents, terms and conditions. Buyer's deposit of final funds shall also serve as Buyer's authorization and instructions to Escrow Holder to close the escrow at the earliest possible date.** Escrow Holder may, in its sole discretion, require Buyer and/or Seller to deposit additional funds into escrow (a "pad") to cover expenses in excess of those originally estimated. The unused portion of any such "pad" shall be refunded to Buyer and/or Seller after closing.

18. New Loans:

- A. After receipt of Buyer's final funds, Escrow Holder may request Buyer's new lender (if any) to fund the new loan proceeds one business day prior to Close of Escrow. Buyer is aware that interest on any new loan funded in connection with this escrow will **accrue from the date of lender's funding and that there may be a delay between the funding date and recording date due to the recording schedule of the Recorder's office or the hold placed on certain deposits because of the above-referenced "Good Funds" legislation.** Escrow Holder shall have no liability for the payment of interest on any loan or for the early funding by the lender or any delay caused by the lender's failure to timely fund or based on the date of distribution of funds at Close of Escrow.
- B. Escrow Holder is not to be responsible or concerned in any way with the terms of any new loan or the content of any loan documents in connection with this escrow. Escrow Holder's duties are limited to receiving loan documents into the escrow file, transmitting the loan documents for execution and transmitting the executed loan documents to lender for review and approval. The parties understand and agree that Escrow Holder does not interpret or explain loan documents, nor is Escrow Holder involved or concerned with the underwriting, disclosures, approval and processing of any loan or the contents and effects of loan documents prepared by a lender.
- C. The parties understand that Escrow Holder is only a settlement agent, not a "creditor" regarding new loans, therefore Escrow Holder has no duty of disclosure under TILA, RESPA, or HOEPA (15 U.S.C. 1635(a), 15 U.S.C. 1638(a), 15 U.S.C. 1639(a)(1)) regarding any loans. Any questions regarding the loan terms, documents or disclosures are to be directed to the loan broker or lender of the party. Escrow Holder is completing the Settlement Statement in this transaction in reliance on the information provided to Escrow Holder by the loan brokers or lender and this information is not verified by Escrow Holder. Escrow Holder shall not be liable or responsible for any inaccuracies regarding loan estimates or the actual loan terms

ADDITIONAL INSTRUCTIONS ATTACHED HERETO AND MADE A PART HEREOF
My initials below represent my agreement and acknowledgment of the foregoing.

SELLERS INITIALS

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- D. Escrow Holder is irrevocably instructed to comply only with the portion of any lender's instructions pertaining to usual escrow functions under California law. Escrow Holder is not required or responsible in any way for making disclosures, warranting any facts, or ensuring for the lender any secondary sales transaction, purchase, guarantee by FHA, VA, PMI or loan is purchased by investors. Escrow Holder shall not be required to perform title functions or performing lender's notice, regulatory or underwriting responsibilities under California or Federal law. Escrow Holder is authorized and instructed to forward lender's instructions regarding title, recording functions, and payment of encumbrances to the title company in this transaction for performance by title company in its capacity as insurer, recorder, abstractor of title and/or sub-escrow. NOTWITHSTANDING ANY OTHER DOCUMENTS OR INSTRUCTIONS SUBMITTED TO ESCROW HOLDER, WHETHER OR NOT SIGNED BY ESCROW HOLDER, THE ESCROW HOLDER HAS NO DUTY OR OBLIGATION TO REIMBURSE ANY BUYER(S)/ BORROWER(S)/ BROKER(S) OR LENDER(S) ANY SUM OR TO PURCHASE ANY LOAN, NOTE, DEED OR DEBT RELATING TO THIS ESCROW TRANSACTION.
- E. Escrow Holder shall not be responsible in any way whatsoever nor are you to be concerned with any question of usury in any loan or encumbrance, whether new or of record, which may arise during the processing of this escrow.
- F. **RESPA RULE:** Buyer and Seller hereby authorize and instruct Escrow Holder to debit Buyer for the Owner's title insurance premium and other charges if required by Buyer's lender in order to comply with the Real Estate Settlement Procedures Act. Escrow Holder is further instructed to debit Seller and credit Buyer as reimbursement for any such costs and charges which were to be paid by Seller as per the Purchase Agreement.

19. **Property Insurance:**

- A. It is Buyer's obligation to ensure that any new or assigned property hazard insurance policy regarding the real or personal property in this escrow fully complies with the lenders requirements regarding amount of coverage, terms, payee(s), insured, etc., and that the evidence of hazard insurance is timely deposited with Escrow Holder. Escrow Holder is hereby instructed to pay from Buyer's account the first year's premium at the Close of Escrow to Buyer's chosen insurance agent and may forward a copy of any evidence of an insurance policy to any lender, if requested. Escrow Holder shall have no duty or responsibility regarding hazard insurance, except to forward the first year's premium, or evidence of payment, and the evidence of buyer obtaining insurance to the lender. It is Buyer's or lender's exclusive duty to verify the policy of insurance provides adequate coverage for Buyer's and lender's needs and are obligated to ensure the policy of insurance is issued and remains in effect after the Close of Escrow.
- B. HOA Insurance (if applicable): Escrow Holder is authorized and instructed to debit funds deposited by Buyer for payment of any fee assessed by the Master Insurance Agent of the HOA for issuance of their Certificate. Buyer has satisfied himself of the existence of the master insurance coverage of the HOA and understands that this coverage is limited. Buyer is advised to fully investigate the extent and scope of its coverage and obtain any additional or supplemental coverage outside of escrow. Escrow Holder is not to be concerned nor held liable or responsible in connection therewith.
- C. ALL CASH (if applicable): It is Buyer's exclusive duty to obtain adequate hazard insurance coverage on the property that is the subject of this escrow. Buyer has the option of paying any hazard insurance premium through escrow. In the event Buyer exercises said option, Buyer shall in writing designate the insurance agent to be used and thereafter deposit sufficient funds into escrow for the first year premium prior to Close of Escrow.

20. **No Disclosures or Warranties:**

- A. The parties acknowledge that depending on the type (Commercial or Residential) and location (City) of real property involved in this escrow, there may be disclosure(s) as well as civil ordinance requirement(s) that would affect the transfer of the real property. Escrow Holder urges both parties to seek appropriate counsel from an attorney or licensed real estate broker to ascertain what disclosures, certificates and/or civil ordinances, if any, need to be complied with prior to the Close of Escrow, and outside of the escrow between the parties. The parties' signature upon these instruction shall be deemed evidence to the Escrow Holder that the parties have obtained independent counsel, are aware of any disclosures/civil ordinance requirements and will comply with same outside of this escrow. Unless otherwise instructed in writing to the contrary within the body of the Escrow Instructions, Escrow Holder has no responsibility or liability in connection with any such disclosures or requirements.
- B. Escrow Holder is not responsible or liable for the validity, regularity or sufficiency of municipal residential property reports, or retro-fit standards to be complied with upon the transfer of real property. You are instructed to forward request for Residential Property Report or Certificate of Compliance as handed to you to the appropriate governmental agency. You are to charge Seller with any fee to file such document, unless otherwise instructed. You are not to be responsible or liable for the content or timeliness of the response of any governmental agency.
- C. Escrow Holder is not responsible or concerned with the giving of any disclosures except as expressly required by Federal or State law to be given by an escrow agent. You have no responsibility or concern with the effect of zoning ordinances, land division regulations, homeowner associations or building restrictions, covenants, conditions, or restrictions (CCRs) which may pertain to or affect the land or improvements that are the subject of this escrow. The parties must satisfy themselves outside of escrow that the transaction covered by this escrow is not in violation of the Subdivision Map Act or any other law regulating land sub-division, CCR or homeowners association rule; and you as Escrow Holder have no responsibility or liability in connection therewith, and are

ADDITIONAL INSTRUCTIONS ATTACHED HERETO AND MADE A PART HEREOF

DS My initials below represent my agreement and acknowledgment of the foregoing.

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not to be concerned with the enforcement of said law. The parties' signatures on this instruction shall be deemed evidence that they are each aware of any such requirements.

- D. The parties agree that Escrow Holder is not responsible for requesting information and/or demands from any Homeowners Association, Home Protection Plan Provider, or Natural Hazard Disclosure Provider, unless expressly requested by the parties.
21. **Property Condition:** Escrow Holder makes no physical examination or inspection of any real or personal property described in these instructions or in any instrument or document deposited herewith. Escrow Holder accepts no agency or duty, and none may be implied in any manner under California Civil Code §1102.11, any other statute or authority, or written agreement for making or giving any disclosures under the Transfer of Residential Property. The parties hereby expressly acknowledge that Escrow Holder has no duty or liability whatsoever for the physical condition or habitability of any property the subject of this escrow
22. **Disbursements:** All disbursements shall be made by check of your company on said account; and all parties acknowledge and agree that Escrow Holder shall charge a twenty dollar (\$20.00) fee to any party requesting a duplicate check for any reason. All documents and funds due to respective parties herein shall be by United States mail to their addresses provided to Escrow Holder, unless otherwise instructed. The parties acknowledge that Escrow Holder has no control over or liability regarding a bank's timely processing or receipt of any disbursement made by check or wire transfer pursuant to a party's instruction. It shall be the party's duty to provide correct wire instructions to Escrow Holder, who shall not be obligated to confirm account's beneficiary. Escrow Holder is not responsible or liable for any act by a third-party, or any injury caused by delays or rejection of wire transfers due to the routing or account numbers, or for any loss due to an incorrect payee on any account that Escrow Holder is directed to wire funds into.
23. **Assignment of Proceeds:** If the parties to this escrow unilaterally assign or order the proceeds of this escrow to be paid to other than the original parties to this escrow, such assignment or order is subordinated to the expenses of this escrow, liens of record on the subject property, and payments directed to be made by original parties together. The parties understand and agree that such assignment of proceeds is subject to the approval of any lender. If the result of such assignment or order would be to leave the escrow without sufficient funds to close, then you are directed to close nevertheless, and pay such assignments or orders out of the net proceeds due except for such assignments or orders, and to pay them in the order in which such assignment or orders are received by you. If any assignment or transfer of interest is by operation of law, with or without the approval or consent of any or all of the parties hereto, you shall retain the right to deduct any and all escrow costs, fees and expenses provided for herein or under your current fee schedule from said assigned or transferred funds, properties or rights.
24. **Dishonored Checks:** If any check submitted to escrow is dishonored upon presentment for payment, Escrow Holder is authorized to notify all parties, their respective agents or any other person or entity Escrow Holder deems in its sole discretion necessary to notify of such nonpayment. The parties shall reimburse Escrow Holder for any costs or expenses in connection therewith. THE SELLER'S EXCLUSIVE LEGAL OR EQUITABLE REMEDY FOR ANY INJURY FROM THE DISHONORING OF ANY CHECK OR FUNDS FROM BUYER SHALL LIE ONLY AGAINST BUYER AND NOT ESCROW HOLDER.
25. **Reimbursement of Funds:** If Escrow Holder disburses more funds to or for the benefit of any party than they are entitled to receive, or the escrow has a shortage to or for the benefit of any party, that benefitting party agrees to repay Escrow Holder the amount of the overpayment or shortage within five days of its demand, after which interest shall accrue at the rate of ten percent (10%) per annum. In the event of any failure to pay fees, costs or expenses due hereunder, on Escrow Holder's demand the parties agree to pay a reasonable fee for any attorney services which may be required to collect such fees, costs, or expenses, in addition to any other fees and costs as the court may otherwise determine.
26. **Document Retention:** The parties acknowledge, consent and expressly authorize the Escrow Holder to convert, store, or otherwise maintain any original documents (including executed purchase agreements) or copy thereof submitted or otherwise provided to Escrow Holder in an electronic format or medium for all purposes. Upon Escrow Holder's transfer of any document into an electronic format, it is expressly authorized without any liability to destroy the original paper documents submitted or otherwise provided to Escrow Holder. The parties to these Escrow Instructions authorize Escrow Holder to destroy these instructions and all other instructions, documents and electronic records of this escrow at any time after five (5) years from the Close of Escrow, cancellation, or date of the last activity without liability and without further notice to the parties. The parties further acknowledge and agree that Escrow Holder shall be entitled to charge a document retrieval fee to any party requesting access to an original document that is in storage in accordance with your schedule of fees and charges.
27. **Choice of Law and Limitations:** These instructions are to be construed and interpreted according to California Law. **NO ACTION SHALL LIE AGAINST ESCROW HOLDER FOR ANY CLAIM, LOSS, LIABILITY OR ALLEGED CAUSE OF ACTION OF ANY KIND OR NATURE WHATSOEVER, HOWEVER CAUSED OR OCCURRED, UNDER THIS ESCROW OR IN CONNECTION WITH THE HANDLING OR PROCESSING OF THIS ESCROW, UNLESS BROUGHT WITHIN TWELVE (12) MONTHS AFTER THE CLOSE OF ESCROW OR ANY CANCELLATION OR TERMINATION OF ESCROW FOR ANY REASON WHATSOEVER.**
28. **No Legal, Financial or Tax Advice:** THE PARTIES ACKNOWLEDGE AND UNDERSTAND THAT ESCROW HOLDER IS NOT AUTHORIZED TO PRACTICE LAW NOR DOES IT GIVE FINANCIAL ADVICE. THE PARTIES ARE ADVISED TO SEEK LEGAL AND FINANCIAL COUNSEL AND ADVICE CONCERNING THE EFFECT OF THE PURCHASE AGREEMENT, THESE ESCROW INSTRUCTIONS AND GENERAL PROVISIONS, ANY LOAN DOCUMENTS OR OTHER FINANCIAL/TAX

ADDITIONAL INSTRUCTIONS ATTACHED HERETO AND MADE A PART HEREOF

My initials below represent my agreement and acknowledgment of the foregoing.

SELLERS INITIALS

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[Signature]

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DOCUMENTS OR CONSEQUENCES. THE PARTIES ACKNOWLEDGE THAT NO REPRESENTATIONS ARE MADE BY ESCROW HOLDER AND NO RELIANCE PLACED ON THE LEGAL SUFFICIENCY, LEGAL CONSEQUENCES, FINANCIAL EFFECTS OR TAX CONSEQUENCES OF ANYTHING WITHIN THIS ESCROW TRANSACTION.

29. **Witness Fees:** If any officer, agent, employee, or representative of Escrow Holder is required to respond to any subpoena or other order to personally appear in an action or proceeding in which Escrow Holder's breach or fault is not in issue, the party requiring such appearance agrees to indemnify and hold you harmless from and against all costs, expenses and reasonable attorney's fees expended or incurred by you in connection with such appearance. The party requiring such appearance shall pay to Escrow Holder and its officer, agent, employee, or representative, in addition to the amounts from time to time provided for by law, the sum of four hundred dollars (\$400.00) as an additional witness fee for each day or part thereof that an officer, agent, employee or representative of Escrow Holder is required to attend. As a condition precedent to any obligation to appear under such subpoena or order, the party requesting such appearance must concurrently with the service of the subpoena or order pay the additional witness fee that is agreed to herein for each day's actual attendance, even if no testimony is given.
30. **Legal Fees:** All of the parties to this escrow, jointly and severally, promise to pay promptly on demand, as well as to indemnify you and to hold you harmless from and against all administrative governmental investigations, audit and legal fees, litigation and interpleader costs, damages, judgments, attorneys' fees, arbitration costs and fees, expenses, obligations and liabilities of every kind (collectively "costs") which in good faith you may incur or suffer in connection with or arising out of this escrow, whether said costs arise during the performance of or subsequent to this escrow, directly or indirectly, and whether at trial, or on appeal, in administrative action, or in an arbitration. You are given a lien upon all the rights, title and interests of the parties and all escrow papers and other property and monies deposited into this escrow to protect your rights and to indemnify and reimburse you. If the parties do not pay any fees, costs or expenses due you under the escrow instructions or do not pay for costs and attorneys' fees incurred in any litigation, administrative action and/or arbitration, on demand, they each agree to pay a reasonable fee or any attorney services which may be required to collect such fees or expenses, whether attorneys' fees are incurred before trial, at trial, on appeal or in arbitration.
31. **Dispute Resolution-- Mediation:** Notwithstanding any other mediation provisions, Buyer, Seller and broker(s) also agree to mediate any dispute or claim arising out of this Agreement between themselves and Escrow Holder, before resorting to court action. Escrow Holder also agrees to such mediation prior to, or within a reasonable time after, the dispute or claim is presented to the Escrow Holder. Mediation fees, if any, shall be divided equally among the parties involved. If, for any dispute or claim to which this paragraph applies, any party (i) commences an action without first attempting to resolve the matter through mediation, or (ii) before commencement of an action, refuses to mediate after a request has been made, then that party shall not be entitled to recover attorney fees, even if they would otherwise be available to that party in any such action. Exclusions from this mediation agreement are:
- EXCLUSIONS: The following matters are excluded from mediation: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in Civil Code §2985; (ii) an interpleader action; and (iii) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court. The filing of a court action to enable the recording of a notice of pending action, or for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a waiver nor violation of the mediation provisions.
32. **Fees and Expenses:** Fees and charges agreed upon for your services shall be considered compensation for ordinary services as contemplated by these instructions. The parties hereby acknowledge and agree one or more parties to this escrow may receive a reduced escrow fee. ALL PARTIES ACKNOWLEDGE AND AGREE THAT ESCROW HOLDER SHALL CHARGE BUYER AND SELLER AN AUDIT FEE FOR THIS ESCROW TRANSACTION IN ACCORDANCE WITH YOUR SCHEDULE OF FEES AND CHARGES. If the conditions of this escrow are not promptly fulfilled by the parties, or if you render any service not provided in these instructions, or if the parties request a substantial modification of its terms; or if any controversy arises, or if you are made a party to, or intervene in or are required to participate in any mediation, arbitration or litigation, including an interpleader action, pertaining to this escrow or its subject matter, prior to, during, or after the Close of Escrow, you shall be reasonably compensated for such extraordinary services and reimbursed for all costs and expenses incurred by you, including any legal fees or costs incurred whether litigation is filed or not, and costs and expenses occasioned by the default, delay, controversy, mediation, arbitration or litigation.
33. **Conflicting Demands/Instructions & Interpleader Actions:** If conflicting demands are made upon you or notice given of any controversy or legal action between the parties or third person(s) in connection with this escrow, you shall not be required to determine or resolve conflicting demands or claims or take any action, but shall have the absolute right to stop and withhold all further proceedings in the performance of this escrow without liability, until any such conflicting demands or claims have been determined, resolved, or eliminated by mutual written agreement of the parties, a valid amendment or supplement to your escrow instructions, or a final order or judgment of a court of competent jurisdiction in form satisfactory to you is deposited into escrow. You may also, at your sole discretion, file an action in interpleader or declaratory relief, and are instructed and authorized to deposit any documents or funds which are the subject of conflicting demands or claims with the court pursuant to any such action, less your escrow fees, costs, and attorneys fees incurred to date.
34. **Resignation:** At any time prior to the Close of Escrow, Escrow Holder may, at its sole option, and without liability to the parties, give written notice to the parties and resign from the escrow, as escrow holder. Escrow Holder shall be entitled to be reasonably compensated for the escrow service performed and reimbursed all costs and expenses incurred up to resignation. The balance of any funds, property or documents shall be returned to the parties who deposited same or forwarded to a new escrow holder as mutually designated in writing

ADDITIONAL INSTRUCTIONS ATTACHED HERETO AND MADE A PART HEREOF

DS My initials below represent my agreement and acknowledgment of the foregoing.

SELLERS INITIALS

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by the parties.

35. Miscellaneous Conditions:

- A. You are authorized to use any standardized, preprinted form in order to comply with these instructions. Escrow Holder is authorized to use its own forms or any usual forms of any title insurance company or title company and may insert dates and terms on the instruments, if incomplete when executed by a party.
- B. Escrow Holder is authorized and instructed by the undersigned that it may, in its sole discretion, rely and act upon facsimile instructions, e-mail or electronic instructions or signatures including but not limited to escrow instructions, amendments or modifications, demands, lender instructions, pay-off instructions and bills from the parties or third parties, as though they are original instructions signed by the parties or third parties. In doing so, Escrow Holder is released of liability, responsibility and indemnified for any loss resulting from such reliance. The refusal of any lender involved in this transaction to accept electronically signed records or documents shall not affect this instruction or the validity of any other electronically signed record or document in this transaction.
- C. This escrow will be processed in the English language. Should any Principal elect to use a language translator to assist them in understanding the escrow process, or any documentation that is part of this escrow, that language translator will be selected and provided by the Principal in need of such assistance. The Escrow Holder will not provide any language translation services. In the event any language translation is provided by Escrow Holder it is rudimentary, solely as a courtesy and may not be relied upon. Escrow Holder will not be liable or responsible for the correctness of any language translator's interpretation of the escrow process or of any other documentation that is a part of this escrow.
- D. In the event any instruction or term in these Escrow Instructions is held invalid by judicial proceeding, the remaining shall continue to be operative and enforceable.

36. Final Funds: I/We agree to pay FUNDS REQUIRED TO CLOSE ESCROW UPON DEMAND.

37. Cancellation: The parties, jointly and severally, agree that if escrow cancels, is terminated or otherwise not closed, the parties shall pay you any costs and expenses which you have incurred or have become obligated for in processing this transaction including, but not limited to, courier fees, filing fees, attorneys' fees and costs, third-party vendor fees for services performed for this escrow, and an escrow cancellation fee for services rendered in an amount of five hundred dollars (\$500.00) or up to the full amount of the escrow fee depending on the status of the escrow at "cancellation." The parties agree that such costs, expenses and fees shall be paid from funds already on deposit or deposited in escrow before any cancellation or other termination of this escrow is effective. The parties agree that said charges for expenses, costs and fees may be apportioned between Buyer and Seller in a manner which, in Escrow Holder's sole discretion, it considers equitable and Escrow Holder's decision will be binding and conclusive upon the parties. Except as provided in the Purchase Agreement, upon receipt of mutual cancellation instructions, a final order or judgment of a court of competent jurisdiction with accompanying writs of execution, levies or garnishments in form satisfactory to Escrow Holder, you are instructed to disburse the escrow funds and instruments in accordance with such cancellation instruction, order, judgment or accompanying writ; and the subject escrow shall, without further notice be considered terminated and cancelled. IN THE EVENT ANY PARTY REQUESTS CANCELLATION OF THIS ESCROW AT ANY TIME ALL SUCH PARTIES ARE AWARE THAT THIS ESCROW WILL NOT BE CONSIDERED CANCELLED AND NO FUNDS WILL BE DISBURSED UNTIL ESCROW HOLDER HAS RECEIVED CANCELLATION INSTRUCTIONS SIGNED BY ALL PARTIES OR COURT ORDER IN FORM SATISFACTORY TO ESCROW HOLDER.

38. No Activity Cancellation: The parties to the transaction agree that if no additional instructions are received from one or both of the parties in this transaction within one hundred twenty (120) days from the date escrow is to close, or any written extension thereof, the Escrow Holder shall at its option consider the escrow cancelled and is authorized to take a cancellation fee in the amount of five hundred dollars (\$500.00) or up to the full amount of the escrow fee, based on Escrow Holder's determination of services performed. Any remaining deposits, documents or other items held by Escrow Holder may be disbursed to the depositors or parties specified in the instructions. Nothing herein restricts the ability of the Escrow Holder to file an interpleader action in the event of a dispute over the proper distribution of funds deposited with escrow.

Seller(s) Initials GL / _____

Buyer(s) Initials _____ / _____

39. Hold Open Fee: Unless otherwise instructed in writing and in addition to other fees and costs Escrow Holder may receive, if this escrow does not close or cancel for any reason, 60 days after the original designated closing date, Escrow Holder is authorized and hereby instructed to withdraw from any funds on deposit in escrow, each month and pay to itself a holding fee of \$75.00 for each calendar month or fraction thereof, that undistributed funds or documents are retained in escrow. Further, Escrow Holder is irrevocably instructed that this escrow transaction will automatically cancel when all funds on deposit are disbursed.

Seller(s) Initials GL / _____

Buyer(s) Initials _____ / _____

ADDITIONAL INSTRUCTIONS ATTACHED HERETO AND MADE A PART HEREOF
 _____ My initials below represent my agreement and acknowledgment of the foregoing.

SELLERS INITIALS GL

BUYERS INITIALS _____

THE UNDERSIGNED HEREBY ACKNOWLEDGE THEY HAVE RECEIVED AND READ THESE ADDITIONAL ESCROW INSTRUCTIONS AND GENERAL PROVISIONS AND APPROVE, ACCEPT AND AGREE TO BE BOUND HEREBY.

BUYER(S):

CITY OF MONTEREY PARK, A GENERAL
LAW CITY AND MUNICIPAL CORPORATION

APPROVED AS TO FORM:

By: KARL H. BERGER, City Attorney

By: INEZ ALVAREZ, Manager

SELLER(S):

JRL LLC

DocuSigned by:

Guoping Luo

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By: GUO PING LUO, Manager

-- END OF INSTRUCTIONS --



CENTRAL ESCROW GROUP, INC.

515 West Garvey Avenue, Suite 118, Monterey Park, CA 91754

Office (626) 280-1700 Fax (626) 280-1717

SUPPLEMENTAL ESCROW INSTRUCTIONS

TO: Central Escrow Group, Inc.

Date: September 12, 2025

Escrow Officer: Beatrice Wang

Escrow Number: CEG112576-BW

CENTRAL ESCROW GROUP, INC. IS LICENSED AS AN ESCROW AGENT BY THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION OF THE STATE OF CALIFORNIA, LICENSE # 96DBO-57158.

I/We, the undersigned principals, hand Central Escrow Group, Inc. ("Escrow Holder"), a copy of the AIRCR CONTRACTS Standard Offer, Agreement and Escrow Instructions For Purchase of Real Estate Dated August 27, 2025, (hereinafter the "Purchase Agreement") which is incorporated herein by reference and shall serve as escrow instructions, if executed and legible. Escrow Holder's duties are limited to those paragraphs in the Purchase Agreement specifically outlining the duties Escrow Holder is obligated to perform. All other terms and conditions in the Purchase Agreement are between Buyer and Seller only, and Escrow Holder is not to be concerned with or liable for any obligations between the parties or their brokers or any other items in the Purchase Agreement.

For clarification purposes, the following is restated from the Purchase Agreement:

Close of Escrow is to be November 26, 2025

TERMS OF TRANSACTION		
Buyer has deposited with escrow	\$	162,000.00
Buyer will deposit prior to Close of Escrow	\$	5,238,000.00
TOTAL CONSIDERATION:	\$	5,400,000.00

I/We the undersigned will deliver to Escrow Holder any instruments or funds required for Escrow Holder to comply with these instructions, all of which Escrow Holder is authorized to use provided that on or before Close of Escrow, Escrow Holder is in a position to obtain a Policy of Title Insurance as required by Purchase Agreement, with the usual title company exceptions and a liability of at least the amount of the total consideration above, on the real property in the County of Los Angeles, State of California described as follows:

LEGAL DESCRIPTION PER EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

SELLER STATES PROPERTY ADDRESS IS: 810 Monterey Pass Road, Monterey Park, CA 91754

TITLE SHALL BE VESTED IN: CITY OF MONTEREY PARK, A GENERAL LAW CITY AND MUNICIPAL CORPORATION (Buyer shall provide Escrow Holder with complete vesting in escrow. Escrow Holder is instructed to correct the Grant Deed being delivered in the above numbered escrow to reflect the vesting designated by Buyer, over the notarized signature of Seller thereon, with no further authorization required.)

PROPERTY IS FREE FROM ENCUMBRANCES EXCEPT:

1. Current General and Special County and City Taxes (if any) for the fiscal year including personal property taxes, if any, assessed against the former owner.
2. Covenants, conditions, restrictions, rights of way, easements and the exception or reservation of minerals, oil, gas, water, carbons and hydrocarbons on or under said land, now of record.

ADDITIONAL INSTRUCTIONS ATTACHED HERETO AND MADE A PART HEREOF
My initials below represent my agreement and acknowledgment of the foregoing.

SELLERS INITIALS *GW*

BUYERS INITIALS

3. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5 (commencing with Section 75) of the Revenue and Taxation Code of the State of California.

SUPPLEMENTAL ESCROW INSTRUCTIONS:

1. **CITY REQUIREMENTS:** Parties hereto are aware that subject property may be located within a City that has requirements and/or ordinances regarding the sale and transfer of real property. Escrow Holder is herein instructed NOT TO TAKE ANY ACTION regarding same, unless handed further written instructions from Buyer and Seller herein.

****ADDITIONAL ESCROW INSTRUCTIONS AND TERMS ("GENERAL PROVISIONS") ATTACHED HERETO ARE BY REFERENCE INCORPORATED HEREIN AND MADE A PART HEREOF. THE UNDERSIGNED HEREBY ACKNOWLEDGE THEY HAVE RECEIVED AND READ THE "GENERAL PROVISIONS" AND APPROVE, ACCEPT AND AGREE TO BE BOUND THEREBY.**

****INDEMNIFICATION:** Parties herein agree to indemnify Escrow Officer, BEATRICE WANG, ("Escrow Holder") of CENTRAL ESCROW GROUP, INC. and CENTRAL ESCROW GROUP, INC. from and against any and all actions, claims, costs, damages, disbursements, expenses, judgements, liabilities, obligations, penalties and suits of any kind or nature whatsoever, including but not limited to attorney's fees which may or shall directly or indirectly arise from or incur by reason of any of the terms and provision stated in the Agreement and the General Provisions and/or the non-authentic document(s), or signature(s) contained on any document(s) furnished to Escrow Holder from Buyer and Seller.

BUYER(S):

**CITY OF MONTEREY PARK, A GENERAL
LAW CITY AND MUNICIPAL CORPORATION**

APPROVED AS TO FORM:

By: KARL H. BERGER, City Attorney

By: INEZ ALVAREZ, Manager

SELLER(S):

JRL LLC

By: GUO PING LUO, Manager

ADDITIONAL INSTRUCTIONS ATTACHED HERETO AND MADE A PART HEREOF
My initials below represent my agreement and acknowledgment of the foregoing.

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BUYERS INITIALS _____

ADDITIONAL ESCROW INSTRUCTIONS AND TERMS (GENERAL PROVISIONS)

1. **Terms and Subject Headings:** In these escrow instructions, the terms "you", "your", and "Escrow Holder" shall mean CENTRAL ESCROW GROUP, INC., wherever the context requires, the masculine gender includes the feminine and/or neuter and the singular number includes the plural.
2. **Opening of Escrow:**
 - A. Your duty to act as escrow holder shall not commence until these instructions signed by all parties are received by Escrow Holder. Until such time either party may unilaterally cancel by written request delivered to Escrow Holder, a party may withdraw funds and/or documents deposited by that party, except as expressly limited by an Offer to Purchase, Deposit Receipt, C.A.R. Form, or any other Purchase Agreement between the parties received by Escrow Holder.
 - B. These Supplemental Escrow Instructions and General Provisions may be executed in counterparts, each of which shall be deemed an original regardless of the date of this execution and delivery. All such counterparts together shall constitute one and same document. Any and all further escrow instructions, amendments or supplements shall also be governed by the terms and conditions of these Supplemental Escrow Instructions and General Provisions, except as may be amended or modified by the written mutual agreement of the parties and Escrow Holder.
3. **Conflicts with California Residential Purchase Agreement and Joint Escrow Instructions:** The parties agree that the escrow instructions in the California Residential Purchase Agreement and Joint Escrow Instructions, like all other instructions in this escrow transaction, are governed by and superseded by these general provisions. The parties agree to execute supplemental instructions confirming their agreement to any additional terms and conditions of Escrow Holder, including these general provisions, and authorize Escrow Holder to resign from processing this escrow transaction if mutual agreement cannot be reached between the parties and Escrow Holder relative to the terms of conditions of Escrow Holder's duty
4. **Responsibility of Escrow Holder:**
 - A. All parties agree that your rights and liability in this transaction is as an escrow holder, and no other legal relationship is created. You are an escrow holder only on the express terms of these instructions. You have no duty or responsibility to notify me or any other party related to this escrow of any sale, resale, loan, exchange or other transaction involving any property herein described or of any profit realized by any person, firm, corporation or parties (broker, agent) to this or any other escrow, regardless of the fact that such transaction(s) may be handled by you in this escrow or in another escrow. You shall not be required to take any action in connection with the collection, maturity or apparent outlaw of any obligations deposited in this escrow, unless otherwise instructed.
 - B. Escrow Holder's duties hereunder shall be limited to the safekeeping of such money and documents received by you as escrow holder and for the disposition of same in accordance with the written instructions accepted by Escrow Holder in this escrow. Escrow Holder shall not be liable for any damages, losses, costs or expenses incurred by any party in the handling and processing of escrow as a result of any act or failure to act made or omitted in good faith or for any action taken that Escrow Holder shall in good faith believe to be genuine.
 - C. NOTWITHSTANDING ANY PROVISIONS TO THE CONTRARY IN THE PURCHASE AGREEMENT, ESCROW INSTRUCTIONS, AMENDMENTS, OR LENDER INSTRUCTIONS; **ESCROW HOLDER DOES NOT VERIFY SIGNATURES** OR INVESTIGATE WHETHER THERE IS FALSE IMPERSONATION, FORGERY, OR FRAUD ON DOCUMENTS DEPOSITED INTO THIS ESCROW BY THE PARTIES OR THEIR AGENTS.
 - D. ESCROW HOLDER IS NOT LIABLE OR RESPONSIBLE IN ANY MANNER FOR THE SUFFICIENCY OR CORRECTNESS AS TO FORM, CONTENT, MANNER OF EXECUTION, OR VALIDITY OF ANY DOCUMENTS; OR AS TO THE IDENTITY, AUTHORITY, CAPACITY OR RIGHTS OF ANY PERSON EXECUTING THE SAME WHICH ARE DEPOSITED INTO ESCROW. ESCROW HOLDER IS NOT LIABLE OR RESPONSIBLE FOR ANY LOSS THAT MAY OCCUR BY REASON OF FORGERIES, FRAUD OR FALSE REPRESENTATIONS MADE BY OR INVOLVING THIRD PARTIES, A PRINCIPAL'S AGENTS, OR PRINCIPAL TO THIS ESCROW. IF A PARTY OR LENDER DESIRES THAT ESCROW HOLDER VERIFY ANY SIGNATURE(S) ON INSTRUCTIONS, CHECKS, LOAN DOCUMENTS, OR OTHER ITEMS A SEPARATE WRITTEN ESCROW INSTRUCTION MUST BE ENTERED INTO THAT SPECIFICALLY EVIDENCES ESCROW HOLDERS EXPRESS AGREEMENT TO UNDERTAKE SUCH RESPONSIBILITY, UPON THE PAYMENT OF AN ADDITIONAL FEE.
 - E. Escrow Holder is authorized and directed to deposit any and all funds received in this escrow in an "Escrow Trust Account" with any state or national bank in the name of Escrow Holder with other escrow funds pending the completion of this escrow. UNLESS OTHERWISE AGREED IN WRITING, EACH PARTY UNDERSTANDS THAT THE ESCROW TRUST ACCOUNT IS NON-INTEREST BEARING. NO FINANCIAL OR OTHER BENEFITS WILL BE EARNED BY OR PROVIDED TO ANY OF THE PARTIES WITH RESPECT TO SUCH FUNDS; NOTWITHSTANDING, ESCROW HOLDER AND ITS AFFILIATES MAY

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RECEIVE DIRECT OR INDIRECT FINANCIAL AND OTHER BENEFITS FROM THE DEPOSITORY WITH RESPECT TO SUCH FUNDS. THESE BENEFITS SHALL BE TREATED AS ADDITIONAL COMPENSATION TO ESCROW HOLDER FOR ITS SERVICES IN THIS TRANSACTION.

- F. All parties depositing funds in connection with this escrow are hereby notified that the funds so deposited are insured by the bank only to the limits provided by the Federal Deposit Insurance Corporation.
- G. If it is necessary, proper or convenient for the consummation of this escrow, you are authorized to deposit or have deposited funds or documents, or both, handed you under these escrow instructions with any duly authorized sub-escrow holder, including, but not limited to, any bank, trust company, title company, savings and loan association, or licensed escrow agent, subject to your order at or before Close of Escrow in connection with closing this escrow. Any such deposit shall be deemed a deposit under the meaning of these escrow instructions.
5. **Time Is Of The Essence In These Instructions:** If the date by which a Buyer's or Seller's performance is due is other than your regular business day, such performance shall be due on your next succeeding business day. In the event that the conditions of this escrow have not been complied with at the expiration of the time provided for herein, or any extension thereof, you are nevertheless instructed to complete the same at the earliest possible date thereafter, unless a party makes written demand upon you for cancellation and the return of the money and/or instruments deposited. If written demand to cancel is received, at your sole discretion, you may stop and withhold all further proceedings in this escrow without liability for interest on funds held or for damages, until a satisfactory mutual cancellation instructions signed by all parties are deposited into this escrow or the demand is withdrawn by the party or by further mutual instructions in a form satisfactory to Escrow Holder.
6. **Prorating Authorization:** Escrow Holder will make all prorations and adjustments on the basis of a thirty (30) day month, unless otherwise instructed in writing. The "Close of Escrow" with reference to said prorations and adjustments used in this escrow means the date on which documents are recorded, unless otherwise specified in writing.
7. **Property Tax Proration:** Escrow Holder will prorate real property taxes based upon tax figures provided by the title company in this transaction, without liability to Escrow Holder as to their correctness. Buyer is aware that the property will be reassessed upon change of ownership. The County Tax Assessor may issue supplemental tax bills for more than the amount used for prorating purposes, or in the event there has been an overpayment, the overpayment amount may not be refunded, but may instead be held for a subsequent credit against the payment of future taxes on the property. Buyer and Seller hereby agree that any overpayment or underpayment of taxes shall be adjusted by and between the Buyer and Seller outside of escrow. TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED BETWEEN BUYER AND SELLER OUTSIDE OF ESCROW. Escrow Holder is hereby released from responsibility or liability of any kind arising out of any such overpayment or underpayment of taxes, which shall survive the Close of Escrow.
8. **Preliminary Change of Ownership Report:** Section 480.3 of the Revenue and Taxation Code requires that a "Preliminary Change of Ownership Report" be completed and certified by Buyer and filed concurrently with the Deed or other documents that reflect a change of ownership in real property. The Buyer herein agrees to complete and sign said report and deliver same to Escrow Holder for filing. Escrow Holder shall forward same to the title company for submission to the Recorder's Office at the Close of Escrow. Buyer understands and acknowledges that the County Recorder's Office will charge an additional non-refundable fee of twenty Dollars (\$20.00) should the fully completed/certified report not accompany the conveyance document or be rejected. In addition to this fee, there may be additional expenses incurred by Buyer outside of escrow or after the Close of Escrow as a result of Buyer's failure to file a fully completed/certified report. Buyer authorizes Escrow Holder to debit the Buyer's account for said twenty Dollars (\$20.00) prior to the Close of Escrow in the event the change of ownership statement is not deposited with Escrow Holder as provided for herein. Buyer is responsible for completing and returning any Change of Ownership Report required by the Office of the County Assessor after the Close of Escrow and shall be exclusively responsible for any penalty or reassessment tax imposed by the Office of the County Assessor for Buyer's failure to return any Change of Ownership Report to the Office of the County Assessor.
9. **Foreign Investment In Real Property Act – FIRPTA – Withholding:** The sale of a U.S. real property interest by a foreign person is subject to the Foreign Investment in Real Property Tax Act of 1980 (FIRPTA) income tax withholding. Persons purchasing U.S. real property interests from foreign persons, certain purchasers' agents, and settlement officers are required to withhold ten percent (10%) or fifteen percent (15%) of the amount realized. Withholding is intended to ensure U.S. taxation of gains realized on disposition of such interests. The Buyer shall remain the withholding agent notwithstanding any act by the Escrow Holder. The Buyer must find out if Seller is a foreign person. If Seller is a foreign person and Buyer fails to withhold, the Buyer may be held liable for the tax.
- Seller and Buyer agree to execute and deliver to Escrow Holder any instrument, affidavit and statement or to perform any act reasonably necessary to carry out the provisions of FIRPTA and regulations promulgated there under. Seller herein certifies under penalty of perjury, that the information provided on said form is true, correct and complete. Buyer and Seller hereby agree to hold Escrow Holder harmless and indemnify Escrow Holder regarding compliance with this instruction.
10. **State Tax Withholding: CAL-FIRPTA Notification To Buyer And Seller Regarding Tax Withholding Requirements Of California On The Sale Of Real Property:** Certain Sellers may be exempt from withholding. Each Party must seek independent tax advice from a professional. California Revenue and Taxation Code Section 18662 (as amended) requires prepayment of income tax by withholding of three and one-third percent (3-1/3%) on the total sales price on real property for individuals and non-individual sellers of real property, whether resident or non-resident. Alternatively, a Seller may elect to withhold on the gain on the sale and based on the

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applicable withholding rates effective at the Close of Escrow. For more information, Buyers and Sellers should refer to **Form 593**, Real Estate Withholding Certificate and Computation of Estimated Gain or Loss from the California Franchise Tax Board.

Withholding is also required for real estate foreclosures and short sale transactions unless any exemptions certified on **Form 593** apply or the sale qualifies under the automatic exclusions. For more information on real estate foreclosures and short sale transactions, refer to Publication 1016, Real Estate Withholding Guidelines by the California Franchise Tax Board. Any further questions regarding Withholding Requirements for Sale of California Real Estate may be answered at www.ftb.ca.gov or by seeking independent professional tax advice.

The parties acknowledge that Escrow Holder is under no duty to take action regarding withholding without further mutual written instructions of buyer and seller in a form satisfactory to Escrow Holder, together with the completion of Franchise Tax Board forms. Section 18662 of California Revenue and Taxation Code (as amended) requires a BUYER of real property to withhold if the Seller's exemption is not met. If withholding is not made Buyer may become subject to a penalty in the amount equal to the greater of ten percent (10%) of the amount required to be withheld or five hundred dollars (\$500.00). For additional information, contact: FRANCHISE TAX BOARD, WITHHOLD AT SOURCE UNIT, P.O. BOX 651, SACRAMENTO, CA 95812-0651, PHONE: (916) 845-4900 OR Toll Free AT (888) 792-4900. Seller and Buyer hereby agree to comply with Section 18662 of California Revenue and Taxation Code (as amended), and Seller shall cause to be deposited into escrow such forms that maybe necessary for the parties hereto to be in compliance with said tax code (as amended). The parties agree to hold Escrow Holder harmless and indemnify Escrow Holder for complying with any CAL-FIRPTA instruction or any third-party claims that may arise.

11. **Tax Reporting/1099:** As a condition to Escrow Holder's agreement to process this transaction, certain information must be provided by the Sellers/Transferors to the Escrow Holder before the date of closing. Under the Tax Reform Act, Internal Revenue Service Code Section 6045(e), Escrow Holder will report the gross proceeds of an ownership interest in reportable real estate to the Internal Revenue Service ("IRS"). The Seller/Transferor is required by law to furnish a correct Taxpayer Identification Number ("TIN") or Social Security Number to Escrow Holder. The Seller/Transferor is aware that the failure to do so may subject the Seller/Transferor to civil or criminal penalties. Each Seller/Transferor must provide a permanent address to which the Escrow Holder can mail the IRS Form 1099-S following the Close of Escrow.

In the event there is more than one Seller/Transferor, any allocation of the gross proceeds from the within transaction must be received by Escrow Holder prior to the date of closing. If Escrow Holder fails to receive a complete allocation or receives no allocation as to any Seller/Transferor, Escrow Holder must report the entire unallocated gross proceeds to that Seller/Transferor. If conflicting allocations are received, Escrow Holder must Report the entire gross proceeds on each Seller/Transferor's 1099-S Form to the IRS. Sellers/Transferors' who are married or domestic partners on the closing date and who hold title to the subject property as tenants in common, joint tenancy or community property are treated for reporting purposes as a single Seller/Transferor.

12. **Allocation of Costs:** Escrow Holder is instructed to debit Buyer and Seller in accordance with Purchase Agreement and pay relevant bills as presented at the Close of Escrow. Escrow Holder shall not be responsible for paying bills received after Close of Escrow, and Buyer and Seller hereby release Escrow Holder from any liability or responsibility in connection therewith. All parties agree to pay escrow fees and charges, including messenger fees, overnight delivery charges, recording fees, charges for evidence of title, and handling and notary fees, if applicable, whether at cancellation or Close of Escrow. Escrow Holder is authorized to release funds, if applicable, from money on deposit to pay for any credit report, appraisal, City Report, lender, or association statement, demand, transfer fees or documents which may be required to be paid in advance of closing. Funds released prior to the Close of Escrow are non-refundable regardless of the consummation of this escrow. If not provided for in the Purchase Agreement, the Owner's Title Insurance premium will be charged to Seller and the ALTA Lender's Policy, if applicable, will be charged to Buyer at Close of Escrow, and all other closing costs are to be charged pursuant to the Purchase Agreement. Unless otherwise instructed, Escrow Holder will debit the Seller for any transfer tax that may be imposed by any City or County in which the subject property of this escrow is located and is authorized to pay any bonds, assessments, taxes, or any lien of records, including any prepayment penalties, if any, to transfer title to Buyer as called for in this escrow.
13. **Authorization to Send Documentation:** Unless otherwise instructed, the Buyer(s) and Seller(s) hereby authorize Escrow Holder to release estimated closing statements, executed escrow instructions, amendments, and final closing statement or consolidated Settlement Statement to any new lender or "short-pay" lender necessary to close the escrow. This authorization shall pertain to the documentation set forth above only. Escrow Holder may furnish a copy of these instructions, amendments, notice of cancellation, title reports, estimated and final closing statements to any real estate broker, lender or title company, referenced in this escrow, prior to Close of Escrow
14. **Personal Property:** Any Personal Property the subject of this transaction (except Mobile homes) is exclusively between the parties and of no concern to Escrow Holder. Escrow Holder shall conduct no lien or title search of personal property regarding the sale or transfer of any personal property through this escrow. Should the parties desire that you conduct a lien or title search of personal property, the parties or lender requesting the same shall enter into a separate and specific written agreement which evidences Escrow Holder's agreement to undertake such responsibility upon the payment of additional fees.
15. **Beneficiary Statement/Pay off Demands:** Escrow Holder is not responsible for the contents or accuracy of any beneficiary demands, beneficiary statements, or pay off demands delivered to you by the existing lien holders or homeowner associations. Escrow Holder is

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not required to submit any such beneficiary statements and/or demand to the parties for approval before the Close of Escrow unless expressly instructed to do so in writing. Should the parties desire to pre-approve any such beneficiary statement and/or demand, the parties requesting the same shall deliver separate and specific written escrow instructions to Escrow Holder. The Parties and lender are aware the title company utilized for obtaining a Title Insurance Policy will also be utilized in this transaction as a sub-escrow holder; and shall be charged with the exclusive duty of making the payment of any taxes, beneficiary or payoff demands; and obtain a full or partial reconveyance of any liens or encumbrances paid through this escrow to place title of the property in the manner provided for in any lender's instructions or other escrow instructions. **Seller is aware that interest on existing loans is paid in arrears, and that their account will be charged interest on the payoffs of existing loans until the lender receives the payoff funds from the title company after the Close of Escrow.** The parties expressly indemnify and hold you harmless against third-party claims for any fees, costs or expenses where you have acted in good faith, with reasonable care and prudence and/or in compliance with these escrow instructions.

16. **Title Insurance:**

- A. You are instructed to open a title order for title insurance to the subject real property in the condition identified in the Purchase Agreement or Escrow Instructions by the parties. However, you are not required to submit any title report issued or documents described in any title report in connection with this escrow to any party or agent unless directed to do so in writing. You may, however, do so without incurring liability to any party for such submission. You are hereby authorized to submit such report to any proposed lender, and are authorized to deliver assurances of title, and insurance policies, if any, to hold or for senior encumbrances or order, or if there are no encumbrances, then to Buyer or his order.
- B. The parties authorize the recording of any instrument delivered through this escrow if necessary or proper for the issuance of the required policy of title insurance or for the closing of this escrow. Funds, instructions or instruments received in this escrow may be delivered to, or deposited with any title insurance company or title company to comply with the terms and conditions of this escrow. Recording fees shall be charged to the account of the benefited party.
- C. Buyer and Seller authorize and instruct Escrow Holder to utilize the legal description deposited into escrow or provided by the title insurance company in this transaction for the preparation of any deed or other documentation necessary to close this transaction. Escrow Holder has no duty to investigate and does not guarantee the accuracy of said legal description and is released of any and all liability, responsibility and is held harmless in connection thereto.

17. **Final Funds:** Pursuant to the "Good Funds" legislation, Assembly Bill 512 (AB 512) effective January 1, 1990, the parties hereto are made aware that closing funds to be deposited by Buyer, Seller and/or lender as a condition of escrow must be **CLEARED** prior to recordation (Close of Escrow). Escrow Holder will require deposit of final funds **FIVE (5) business days** prior to the Close of Escrow if funds are deposited in the form of a Cashier's Check, or **TWO (2) business days** prior to the Close of Escrow, if funds are deposited by Wire Transfer. **All final funds due to close escrow in EXCESS OF ONE HUNDRED THOUSAND DOLLARS (\$100,000.00) MUST BE WIRE TRANSFERRED.** Final funds must be issued or wired by a U. S. bank or savings and loan association located in the State of California. **Buyer's deposit of final funds with Escrow Holder shall be deemed satisfaction and removal of all contingencies, terms and conditions and approval of the loan documents, terms and conditions.** Buyer's deposit of final funds shall also serve as Buyer's authorization and instructions to Escrow Holder to close the escrow at the earliest possible date. Escrow Holder may, in its sole discretion, require Buyer and/or Seller to deposit additional funds into escrow (a "pad") to cover expenses in excess of those originally estimated. The unused portion of any such "pad" shall be refunded to Buyer and/or Seller after closing.

18. **New Loans:**

- A. After receipt of Buyer's final funds, Escrow Holder may request Buyer's new lender (if any) to fund the new loan proceeds one business day prior to Close of Escrow. Buyer is aware that interest on any new loan funded in connection with this escrow will accrue from the date of lender's funding and that there may be a delay between the funding date and recording date due to the recording schedule of the Recorder's office or the hold placed on certain deposits because of the above-referenced "Good Funds" legislation. Escrow Holder shall have no liability for the payment of interest on any loan or for the early funding by the lender or any delay caused by the lender's failure to timely fund or based on the date of distribution of funds at Close of Escrow.
- B. Escrow Holder is not to be responsible or concerned in any way with the terms of any new loan or the content of any loan documents in connection with this escrow. Escrow Holder's duties are limited to receiving loan documents into the escrow file, transmitting the loan documents for execution and transmitting the executed loan documents to lender for review and approval. The parties understand and agree that Escrow Holder does not interpret or explain loan documents, nor is Escrow Holder involved or concerned with the underwriting, disclosures, approval and processing of any loan or the contents and effects of loan documents prepared by a lender.
- C. The parties understand that Escrow Holder is only a settlement agent, not a "creditor" regarding new loans, therefore Escrow Holder has no duty of disclosure under TILA, RESPA, or HOEPA (15 U.S.C. 1635(a), 15 U.S.C. 1638(a), 15 U.S.C. 1639(a)(1)) regarding any loans. Any questions regarding the loan terms, documents or disclosures are to be directed to the loan broker or lender of the party. Escrow Holder is completing the Settlement Statement in this transaction in reliance on the information provided to Escrow Holder by the loan brokers or lender and this information is not verified by Escrow Holder. Escrow Holder shall not be liable or responsible for any inaccuracies regarding loan estimates or the actual loan terms

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- D. Escrow Holder is irrevocably instructed to comply only with the portion of any lender's instructions pertaining to usual escrow functions under California law. Escrow Holder is not required or responsible in any way for making disclosures, warranting any facts, or ensuring for the lender any secondary sales transaction, purchase, guarantee by FHA, VA, PMI or loan is purchased by investors. Escrow Holder shall not be required to perform title functions or performing lender's notice, regulatory or underwriting responsibilities under California or Federal law. Escrow Holder is authorized and instructed to forward lender's instructions regarding title, recording functions, and payment of encumbrances to the title company in this transaction for performance by title company in its capacity as insurer, recorder, abstractor of title and/or sub-escrow. NOTWITHSTANDING ANY OTHER DOCUMENTS OR INSTRUCTIONS SUBMITTED TO ESCROW HOLDER, WHETHER OR NOT SIGNED BY ESCROW HOLDER, THE ESCROW HOLDER HAS NO DUTY OR OBLIGATION TO REIMBURSE ANY BUYER(S)/ BORROWER(S)/ BROKER(S) OR LENDER(S) ANY SUM OR TO PURCHASE ANY LOAN, NOTE, DEED OR DEBT RELATING TO THIS ESCROW TRANSACTION.
- E. Escrow Holder shall not be responsible in any way whatsoever nor are you to be concerned with any question of usury in any loan or encumbrance, whether new or of record, which may arise during the processing of this escrow.
- F. **RESPA RULE:** Buyer and Seller hereby authorize and instruct Escrow Holder to debit Buyer for the Owner's title insurance premium and other charges if required by Buyer's lender in order to comply with the Real Estate Settlement Procedures Act. Escrow Holder is further instructed to debit Seller and credit Buyer as reimbursement for any such costs and charges which were to be paid by Seller as per the Purchase Agreement.

19. **Property Insurance:**

- A. It is Buyer's obligation to ensure that any new or assigned property hazard insurance policy regarding the real or personal property in this escrow fully complies with the lenders requirements regarding amount of coverage, terms, payee(s), insured, etc., and that the evidence of hazard insurance is timely deposited with Escrow Holder. Escrow Holder is hereby instructed to pay from Buyer's account the first year's premium at the Close of Escrow to Buyer's chosen insurance agent and may forward a copy of any evidence of an insurance policy to any lender, if requested. Escrow Holder shall have no duty or responsibility regarding hazard insurance, except to forward the first year's premium, or evidence of payment, and the evidence of buyer obtaining insurance to the lender. It is Buyer's or lender's exclusive duty to verify the policy of insurance provides adequate coverage for Buyer's and lender's needs and are obligated to ensure the policy of insurance is issued and remains in effect after the Close of Escrow.
- B. HOA Insurance (if applicable): Escrow Holder is authorized and instructed to debit funds deposited by Buyer for payment of any fee assessed by the Master Insurance Agent of the HOA for issuance of their Certificate. Buyer has satisfied himself of the existence of the master insurance coverage of the HOA and understands that this coverage is limited. Buyer is advised to fully investigate the extent and scope of its coverage and obtain any additional or supplemental coverage outside of escrow. Escrow Holder is not to be concerned nor held liable or responsible in connection therewith.
- C. ALL CASH (if applicable): It is Buyer's exclusive duty to obtain adequate hazard insurance coverage on the property that is the subject of this escrow. Buyer has the option of paying any hazard insurance premium through escrow. In the event Buyer exercises said option, Buyer shall in writing designate the insurance agent to be used and thereafter deposit sufficient funds into escrow for the first year premium prior to Close of Escrow.

20. **No Disclosures or Warranties:**

- A. The parties acknowledge that depending on the type (Commercial or Residential) and location (City) of real property involved in this escrow, there may be disclosure(s) as well as civil ordinance requirement(s) that would affect the transfer of the real property. Escrow Holder urges both parties to seek appropriate counsel from an attorney or licensed real estate broker to ascertain what disclosures, certificates and/or civil ordinances, if any, need to be complied with prior to the Close of Escrow, and outside of the escrow between the parties. The parties' signature upon these instruction shall be deemed evidence to the Escrow Holder that the parties have obtained independent counsel, are aware of any disclosures/civil ordinance requirements and will comply with same outside of this escrow. Unless otherwise instructed in writing to the contrary within the body of the Escrow Instructions, Escrow Holder has no responsibility or liability in connection with any such disclosures or requirements.
- B. Escrow Holder is not responsible or liable for the validity, regularity or sufficiency of municipal residential property reports, or retro-fit standards to be complied with upon the transfer of real property. You are instructed to forward request for Residential Property Report or Certificate of Compliance as handed to you to the appropriate governmental agency. You are to charge Seller with any fee to file such document, unless otherwise instructed. You are not to be responsible or liable for the content or timeliness of the response of any governmental agency.
- C. Escrow Holder is not responsible or concerned with the giving of any disclosures except as expressly required by Federal or State law to be given by an escrow agent. You have no responsibility or concern with the effect of zoning ordinances, land division regulations, homeowner associations or building restrictions, covenants, conditions, or restrictions (CCRs) which may pertain to or affect the land or improvements that are the subject of this escrow. The parties must satisfy themselves outside of escrow that the transaction covered by this escrow is not in violation of the Subdivision Map Act or any other law regulating land sub-division, CCR or homeowners association rule; and you as Escrow Holder have no responsibility or liability in connection therewith, and are

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not to be concerned with the enforcement of said law. The parties' signatures on this instruction shall be deemed evidence that they are each aware of any such requirements.

- D. The parties agree that Escrow Holder is not responsible for requesting information and/or demands from any Homeowners Association, Home Protection Plan Provider, or Natural Hazard Disclosure Provider, unless expressly requested by the parties.
21. **Property Condition:** Escrow Holder makes no physical examination or inspection of any real or personal property described in these instructions or in any instrument or document deposited herewith. Escrow Holder accepts no agency or duty, and none may be implied in any manner under California Civil Code §1102.11, any other statute or authority, or written agreement for making or giving any disclosures under the Transfer of Residential Property. The parties hereby expressly acknowledge that Escrow Holder has no duty or liability whatsoever for the physical condition or habitability of any property the subject of this escrow
22. **Disbursements:** All disbursements shall be made by check of your company on said account; and all parties acknowledge and agree that Escrow Holder shall charge a twenty dollar (\$20.00) fee to any party requesting a duplicate check for any reason. All documents and funds due to respective parties herein shall be by United States mail to their addresses provided to Escrow Holder, unless otherwise instructed. The parties acknowledge that Escrow Holder has no control over or liability regarding a bank's timely processing or receipt of any disbursement made by check or wire transfer pursuant to a party's instruction. It shall be the party's duty to provide correct wire instructions to Escrow Holder, who shall not be obligated to confirm account's beneficiary. Escrow Holder is not responsible or liable for any act by a third-party, or any injury caused by delays or rejection of wire transfers due to the routing or account numbers, or for any loss due to an incorrect payee on any account that Escrow Holder is directed to wire funds into.
23. **Assignment of Proceeds:** If the parties to this escrow unilaterally assign or order the proceeds of this escrow to be paid to other than the original parties to this escrow, such assignment or order is subordinated to the expenses of this escrow, liens of record on the subject property, and payments directed to be made by original parties together. The parties understand and agree that such assignment of proceeds is subject to the approval of any lender. If the result of such assignment or order would be to leave the escrow without sufficient funds to close, then you are directed to close nevertheless, and pay such assignments or orders out of the net proceeds due except for such assignments or orders, and to pay them in the order in which such assignment or orders are received by you. If any assignment or transfer of interest is by operation of law, with or without the approval or consent of any or all of the parties hereto, you shall retain the right to deduct any and all escrow costs, fees and expenses provided for herein or under your current fee schedule from said assigned or transferred funds, properties or rights.
24. **Dishonored Checks:** If any check submitted to escrow is dishonored upon presentment for payment, Escrow Holder is authorized to notify all parties, their respective agents or any other person or entity Escrow Holder deems in its sole discretion necessary to notify of such nonpayment. The parties shall reimburse Escrow Holder for any costs or expenses in connection therewith. **THE SELLER'S EXCLUSIVE LEGAL OR EQUITABLE REMEDY FOR ANY INJURY FROM THE DISHONORING OF ANY CHECK OR FUNDS FROM BUYER SHALL LIE ONLY AGAINST BUYER AND NOT ESCROW HOLDER.**
25. **Reimbursement of Funds:** If Escrow Holder disburses more funds to or for the benefit of any party than they are entitled to receive, or the escrow has a shortage to or for the benefit of any party, that benefitting party agrees to repay Escrow Holder the amount of the overpayment or shortage within five days of its demand, after which interest shall accrue at the rate of ten percent (10%) per annum. In the event of any failure to pay fees, costs or expenses due hereunder, on Escrow Holder's demand the parties agree to pay a reasonable fee for any attorney services which may be required to collect such fees, costs, or expenses, in addition to any other fees and costs as the court may otherwise determine.
26. **Document Retention:** The parties acknowledge, consent and expressly authorize the Escrow Holder to convert, store, or otherwise maintain any original documents (including executed purchase agreements) or copy thereof submitted or otherwise provided to Escrow Holder in an electronic format or medium for all purposes. Upon Escrow Holder's transfer of any document into an electronic format, it is expressly authorized without any liability to destroy the original paper documents submitted or otherwise provided to Escrow Holder. The parties to these Escrow Instructions authorize Escrow Holder to destroy these instructions and all other instructions, documents and electronic records of this escrow at any time after five (5) years from the Close of Escrow, cancellation, or date of the last activity without liability and without further notice to the parties. The parties further acknowledge and agree that Escrow Holder shall be entitled to charge a document retrieval fee to any party requesting access to an original document that is in storage in accordance with your schedule of fees and charges.
27. **Choice of Law and Limitations:** These instructions are to be construed and interpreted according to California Law. **NO ACTION SHALL LIE AGAINST ESCROW HOLDER FOR ANY CLAIM, LOSS, LIABILITY OR ALLEGED CAUSE OF ACTION OF ANY KIND OR NATURE WHATSOEVER, HOWEVER CAUSED OR OCCURRED, UNDER THIS ESCROW OR IN CONNECTION WITH THE HANDLING OR PROCESSING OF THIS ESCROW, UNLESS BROUGHT WITHIN TWELVE (12) MONTHS AFTER THE CLOSE OF ESCROW OR ANY CANCELLATION OR TERMINATION OF ESCROW FOR ANY REASON WHATSOEVER.**
28. **No Legal, Financial or Tax Advice:** THE PARTIES ACKNOWLEDGE AND UNDERSTAND THAT ESCROW HOLDER IS NOT AUTHORIZED TO PRACTICE LAW NOR DOES IT GIVE FINANCIAL ADVICE. THE PARTIES ARE ADVISED TO SEEK LEGAL AND FINANCIAL COUNSEL AND ADVICE CONCERNING THE EFFECT OF THE PURCHASE AGREEMENT, THESE ESCROW INSTRUCTIONS AND GENERAL PROVISIONS, ANY LOAN DOCUMENTS OR OTHER FINANCIAL/TAX

ADDITIONAL INSTRUCTIONS ATTACHED HERETO AND MADE A PART HEREOF
My initials below represent my agreement and acknowledgment of the foregoing.

SELLERS INITIALS G

BUYERS INITIALS _____

DOCUMENTS OR CONSEQUENCES. THE PARTIES ACKNOWLEDGE THAT NO REPRESENTATIONS ARE MADE BY ESCROW HOLDER AND NO RELIANCE PLACED ON THE LEGAL SUFFICIENCY, LEGAL CONSEQUENCES, FINANCIAL EFFECTS OR TAX CONSEQUENCES OF ANYTHING WITHIN THIS ESCROW TRANSACTION.

29. **Witness Fees:** If any officer, agent, employee, or representative of Escrow Holder is required to respond to any subpoena or other order to personally appear in an action or proceeding in which Escrow Holder's breach or fault is not in issue, the party requiring such appearance agrees to indemnify and hold you harmless from and against all costs, expenses and reasonable attorney's fees expended or incurred by you in connection with such appearance. The party requiring such appearance shall pay to Escrow Holder and its officer, agent, employee, or representative, in addition to the amounts from time to time provided for by law, the sum of four hundred dollars (\$400.00) as an additional witness fee for each day or part thereof that an officer, agent, employee or representative of Escrow Holder is required to attend. As a condition precedent to any obligation to appear under such subpoena or order, the party requesting such appearance must concurrently with the service of the subpoena or order pay the additional witness fee that is agreed to herein for each day's actual attendance, even if no testimony is given.
30. **Legal Fees:** All of the parties to this escrow, jointly and severally, promise to pay promptly on demand, as well as to indemnify you and to hold you harmless from and against all administrative governmental investigations, audit and legal fees, litigation and interpleader costs, damages, judgments, attorneys' fees, arbitration costs and fees, expenses, obligations and liabilities of every kind (collectively "costs") which in good faith you may incur or suffer in connection with or arising out of this escrow, whether said costs arise during the performance of or subsequent to this escrow, directly or indirectly, and whether at trial, or on appeal, in administrative action, or in an arbitration. You are given a lien upon all the rights, title and interests of the parties and all escrow papers and other property and monies deposited into this escrow to protect your rights and to indemnify and reimburse you. If the parties do not pay any fees, costs or expenses due you under the escrow instructions or do not pay for costs and attorneys' fees incurred in any litigation, administrative action and/or arbitration, on demand, they each agree to pay a reasonable fee or any attorney services which may be required to collect such fees or expenses, whether attorneys' fees are incurred before trial, at trial, on appeal or in arbitration.
31. **Dispute Resolution-- Mediation:** Notwithstanding any other mediation provisions, Buyer, Seller and broker(s) also agree to mediate any dispute or claim arising out of this Agreement between themselves and Escrow Holder, before resorting to court action. Escrow Holder also agrees to such mediation prior to, or within a reasonable time after, the dispute or claim is presented to the Escrow Holder. Mediation fees, if any, shall be divided equally among the parties involved. If, for any dispute or claim to which this paragraph applies, any party (i) commences an action without first attempting to resolve the matter through mediation, or (ii) before commencement of an action, refuses to mediate after a request has been made, then that party shall not be entitled to recover attorney fees, even if they would otherwise be available to that party in any such action. Exclusions from this mediation agreement are:
- EXCLUSIONS: The following matters are excluded from mediation: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in Civil Code §2985; (ii) an interpleader action; and (iii) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court. The filing of a court action to enable the recording of a notice of pending action, or for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a waiver nor violation of the mediation provisions.
32. **Fees and Expenses:** Fees and charges agreed upon for your services shall be considered compensation for ordinary services as contemplated by these instructions. The parties hereby acknowledge and agree one or more parties to this escrow may receive a reduced escrow fee. ALL PARTIES ACKNOWLEDGE AND AGREE THAT ESCROW HOLDER SHALL CHARGE BUYER AND SELLER AN AUDIT FEE FOR THIS ESCROW TRANSACTION IN ACCORDANCE WITH YOUR SCHEDULE OF FEES AND CHARGES. If the conditions of this escrow are not promptly fulfilled by the parties, or if you render any service not provided in these instructions, or if the parties request a substantial modification of its terms; or if any controversy arises, or if you are made a party to, or intervene in or are required to participate in any mediation, arbitration or litigation, including an interpleader action, pertaining to this escrow or its subject matter, prior to, during, or after the Close of Escrow, you shall be reasonably compensated for such extraordinary services and reimbursed for all costs and expenses incurred by you, including any legal fees or costs incurred whether litigation is filed or not, and costs and expenses occasioned by the default, delay, controversy, mediation, arbitration or litigation.
33. **Conflicting Demands/Instructions & Interpleader Actions:** If conflicting demands are made upon you or notice given of any controversy or legal action between the parties or third person(s) in connection with this escrow, you shall not be required to determine or resolve conflicting demands or claims or take any action, but shall have the absolute right to stop and withhold all further proceedings in the performance of this escrow without liability, until any such conflicting demands or claims have been determined, resolved, or eliminated by mutual written agreement of the parties, a valid amendment or supplement to your escrow instructions, or a final order or judgment of a court of competent jurisdiction in form satisfactory to you is deposited into escrow. You may also, at your sole discretion, file an action in interpleader or declaratory relief, and are instructed and authorized to deposit any documents or funds which are the subject of conflicting demands or claims with the court pursuant to any such action, less your escrow fees, costs, and attorneys fees incurred to date.
34. **Resignation:** At any time prior to the Close of Escrow, Escrow Holder may, at its sole option, and without liability to the parties, give written notice to the parties and resign from the escrow, as escrow holder. Escrow Holder shall be entitled to be reasonably compensated for the escrow service performed and reimbursed all costs and expenses incurred up to resignation. The balance of any funds, property or documents shall be returned to the parties who deposited same or forwarded to a new escrow holder as mutually designated in writing

ADDITIONAL INSTRUCTIONS ATTACHED HERETO AND MADE A PART HEREOF
My initials below represent my agreement and acknowledgment of the foregoing.

SELLERS INITIALS

G

BUYERS INITIALS _____

by the parties.

35. **Miscellaneous Conditions:**

- A. You are authorized to use any standardized, preprinted form in order to comply with these instructions. Escrow Holder is authorized to use its own forms or any usual forms of any title insurance company or title company and may insert dates and terms on the instruments, if incomplete when executed by a party.
- B. Escrow Holder is authorized and instructed by the undersigned that it may, in its sole discretion, rely and act upon facsimile instructions, e-mail or electronic instructions or signatures including but not limited to escrow instructions, amendments or modifications, demands, lender instructions, pay-off instructions and bills from the parties or third parties, as though they are original instructions signed by the parties or third parties. In doing so, Escrow Holder is released of liability, responsibility and indemnified for any loss resulting from such reliance. The refusal of any lender involved in this transaction to accept electronically signed records or documents shall not affect this instruction or the validity of any other electronically signed record or document in this transaction.
- C. This escrow will be processed in the English language. Should any Principal elect to use a language translator to assist them in understanding the escrow process, or any documentation that is part of this escrow, that language translator will be selected and provided by the Principal in need of such assistance. The Escrow Holder will not provide any language translation services. In the event any language translation is provided by Escrow Holder it is rudimentary, solely as a courtesy and may not be relied upon. Escrow Holder will not be liable or responsible for the correctness of any language translator's interpretation of the escrow process or of any other documentation that is a part of this escrow.
- D. In the event any instruction or term in these Escrow Instructions is held invalid by judicial proceeding, the remaining shall continue to be operative and enforceable.

36. **Final Funds:** I/We agree to pay FUNDS REQUIRED TO CLOSE ESCROW UPON DEMAND.

37. **Cancellation:** The parties, jointly and severally, agree that if escrow cancels, is terminated or otherwise not closed, the parties shall pay you any costs and expenses which you have incurred or have become obligated for in processing this transaction including, but not limited to, courier fees, filing fees, attorneys' fees and costs, third-party vendor fees for services performed for this escrow, and an escrow cancellation fee for services rendered in an amount of five hundred dollars (\$500.00) or up to the full amount of the escrow fee depending on the status of the escrow at "cancellation." The parties agree that such costs, expenses and fees shall be paid from funds already on deposit or deposited in escrow before any cancellation or other termination of this escrow is effective. The parties agree that said charges for expenses, costs and fees may be apportioned between Buyer and Seller in a manner which, in Escrow Holder's sole discretion, it considers equitable and Escrow Holder's decision will be binding and conclusive upon the parties. Except as provided in the Purchase Agreement, upon receipt of mutual cancellation instructions, a final order or judgment of a court of competent jurisdiction with accompanying writs of execution, levies or garnishments in form satisfactory to Escrow Holder, you are instructed to disburse the escrow funds and instruments in accordance with such cancellation instruction, order, judgment or accompanying writ; and the subject escrow shall, without further notice be considered terminated and cancelled. IN THE EVENT ANY PARTY REQUESTS CANCELLATION OF THIS ESCROW AT ANY TIME ALL SUCH PARTIES ARE AWARE THAT THIS ESCROW WILL NOT BE CONSIDERED CANCELLED AND NO FUNDS WILL BE DISBURSED UNTIL ESCROW HOLDER HAS RECEIVED CANCELLATION INSTRUCTIONS SIGNED BY ALL PARTIES OR COURT ORDER IN FORM SATISFACTORY TO ESCROW HOLDER.

38. **No Activity Cancellation:** The parties to the transaction agree that if no additional instructions are received from one or both of the parties in this transaction within one hundred twenty (120) days from the date escrow is to close, or any written extension thereof, the Escrow Holder shall at its option consider the escrow cancelled and is authorized to take a cancellation fee in the amount of five hundred dollars (\$500.00) or up to the full amount of the escrow fee, based on Escrow Holder's determination of services performed. Any remaining deposits, documents or other items held by Escrow Holder may be disbursed to the depositors or parties specified in the instructions. Nothing herein restricts the ability of the Escrow Holder to file an interpleader action in the event of a dispute over the proper distribution of funds deposited with escrow.

Seller(s) Initials G / _____

Buyer(s) Initials _____ / _____

39. **Hold Open Fee:** Unless otherwise instructed in writing and in addition to other fees and costs Escrow Holder may receive, if this escrow does not close or cancel for any reason, 60 days after the original designated closing date, Escrow Holder is authorized and hereby instructed to withdraw from any funds on deposit in escrow, each month and pay to itself a holding fee of \$75.00 for each calendar month or fraction thereof, that undistributed funds or documents are retained in escrow. Further, Escrow Holder is irrevocably instructed that this escrow transaction will automatically cancel when all funds on deposit are disbursed.

Seller(s) Initials G / _____

Buyer(s) Initials _____ / _____

ADDITIONAL INSTRUCTIONS ATTACHED HERETO AND MADE A PART HEREOF
My initials below represent my agreement and acknowledgment of the foregoing.

SELLERS INITIALS G

BUYERS INITIALS _____

THE UNDERSIGNED HEREBY ACKNOWLEDGE THEY HAVE RECEIVED AND READ THESE ADDITIONAL ESCROW INSTRUCTIONS AND GENERAL PROVISIONS AND APPROVE, ACCEPT AND AGREE TO BE BOUND HEREBY.

BUYER(S):

CITY OF MONTEREY PARK, A GENERAL
LAW CITY AND MUNICIPAL CORPORATION

APPROVED AS TO FORM:

By: KARL H. BERGER, City Attorney

By: INEZ ALVAREZ, Manager

SELLER(S):

JRL LLC


By: GUO PING LUO, Manager

-- END OF INSTRUCTIONS --



CENTRAL ESCROW GROUP, INC.

515 West Garvey Avenue, Suite 118, Monterey Park, CA 91754
Office (626) 280-1700 Fax (626) 280-1717

AMENDED ESCROW INSTRUCTIONS

Date: November 24, 2025

Escrow No. CEG112576-BW

Re: 810 Monterey Pass Road, Monterey Park, CA 91754

To: Central Escrow Group, Inc. - Beatrice Wang

My previous instructions in the above numbered escrow are hereby modified – supplemented in the following particulars only.

1. Escrow Holder is hereby authorized and instructed to debit from funds due Seller in the amount of \$150,000.00 and credit the same to Buyer at close of escrow. Purchase price is hereby amended to be: \$5,250,000.00.

2. ALL CASH TRANSACTION.

3. The closing of escrow is hereby amended to be: 12/19/2025.

4. Escrow Holder is hereby authorized and instructed to payoff all existing liens of record for subject property at the close of escrow.

5. Parties are aware that any and all contingencies and/or agreements have been approved or waived by the Borrower and Escrow Holder is hereby authorized and instructed to close escrow upon receipt of the balance of funds from the Borrower, cashier's check or wire transfer.

Buyer and Seller agree to indemnify, defend and hold Escrow Holder, its employees and officer of the corporation, real estate agents and/or brokers harmless from any liability or loss in connection with this instruction.

All other terms and conditions of this escrow shall remain the same. All parties signing this instruction acknowledge receipt of a copy of same.

END OF AMENDMENT

SELLER :

JRL LLC

By: GUO PING LUO, Manager

BUYER :

CITY OF MONTEREY PARK, A GENERAL
LAW CITY AND MUNICIPAL CORPORATION

APPROVED AS TO FORM:

By: KARL H. BERGER, City Attorney

By: INEZ ALVAREZ, Manager



CENTRAL ESCROW GROUP, INC.

515 West Garvey Avenue, Suite 118, Monterey Park, CA 91754
Office (626) 280-1700 Fax (626) 280-1717

BUYER/BORROWER STATEMENT
Estimated

File No.: CEG112576-BW
Officer/Escrow Officer: Beatrice Wang

Printed Date/Time: 11/24/2025 - 11:29:01AM
Page 1 of 1
Closing Date: 12/19/2025
Disbursement Date: 12/19/2025

Buyer/Borrower: CITY OF MONTEREY PARK, A GENERAL LAW CITY AND MUNICIPAL CORPORATION
Seller: JRL LLC
Property: 810 Monterey Pass Road, Monterey Park, CA 91754

DESCRIPTION	DEBITS	CREDITS
TOTAL CONSIDERATION	5,250,000.00	
Earnest Money		162,000.00
TITLE CHARGES		
Sub Escrow Fee: California Title	62.50	
Deed Recording Fee: Registrar Recorder/County Clerk	75.00	
Recording Service: California Title	11.50	
Special Messenger: California Title	27.50	
Wire Fee: California Title	15.00	
ESCROW CHARGES TO: Central Escrow Group, Inc.		
Settlement Agent Fee	4,500.00	
Document Preparation Fee	150.00	
Delivery Fee	65.00	
ADDITIONAL DISBURSEMENTS:		
Refundable Cushion: Held By Central Escrow Group, Inc.	350.00	
SUBTOTALS	5,255,256.50	162,000.00
DUE FROM BUYER/BORROWER		5,093,256.50
TOTALS	5,255,256.50	5,255,256.50

CITY OF MONTEREY PARK, A GENERAL LAW CITY
AND MUNICIPAL CORPORATION

INEZ ALVAREZ, Manager

ATTACHMENT 2

Photos of Existing Fire Station 63





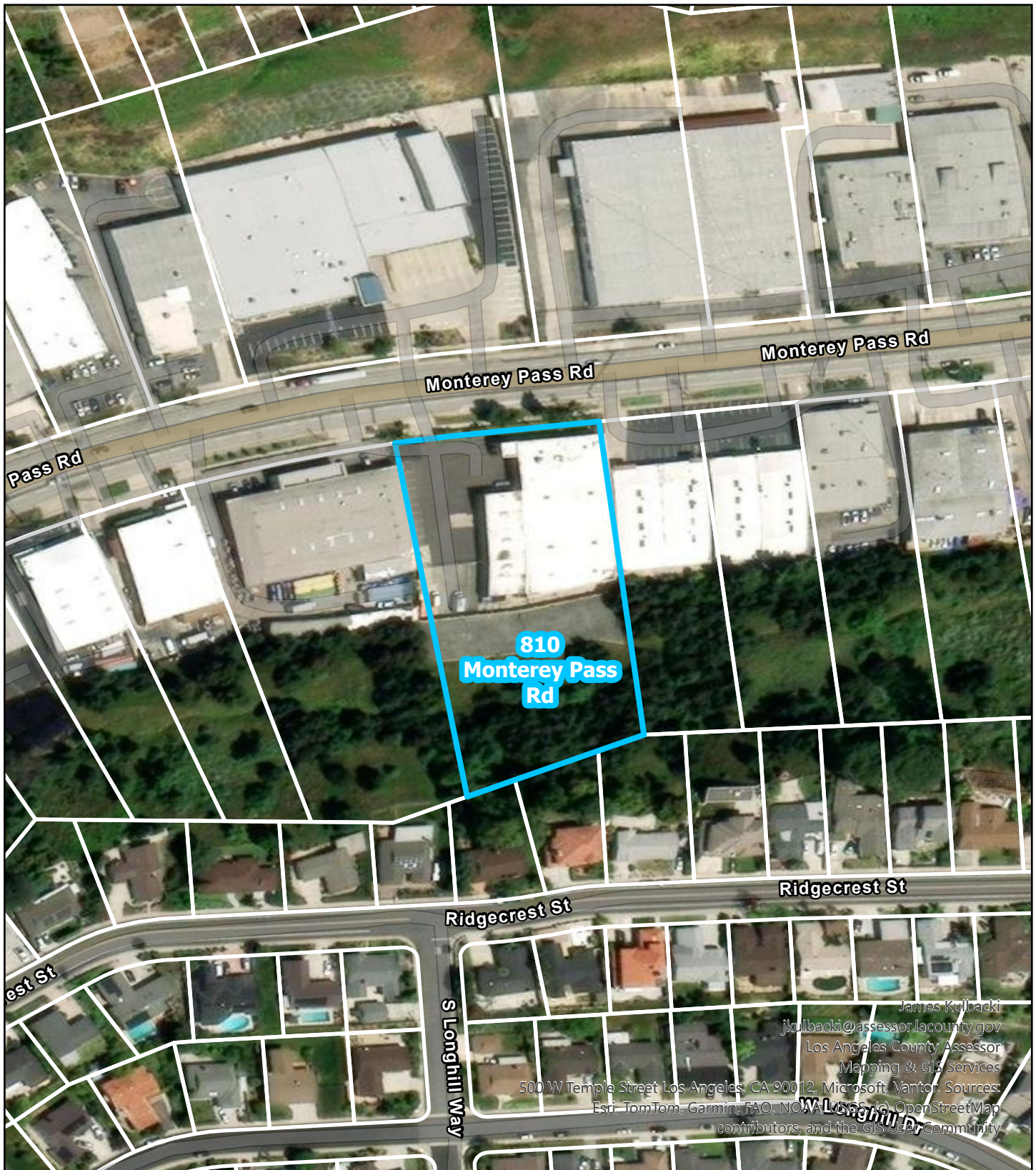






ATTACHMENT 3

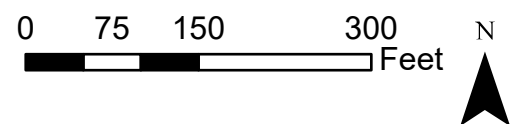
Aerial Image of Site



Site: 810 Monterey Pass Road
APN: 5252-003-043

Zone: Office Professional (O-P)
Land Use: Innovation/Technology

Backed against R-1 Low Density Residential



James Kulbacki
jkulbacki@assessor.lacounty.gov
Los Angeles County Assessor
Mapping & GIS Services
500 W Temple Street Los Angeles, CA 90012, Microsoft, Vantor, Sources:
Esri, TomTom, Garmin, FAO, NOAA, USGS, etc. OpenStreetMap
contributors, and the GIS User Community



City Council Staff Report

Date: December 3, 2025

Agenda Item Number: 9.D.

To: The Honorable Mayor and City Council
From: Shawn Igoe, Public Works Director
Subject: Award of Contract to Calgon Carbon for Carbon Media Changeout to maintain compliance with State Water Resources Control Board Division of Drinking Water requirements

Recommendation:

It is recommended that the City Council consider:

1. Authorizing the City Manager to execute a three-year Maintenance Agreement with Calgon Carbon Corporation, in a form approved by the City Attorney, for Carbon Media Changeout for a total not-to-exceed amount of \$2M; and
2. Taking such additional, related, action that may be desirable.

Executive Summary:

The City's advanced ultraviolet light/advanced oxidation ("UV/AOP") treatment system relies on granular activated carbon ("GAC") to ensure the effective removal of contaminants from groundwater wells and to maintain compliance with State Water Resources Control Board Division of Drinking Water requirements. Regular replacement of this carbon media is essential to safeguarding water quality and maintaining uninterrupted operation of the Centralized Groundwater Treatment System ("CGTS") and several critical production wells.

The Public Works Director ("Director") is requesting approval of a three-year agreement with Calgon Carbon Corporation, the leading provider of F400, which is essential for the controlled quenching and decomposition of hydrogen peroxide following UV/AOP treatment, preventing oxidant breakthrough and protecting downstream infrastructure, and F300 carbon products required by our permits and treatment specifications.

This contract provides operational stability and cost control, helping the City proactively manage Per- and Polyfluoroalkyl substances ("PFAS") related treatment needs while ensuring continued delivery of safe, high-quality drinking water to the community.

Background:

The City utilizes specialized GAC to meet drinking water standards and remove key PFAS

contaminants—specifically PFOA, PFOS, PFHxS, and PFHxA—as well as to support required hydrogen peroxide quenching in the UV/AOP treatment process.

Calgon Carbon supplies the proprietary F400 GAC required for the CGTS under the DDW permit and the F300 GAC used at Wells 1, 3, 10, and Fern. Its media has consistently provided the performance needed for both PFAS removal and stable UV/AOP operation.

Calgon remains the only vendor able to provide the approved products necessary for uninterrupted regulatory compliance and system reliability. Calgon Carbon remains the only qualified provider capable of supplying the specific grades of granular activated carbon—Filtrisorb F400 for the CGTS and F300 for Wells 1, 3, 10, and Fern—that meet the City’s DDW mandated performance criteria. F400, in particular, is a proprietary high activity carbon with validated adsorption kinetics for multiple PFAS constituents, including PFOA, PFOS, PFHxS, and PFHxA, as demonstrated through both Calgon’s certification data and the City’s operational sampling. Additionally, F400 provides the required stoichiometric quenching of hydrogen peroxide residuals following the UV/AOP advanced oxidation process. This function is not optional—it is specifically required to:

- Prevent oxidant breakthrough into downstream treatment units;
- Maintain AOP permit compliance;
- Protect pipelines, appurtenances, and distribution system integrity; and
- Ensure treated water meets DDW’s finished water quality targets.

No other vendor currently offers a carbon media with the verified dual function performance profile (PFAS adsorption + hydrogen peroxide quenching) approved by DDW for the City’s treatment process. Use of alternative products would require costly and time intensive pilot studies, DDW review, and potential permit modifications, risking regulatory delays and service interruptions. Thus, it is recommended that City Council approve an agreement with Calgon pursuant to MPMC 3.20.050(2) as Calgon is the only qualified provider capable of supplying the specific F300 GAC required by the City’s permit.

Refined Technical Justification for PFAS Removal Filtrasorb F400 has been demonstrated to provide superior adsorption capacity and breakthrough resistance for a range of regulated and soon to be regulated PFAS compounds, including:

- PFOA (Perfluorooctanoic acid),
- PFOS (Perfluorooctane sulfonic acid),
- PFHxS (Perfluorohexane sulfonic acid), and
- PFHxA (Perfluorohexanoic acid).

These PFAS constituents are known to exhibit varied chain length behaviors, diffusion rates, and adsorption characteristics. F400’s pore structure distribution, micro porosity, and surface chemistry have been shown to optimize adsorption for both long chain PFAS (such as PFOS and PFOA) and shorter chain variants (such as PFHxS and PFHxA), which are typically more difficult to remove.

This performance is essential for:

- Maintaining compliance with current State Response Levels (RLs) and Notification Levels (NLs);

- Preparing the City for forthcoming federal MCLs and DDW adoption thresholds;
- Achieving WQA validated reimbursement standards; and
- Supporting the City's long term PFAS management strategy.

These factors further reinforce Calgon Carbon as the sole practical and technically feasible provider for the City's treatment needs.

Strategic Plan Goal:

The award of contract to Calgon Carbon Corporation meets the City's goal to maintain the City's water treatment system to support the needs of the community.

Fiscal Impact:

The FY 2026 budget includes sufficient funding for GAC replacement activities. Project costs are supported by the Water Treatment Fund (402) and are reimbursable through the agreement Water Quality Authority (WQA).

Attachments:

None



City Council Staff Report

Date: December 3, 2025
Agenda Item Number: 9.E.

To: The Honorable Mayor and City Council
From: Shawn Igoe, Public Works Director
Subject: Approval of First Amendment to Agreement 2353-AA with United Storm Water, Inc. for catch basin inspection and maintenance services

Recommendation:

It is recommended that the City Council consider:

1. Authorizing the City Manager to execute a First Amendment to Agreement 2353-AA with United Storm Water, Inc., in a form approved by the City Attorney, for an additional amount of \$76,241 for continued catch basin inspection and maintenance services through June 30, 2027; and
2. Taking such additional, related, action that may be desirable.

CEQA (California Environmental Quality Act):

The proposed project is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to 14 California Code of Regulations § 15301 as a Class 1 categorical exemption (Existing Facilities). The Project results in minor alterations to existing public facilities involving no significant expansion of the existing use. The Project is not anticipated to have any significant impacts regarding noise, air quality, or water quality.

Executive Summary:

The City contracts with United Storm Water, Inc. for routine inspections and cleaning of City-owned and county-owned retrofit device and catch basins per the County of Los Angeles Maintenance Standards. The Agreement 2353-AA with United Storm Water, Inc., expires on February 7, 2026. The Public Works Director ("Director") recommends the City exercise its option to renew the agreement for one additional year and extending services through June 30, 2027, to align with the fiscal year. The proposed amendment allows for the continued maintenance of retrofit devices and catch basins located within the City.

Background:

Inspecting and maintaining catch basins prevents localized flooding by keeping drainage systems clear, reduces water pollution by capturing debris and contaminants, and protects infrastructure. The County of Los Angeles requires one catch basin and retrofit device inspection during the dry season (May- September) and 6 inspections, one per month, during Storm Season (October- March). Retrofit devices are cleaned as needed.

The City currently contracts with United Storm Water, Inc. for maintenance services as required by the county for both County-owned and City-owned catch basins. United Storm Water's maintenance services include inspection, and cleaning as needed, before storm events to avoid flooding along City roads. Proper maintenance also helps reduce trash and debris entering the City storm drain system which is required pursuant to the City's National Pollutant Discharge Elimination System ("NPDES") MS4 permit. Amending the current agreement provides the best value in price and qualification to the City as United Storm Water has fully inventoried and inspected the City's catch basin system through a previous public works project.

The Director recommends an amendment to the current contract with United Storm Water, Inc., for an additional amount of \$76,241, for a total contract amount of \$136,241, for continued inspection and maintenance services for catch basins and retrofit devices located within the City.

Strategic Plan Goal:

The proposed amendment supports the City's strategic plan goal of maintaining, building, and modernizing infrastructure and facilities to support the current and future needs of our City and community. Well-functioning storm drains keep streets and sidewalks clear of standing water, protecting infrastructure and the environment.

Fiscal Impact:

Funds for the inspection and maintenance of catch basins and retrofit devices were budgeted through the annual budget process for FY 2025-26 with the use of Measure W funds.

Attachments:

None



City Council Staff Report

Date: December 3, 2025
Agenda Item Number: 9.F.

To: The Honorable Mayor and City Council
From: Shawn Igoe, Public Works Director
Subject: Receive and file a summary of the Windstorm and Firestorm Local Emergency

Recommendation:

It is recommended that the City Council consider:

1. Receiving and filing this staff report summarizing the results of the windstorm and firestorm local emergency; and
2. Taking such additional, related, action that may be desirable.

CEQA (California Environmental Quality Act):

The City reviewed the environmental impacts of the extension under the California Environmental Quality Act (Public Resources Code §§ 21000, et seq. "CEQA") and the regulations promulgated thereunder (14 Cal. Code of Regs. §§ 15000, et seq., the "CEQA Guidelines"). CEQA Guidelines §§ 15060(c)(2), 15061(b)(3), and 15378 exempt activities that will not result in a direct or reasonably foreseeable indirect physical change in the environment, activities where there is possibility that it may have a significant effect on the environment, and activities that do not constitute a "project" as defined, respectively. This activity reflects administrative changes and policy making. Accordingly, this activity is exempt from further review.

Executive Summary:

On January 21, 2025, the City Council adopted Resolution No. 2025-R3 declaring a local emergency due to windstorm and firestorm events beginning on January 7, 2025, as reflected in the Governor's Executive Order dated January 12, 2025. The City Council adopted a Resolution 2025-R91, at its October 15, 2025 meeting, terminating the local emergency. Staff recommends receiving and filing this staff report summarizing the results of the windstorm and firestorm local emergency.

Background:

At its January 21, 2025, meeting, the City Council authorized the City Manager to take necessary measures to protect public health, safety, and general welfare including urgency abatement and direct negotiation of contracts pursuant to Public Contract Code §§ 20168 and 22050 and the Monterey Park Municipal Code ("MPMC") for the immediate completion of various projects including, without limitation, those listed on the capital improvement plan

("CIP"). While the conditions resulting from the declared emergency remain (and, indeed, additional factors such as the 2028 Olympics and federal immigration enforcement are contributing to cost increases and labor shortages), the City Manager and Public Works Director determined that it may be in the public interest to terminate the emergency. Consequently, the City Council adopted a Resolution 2025-R91, at its October 15, 2025 meeting, terminating the local emergency.

Under the local emergency, the City took immediate action to secure contracts for various construction projects and ensure protection of public health, safety, and general welfare. This report serves as a summary of contracts for more than 20 projects that were executed pursuant to Resolution No. 2025-R3. It is estimated that the City saved approximately \$500,000 in costs by rapidly securing these contracts during the declared emergency.

CIP No.	Project	Contractor	Contract Amount
96054	2024-25 Concrete Improvement Project	CT&T Concrete Paving, Inc.	\$230,957
96049	2024-25 Street Overlay at Various Locations	Onyx Paving Company, Inc.	\$4,146,240
95042	Underground Storage Tank Removal & Replacement	Tank Specialties, Inc. dba Tank Specialists of California	\$98,200
96052	Garvey Capacity Improvements Project	Mark Thomas	\$1,348,896
95061	Sidewalk Assessment & Repairs	Nichols Consulting Engineers, CHTD. dba NCE Southern California Precision Concrete, Inc. dba Precision Concrete Cutting	\$53,900 \$150,000
95038	Bruggemeyer Library Generator	Pacific Power Engineering Technology, Inc	\$281,300
99011	Emerson Ave Sewer Improvements	GRBCON Inc.	\$647,141
99024	Water Meter Replacements	Ferguson Waterworks	\$9,062,978
96001	Garvey Ave. Sewer Improvements	GRBCON, Inc.	\$1,687,447
E0001	Council Chambers & Restroom Remodeling	BOA Architecture	\$139,000
95057	Barnes Park Gymnasium Painting	U.S National Corp. dba	\$124,950

		Jimenez Painting Company	
95059	Library Carpet Replacement	Dura Flooring	\$365,954
95056	Elder Gym & Langley Office Flooring	JJJ Flooring, Inc.	\$46,853
96057	Atlantic and Emerson Overlay	Onyx Paving Company, Inc.	\$898,000
95064	Barnes Park Aquatic Center	Dahlin Group, Inc.	\$41,000
95054	Epoxy Cascades Project	CT&T Concrete, Inc.	\$15,850
96058	Concrete Improvements	Onyx Paving Company, Inc.	\$309,000
95038	Library Painting	U.S National Corp. dba Jimenez Painting Company	\$232,850
95055	Courts Resurfacing	TrueLine Construction & Surfacing, Inc.	\$296,213
95066	George Elder Pool Improvements	Sebastian Waterworks, Inc., DBA Mr. Rooter Plumbing of South San Gabriel	\$129,000
95063	City Fuel Pump Improvements	Tank Specialists, Inc.	\$86,800

Strategic Plan Goal:

The proposed actions meets the City's goal to maintain, build and modernize infrastructure and facilities to support the current and future needs of our City and community.

Fiscal Impact:

The costs for awarded contracts are budgeted within the City's FY 25-26 CIP.

Attachments:

None



City Council Staff Report

Date: December 3, 2025
Agenda Item Number: 9.G.

To: The Honorable Mayor and City Council
From: Diana Garcia, Assistant City Manager
Subject: Universal Human Rights Month Resolution (As Requested by Council Member Sanchez)

Recommendation:

It is recommended that the City Council consider:

1. Approving the attached resolution; and
2. Taking such additional, related, action that may be desirable.

Executive Summary:

The attached resolution is being brought forth to the Council for consideration at the request of Council Member Sanchez.

Background:

N/A

Strategic Plan Goal:

N/A

Fiscal Impact:

There is no expected fiscal impact associated with adopting this resolution.

Attachments:

1. Universal Human Rights Month Resolution

ATTACHMENT 1

Universal Human Rights Resolution

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEREY PARK, CALIFORNIA, DECLARING THE MONTH OF DECEMBER 2025 AS UNIVERSAL HUMAN RIGHTS MONTH

BE IT RESOLVED by the Council of the City of Monterey Park as follows:

SECTION 1: The City Council finds as follows:

- A. The Universal Declaration of Human Rights (UDHR) is a milestone document in the history of human rights. The Declaration was adopted by the United Nations General Assembly in Paris on December 10, 1948, during its 183rd plenary meeting.
- B. For 77 years, the core ambition of the Declaration has been to infuse societies with equality, fundamental freedoms, and justice. It enshrines the rights of all human beings and is a global blueprint for international, national, and local laws and policies.
- C. On Human Rights Day, December 10, 2025, we will celebrate the 77th anniversary of the Declaration. Human Rights Day seeks to increase knowledge on the universality and indivisibility of human rights, especially among young people. It will inspire people to create a movement of shared humanity while empowering them to fight for their rights and act.
- D. The UDHR gives us tools and the roadmap to unite and speed up the fight for our rights. We celebrate the 77th anniversary of the UDHR with the theme, “Our Everyday Essentials”, which aims to show how human rights like food, water and education are part of daily life.
- E. The primary responsibility to promote respect for these rights and freedoms lies with each individual in the City of Monterey Park, and each of us can play a significant role in enhancing human rights.
- F. The City Council of the City of Monterey Park, in recognition of Human Rights Day on December 10, 2025, joins national and local officials in proclaiming December 2025 as Universal Human Rights Month and encourages citizens in our community to observe this month by celebrating thoughtful measures and laws undertaken to secure effective recognition and observance of these rights and freedoms, and by each person exercising his rights and freedom.

SECTION 2: *Electronic Signatures.* This Resolution may be executed with electronic signatures in accordance with Government Code §16.5. Such electronic signatures will be treated in all respects as having the same effect as an original signature.

SECTION 3: *Recordation.* The Mayor, or presiding officer, is authorized to sign this Resolution signifying its adoption by the City Council of the City of Monterey Park and the City Clerk, or her duly appointed deputy, may attest thereto.

SECTION 4: *Effective Date.* This Resolution will become effective immediately upon adoption and will remain effective unless repealed or superseded.

PASSED AND ADOPTED this 3rd day of December, 2025.

Elizabeth Yang, Mayor

Attest:

Maychelle Yee, City Clerk



City Council Staff Report

Date: December 3, 2025

Agenda Item Number: 10.A.

To: The Honorable Mayor and City Council

From: Timothy Hou, Director of Community Development
Jason Hing, Fire Chief

Subject: Consideration and possible action to conduct a public hearing to read by title only, waive further reading, and adopt an Ordinance amending Titles 16 and 17 of the Monterey Park Municipal Code by adopting the 2025 Edition of The California Building Standards Code and the Monterey Park Amendments to the California Building Standards Code

Recommendation:

It is recommended that the City Council consider:

1. Opening a public hearing and taking testimonial and documentary evidence; and
2. After considering the evidence, reading by title only, waiving further reading, and adopting the proposed Ordinance; and
3. Taking such additional, related, action that may be desirable.

CEQA (California Environmental Quality Act):

Pursuant to the California Environmental Quality Act ("CEQA") and the CEQA Guidelines, the proposed Ordinance affects commercial development or businesses and is not subject to further review under CEQA for the following reasons: (1) the Ordinance is an action being taken for enhanced environmental protection (14 Cal. Code Regs. § 15308); (2) there is no possibility that the ordinance may have a significant effect on the environment (14 Cal. Code Regs. § 15061(b)(3)); and (3) it will not result in a direct or reasonably foreseeable indirect physical change in the environment (14 Cal. Code Regs. § 15060(c)(2)).

Executive Summary:

The Ordinance was introduced and received first reading at the November 5, 2025 City Council meeting. Government Code § 50022.3 requires the City Council to conduct a public hearing before conducting a second reading and approving the Ordinance (Attachment 1) because it will adopt, by reference, the 2025 California Building Standards Code, as set forth in Title 24 of the California Code of Regulations. The original staff report from November 5, 2025 is attached for reference (Attachment 2).

A second reading and adoption of this Ordinance is recommended. If approved, the Ordinance would become effective 30 days following its adoption. The 2025 California Building Standards

Codes will take effect on January 1, 2026. The new codes apply to building permit applications submitted on or after that date. Based upon the draft ordinance, permit applications submitted on or before December 31, 2025, remain subject to the current 2022 codes for as long as the application stays active.

Every three years, California adopts updated building standards codified in Title 24 of the California Code of Regulations. The draft ordinance (Attachment 1) incorporates the 2025 codes by reference and includes limited local amendments based on documented climatic, geological, and topographic conditions and administrative needs. This cycle primarily clarifies existing requirements and updates numbering, with targeted fire and life safety provisions. The staff report also explains how the ordinance complies with AB 130 by limiting local changes that are applicable to residential units to the narrow exceptions allowed by state law, and by treating other changes as administrative or fire authority supported.

Type Of Action: (Legislative)

The recommended action is to amend Monterey Park Municipal Code (MPMC) Titles 16 and 17 by adopting the 2025 Edition of the California Building Standards Code (CBSC). In considering such action, the City Council acts in its discretionary legislative capacity (formulating rules that apply to all future cases). For the proposed amendments, the City Council must find that they are reasonably necessary because of local climatic, geological or topographical conditions (Health and Safety Code § 17958.7). These findings, and the facts upon which they rely, are included within the draft Ordinance (Attachment 1). Accordingly, a Notice of Exemption has been prepared for the proposed ordinance (Attachment 2).

Background:

The California Building Standards Commission is authorized by Health and Safety Code §§ 18901 through 18949.31 to administer the processes governing the adoption, approval, publication, and implementation of California's uniform codes every three years.

California law does allow each local jurisdiction to make limited amendments to the CBSC to govern unique issues within that jurisdiction. For example, coastal cities may make changes to address coastal erosion. In Monterey Park, the primary issues are fire-prone open and inhabited areas, combined with steep topography and seasonal high winds. Additionally, like virtually every other jurisdiction in California, the City must be prepared for earthquake activity. To address these local challenges, the proposed Ordinance makes local amendments to the CBSC.

Local amendments are not effective or operative until the amendment documents meeting the requirements have been filed with CBSC. As stated in the Ordinance, the City Clerk will send a certified copy of the Ordinance to the California Building Standards Commission.

Since the City is incorporating the CBSC into the Monterey Park Municipal Code ("MPMC") by reference (with local amendments), Government Code § 50022.3 requires that the City Council conduct a public hearing before adopting the Ordinance. Accordingly, if the Ordinance is introduced, a public hearing would be scheduled for the December 3, 2025 City Council meeting.

Assembly Bill 130 (2025) ("AB 130"), among other things, amended Health and Safety Code §17958 by prohibiting modifications to building standards affecting residential units between

October 1, 2025, and June 1, 2031, unless certain conditions exist, including a finding that the local amendments are “substantially equivalent” to prior provisions. The local amendments incorporated into the draft ordinance are substantially equivalent to existing regulations as adopted under the 2022 uniform codes. Proposed changes to existing regulations are primarily administrative.

The 2025 California Building Standards Codes will take effect on January 2, 2026. The new codes apply to building permit applications submitted on or after that date. Based upon the draft ordinance, permit applications submitted on or before December 31, 2025, remain subject to the current 2022 codes for as long as the application stays active.

Strategic Plan Goal:

N/A

Fiscal Impact:

There are no identifiable fiscal impacts associated with adopting the Ordinance and Resolution (other than administrative costs associated with codifying the Ordinance).

Attachments:

1. Ordinance and Exhibit A- Findings- Local Amendments to the 2025 California Building Standards Code
2. Staff Report dated November 5, 2025 (without attachments)
3. Notice of Exemption

ATTACHMENT 1

Ordinance and Exhibit “A” – Findings – Local Amendments to the 2025 California Building Standards Code

ORDINANCE NO. ____

AN ORDINANCE ADOPTING THE 2025 EDITIONS OF THE CALIFORNIA BUILDING CODE, THE CALIFORNIA RESIDENTIAL CODE, THE CALIFORNIA ELECTRICAL CODE, THE CALIFORNIA MECHANICAL CODE, THE CALIFORNIA PLUMBING CODE, THE CALIFORNIA ENERGY CODE, CALIFORNIA WILDLAND-URBAN INTERFACE CODE THE CALIFORNIA HISTORICAL CODE, THE CALIFORNIA FIRE CODE, THE CALIFORNIA EXISTING BUILDING CODE, THE CALIFORNIA GREEN BUILDING STANDARDS CODE, THE CALIFORNIA REFERENCED STANDARDS CODE, THE CALIFORNIA BUILDING STANDARDS ADMINISTRATIVE CODE, MAKING CERTAIN AMENDMENTS BASED UPON LOCAL CONDITIONS; AND AMENDING THE MONTEREY PARK MUNICIPAL CODE TO REFLECT SUCH CHANGES.

The City Council for the City of Monterey Park does ordain as follows:

SECTION 1: *Findings.* The City Council finds as follows:

- A. The City may adopt model codes by reference pursuant to Government Code §§ 50022.2, *et seq.*;
- B. Health and Safety Code § 17958 requires the City to adopt certain codes that are set forth in Health and Safety Code § 17922 and published in the California Code of Regulations.
- C. In accordance with Health and Safety Code § 17958.7, it is in the public interest to adopt the most recent codes published by the California Building Standards Commission.
- D. Notice of public hearing to consider this Ordinance was duly published and posted pursuant to Government Code §§ 6066 and 50022.3 on November 6 and December 3, 2025.
- E. Pursuant to Government Code § 50022.6, at least one copy of all codes adopted by reference were filed with the City Clerk and available for public inspection at least 15 days before the public hearing.
- F. Pursuant to Government Code § 50022.9, the City Council intends to adopt by reference, with local amendments, the following 2025 codes in their entirety as if set forth in full herein:
 - 1. The California Building Code, 2025 Edition - Vol. I & II as published in Title 24, Part 2 of the California Code of Regulations;

2. The California Residential Code, 2025 Edition, as published in Title 24, Part 2.5 of the California Code of Regulations;
3. The California Electrical Code, 2025 Edition, as published in Title 24, Part 3 of the California Code of Regulations;
4. The California Mechanical Code, 2025 Edition, as published in Title 24, Part 4 of the California Code of Regulations;
5. The California Plumbing Code, 2025 Edition, as published in Title 24, Part 5 of the California Code of Regulations;
6. The California Energy Code, 2025 Edition, as published in Title 24, Part 6 of the California Code of Regulations;
7. The California Wildland-Urban Interface Code, 2025 Edition, as published in Title 24, Part 7 of the California Code of Regulations;
8. The California Historical Building Code, 2025 Edition, as published in Title 24, Part 8 of the California Code of Regulations;
9. The California Fire Code, 2025 Edition, as published in Title 24, Part 9 of the California Code of Regulations;
10. The California Existing Building Code, 2025 Edition, as published in Title 24, Part 10 of the California Code of Regulations;
11. The California Green Building Standards Code, 2025 Edition, as published in Title 24, Part 11 of the California Code of Regulations;
12. The California Referenced Standards Code, 2025 Edition, as published at Title 24, Part 12, of the California Code of Regulations;

SECTION 2: In accordance with Health and Safety Code § 17958.7, the City Council finds that there are local climatic, geographic, and topographic conditions justifying the various local amendments to the California Building Standards Code as set forth in attached Exhibit “A,” which is adopted by the City Council and incorporated by reference.

SECTION 3: Monterey Park Municipal Code (“MPMC”) § 16.01.010 is amended to read as follows:

“16.01.010 Adoption of specific codes—Copies on file.

(a) Except as otherwise provided in this chapter, the following codes are adopted by reference:

1. The California Building Code, 2025 Edition - Vol. I & II as published in Title 24, Part 2 of the California Code of Regulations;
2. The California Residential Code, 2025 Edition, as published in Title 24, Part 2.5 of the California Code of Regulations;
3. The California Electrical Code, 2025 Edition, as published in Title 24, Part 3 of the California Code of Regulations;
4. The California Mechanical Code, 2025 Edition, as published in Title 24, Part 4 of the California Code of Regulations;
5. The California Plumbing Code, 2025 Edition, as published in Title 24, Part 5 of the California Code of Regulations;
6. The California Energy Code, 2025 Edition, as published in Title 24, Part 6 of the California Code of Regulations;
7. The California Wildland-Urban Interface Code, 2025 Edition, as published in Title 24, Part 7 of the California Code of Regulations;
8. The California Historical Building Code, 2025 Edition, as published in Title 24, Part 8 of the California Code of Regulations;
9. The California Existing Building Code, 2025 Edition, as published in Title 24, Part 10 of the California Code of Regulations;
10. The California Green Building Standards Code, 2025 Edition, as published in Title 24, Part 11 of the California Code of Regulations;
11. The California Referenced Standards Code, 2025 Edition, as published at Title 24, Part 12, of the California Code of Regulations;

(b) In accordance with Health and Safety Code Section 18942, one copy of the above-referenced codes will remain on file in the office of the city clerk.”

SECTION 4: Chapter 16.05 of the MPMC is amended in its entirety to read as follows:

“Chapter 16.05 BUILDING CODE

16.05.010 Building Code adopted by reference.

Pursuant to Government Code § 50022.9, the city council incorporates by reference Chapter 1, Division I and Chapter 2 through Chapter 35 and Appendices C, F, H, I, J and O of the California Building Code, 2025 Edition, as published in Title 24, Parts 2, Volumes 1 and 2 of the California Code of Regulations.

16.05.020 Building Code Amended

Chapter 9 and 15 of the California Building Code, 2025 Edition are amended, deleted or added as follows:

- a. Chapter 9 of the Building Code is deleted in its entirety and replaced with Chapter 9 of the California Fire Code as adopted and amended by Monterey Park Municipal Code Title 17 Fire Code.
- b. Table 1505.1 amended, by the deletion of Table 1505.1 and the addition of a new Table 1505.1 thereto, to read as follows:

TABLE 1505.1

MINIMUM ROOF COVERING CLASSIFICATIONS

TYPES OF CONSTRUCTION								
IA	IB	IIA	IIB	IIIA	IIIB	IV	VA	VB
A	A	A	A	A	A	A	A	A

- c. Section 1505.1.2 is amended to read as follows:

1505.1.2 Roof coverings within all other areas other than Fire Hazard Severity Zones or a Wildland-Urban Interface (WUI). The entire roof covering of every existing structure where more than 50 percent of the total roof area is replaced within any one-year period, the entire roof covering of every new structure, and any roof covering applied in the alteration, repair or replacement of the roof of every existing structure, will be a fire-retardant roof covering that is at least Class A.

SECTION 5: Chapter 16.06 of the MPMC is amended in its entirety to read as follows:

“Chapter 16.06 RESIDENTIAL CODE

16.06.010 Residential Code adopted by reference.

Pursuant to Government Code § 50022.9, the City Council adopts and incorporates by reference chapters 2 through 10, chapter 44 and appendices AH, AJ, AQ, and AS of the California Residential Building Code, 2025 Edition, as published in Title 24, Part 2.5 of the California Code of Regulations.

16.06.020 Residential Code Amended

Chapter 3 of the California Residential Code, 2025 Edition is amended, deleted or added as follows:

- a. Section 301.1.3.2 is amended to read as follows;

R301.1.3.2 Wood Frame Structures. Pursuant to Business and Profession Code §§ 5537 and 6737.1, construction documents must be approved and stamped by a California licensed architect or engineer for all dwellings of wood frame construction more than two stories and basement in height located in Seismic Design Category A, B, or C and more than one story in height or with a basement located in Seismic Design Category D0, D1, or D2 or E.

- b. Section R309 of the Residential Code is deleted in its entirety and replaced with Chapter 9 of the California Fire Code as adopted and amended by Monterey Park Municipal Code Title 17 Fire Code.”

SECTION 6: Section 16.07.010 of Chapter 16.07 of the MPMC is amended in its entirety to read as follows:

“16.07.010 Electrical Code adopted by reference.

Pursuant to Government Code Section 50022.9, the city council adopts and incorporates by reference the California Electrical Code and Annexes A, B, C, D, E, F, G, H, I and J, 2025 Edition, as published in Title 24, Part 3 of the California Code of Regulations.”

SECTION 7: MPMC § 16.08.010 is amended to read as follows:

“16.08.010 Mechanical Code adopted by reference.

Pursuant to Government Code § 50022.9, the city council adopts and incorporates by reference the California Mechanical Code, 2025 Edition, as published in Title 24, Part 4 of the California Code of Regulations.”

SECTION 8: MPMC § 16.09.010 is amended to read as follows:

“16.09.010 Plumbing Code adopted by reference.

Pursuant to Government Code § 50022.9, the city council adopts and incorporates by reference the California Plumbing Code, 2025 Edition, as published in Title 24, Part 5 of the California Code of Regulations.”

SECTION 9: MPMC § 16.10.010 is amended to read as follows:

“16.10.010 Energy Code adopted by reference.

Pursuant to Government Code Section 50022.9, the city council adopts and incorporates by reference the California Energy Code, 2025 Edition, as published in Title 24, Part 6 of the California Code of Regulations.”

SECTION 10: MPMC § 16.11.010 is amended to read as follows:

“16.11.010 Historical Building Code adopted by reference.

Pursuant to Government Code § 50022.9, the city council adopts and incorporates by reference the California Historical Building Code, 2025 Edition, as published in Title 24, Part 8 of the California Code of Regulations.”

SECTION 11: MPMC § 16.12.010 is amended to read as follows:

“16.12.010 Existing Building Code adopted by reference.

Pursuant to Government Code § 50022.9, the city council adopts and incorporates by reference the California Existing Building Code, 2025 Edition, as published in Title 24, Part 10 of the California Code of Regulations.”

SECTION 12: MPMC § 16.13.010 is amended to read as follows:

“16.13.010 Green Building Standards Code adopted by reference.

Pursuant to Government Code § 50022.9, the city council adopts and incorporates by reference the California Green Building Standards Code, 2025 Edition, as published in Title 24, Part 11 of the California Code of Regulations.”

SECTION 13: MPMC § 16.14.010 is amended to read as follows:

“16.14.010 Referenced Standards Code adopted by reference.

Pursuant to Government Code § 50022.9, the city council adopts and incorporates by reference the California Referenced Standards Code, 2025 Edition, as published in Title 24, Part 12 of the California Code of Regulations.”

SECTION 14: Chapters 17.01 and 17.02 of the MPMC are amended in their entirety to read as follows:

“Chapter 17.01. CALIFORNIA FIRE CODE

17.01.010 Fire Code adopted by reference.

Pursuant to Government Code § 50022.9, the City Council incorporates by reference the California Fire Code, 2025 Edition (“CFC”), as published at Title 24, Part 9, of the California Code of Regulations. The CFC, as adopted by the MPMC, includes Appendices Chapter 4, B, C, D, O and P.”

“Chapter 17.02 LOCAL AMENDMENTS TO CALIFORNIA FIRE CODE

17.02.010 Amendment—Application of Residential Code.

Section 102.5 is amended to read as follows:

102.5 Application of Residential Code. Where structures are designed and constructed in accordance with the International Residential Code, the provisions of this code apply as follows:

1. Construction and design provisions: Provisions of this code pertaining to the exterior of the structure will apply including, without limitation, premises identification, fire apparatus access and water supplies. Provisions of this code pertaining to the interior of the structure when specifically required by this code including, without limitation, Section 903 where interior or exterior systems or devices are installed, construction permits required by Section 105.6 of this code will also apply.
2. Administrative, operational, and maintenance provisions: All such provisions of this code will apply.

17.02.020 Addition—Police Powers.

Section 103.4 is added to read as follows:

103.4 Police Powers. The fire marshall and deputies have the powers of sworn police officers in performing their duties under this code. When requested to do so by the fire marshall, the chief of police of the jurisdiction is authorized to assign such available police officers as necessary to assist the fire marshall in enforcing the provisions of this code.

17.02.030 (Reserved)

17.02.040 Amendment—Appeals.

Section 112, including its subparts is amended in its entirety to reads as follows:

112 Appeals. Any aggrieved party may appeal any decision of the Fire Chief.

112.2 Written Decision. Any such decision must be in writing and a copy thereof will be served upon the applicant, if any, by mail. Any such decision will be final, unless an appeal will be filed there from, within the time and in the manner prescribed by this section.

112.3 Appeal Procedure. Any person dissatisfied with any such determination or decision of the Fire Chief has the right of appeal via the Administrative Civil Review Process established under the provisions of Section 5.48.220 of this code.

17.02.050 Amendment—Definition added.

Section 202 is amended by adding the following definition:

ALL WEATHER SURFACE. A road surface constructed to the minimum standards approved by the jurisdiction capable of supporting loads of 80,000 pounds.

17.02.060 Amendment—Definitions revised.

Section 202 is amended by revising the following definitions:

“FIRE CODE OFFICIAL” means the Fire Chief or Fire Marshall, or designee, who is authorized by the Fire Chief to administer and enforce the Code.

17.02.070. Amendment—Combustible Waste Material.

Section 304.1.2 is amended to read as follows:

304.1.3 Vegetation. Weeds, grass, vines or other growth that is capable of being ignited and endangering property, must be cut down and removed by the owner or occupant of the premises. Vegetation clearance requirements in areas deemed a fire hazard by the Fire Chief or Fire Code Official must maintain a defensible space around all buildings and structures as follows:

Ground clearance. The space surrounding every building or structure must be maintained in accordance with the following:

Any person that owns, leases, controls, operates, or maintains any building or structure in, upon, or adjoining any mountainous area or forest-covered lands, brush covered lands, or grass-covered lands, or any land which is covered with flammable material, must at all times do the following:

(1) Maintain around and adjacent to such building or structure a firebreak made by removing and clearing away, for a distance of not less than 30 feet on each side thereof or to the property line, whichever is nearer, all flammable vegetation or other combustible growth. This section does not apply to single specimens of trees, ornamental shrubbery, or similar plants which are used as ground cover, if they do not form a means of rapidly transmitting fire from the native growth to any building or structure.

(2) Maintain around and adjacent to any such building or structure additional fire protection or fire-break made by removing all bush, flammable vegetation, or combustible growth which is located from 30 to 100 feet from such building or structure or to the property line, whichever is nearer, as required by the enforcing agency if he finds that, because of extra hazardous conditions, a fire break of only 30 feet around such building or structure is not sufficient to provide reasonable fire safety. Grass and other vegetation located more than 30 feet from such building or structure and less than 18 inches in height above the ground may be maintained where necessary to stabilize the soil and prevent erosion.

17.02.080 Amendment—Open burning.

Section 307.1 is amended to read as follows:

307.1 Bonfires, Weed Abatement, Religious Burning, and Outdoor Rubbish Fires.

No person may build, light, maintain, or cause or permit to be built, lighted or maintained, any open or outdoor fire; use, or cause or permit to be used, any fire for clearing land; burn or cause or permit to be burned, any brush, trash, rubbish, stubble, or other flammable or combustible material, unless he complies with the regulations set forth in this section as follows:

1. Applicant must first secure from the Fire Chief, or designee, a written permit for such burning.

2. Such burning must be in accordance with the following:

a. Each recipient of a written permit for burning must follow all rules shown. Acceptance of a burning permit will constitute an agreement that the holder will be responsible for all damages resulting from burning.

b. Any such fire must be maintained in one small pile or area that can be readily controlled.

c. At least one adult person must be in actual attendance and in charge of such fire at all times during its burning. He/she must have on hand at all such times water, garden hose, shovels, or other fire extinguishing equipment.

- d. Such burning will be permitted only at a safe distance from all structures or other combustible material.
 - e. Burning will be permitted only if there is no appreciable wind.
 - f. Upon completion of any such burning, all resultant embers must be extinguished and hot ashes must be thoroughly wet down.
3. The Fire Chief may prohibit any or all outdoor fires or burning at any time he/she deems that atmospheric conditions or local circumstances will make such a fire hazardous.

17.02.090 Reserved

17.02.100 Amendment—Automatic sprinkler systems.

Section 903 is amended as follows:

Amend Section 903.1.2 to read as follows:

903.1.2 Partial Automatic Fire Suppression Systems Prohibited.

Whenever an automatic fire suppression system is installed for any portion of any building or structure, an automatic fire suppression system must be installed for the entire building or structure.

Amend Section 903.2 to read as follows:

903.2 Where required. Approved automatic extinguishing systems must be installed:

- 1. In all new buildings regardless of the type of construction or occupancy.

Exceptions:

- A) Detached Group U occupancies, providing the floor area does not exceed 1000 square feet.
 - B) Unmanned facilities and/or minor buildings and/or occupancies as approved by the Fire Chief.
- 2. In existing buildings with an occupancy change as required by other sections of the Fire Code.

Amend Section 903.6 as follows:

903.6 Existing Occupancies. An automatic sprinkler system will be installed in existing occupancies as follows:

1. In all commercial and industrial buildings greater than 5000 square feet in area when enlarged by an addition to the existing structure or as required by the Fire Chief.
2. In all commercial and industrial buildings equal to or less than 5000 square feet in area, when enlarged by an addition to the existing structure, exceeds 5000 square feet or as required by the Fire Chief.
3. In all commercial and industrial buildings when an addition to the existing area exceeds fifty percent (50%) within any twelve-month period.
4. In all residential occupancies when an addition to the existing living area exceeds fifty percent (50%) within any twelve-month period.
5. As required by the Fire Code due to a change in occupancy.
6. As required by the Fire Code in Chapter 11.

Amend Section 903.3.1.1 as follows:

903.3.1.1 NFPA 13 sprinkler systems. In other than Group R buildings that are not over two stories in height, automatic sprinkler systems will be designed and installed in accordance with the NFPA 13, as amended in Chapter 80 except as provided in Sections 903.3.1.1.1, 903.3.1.1.2, and 903.3.1.1.3.

Add Section 903.3.1.1.5.to read as follows:

903.3.1.1.5 Riser room location. In structures over three stories in height or served by more than two fire sprinkler risers, a dedicated Fire Sprinkler Riser Room must be provided at an approved location. The riser room must be accessible to emergency personnel from the exterior of the building.

Amend Section 903.3.1.2 as follows:

903.3.1.2. NFPA 13R sprinkler systems. Where allowed in buildings of Group R, up to and including two stories in height, automatic sprinkler systems will be installed throughout in accordance with NFPA 13R, 2025 Edition as amended in Chapter 80.

Add Section 903.3.1.2.4 to read as follows:

903.3.1.2.4 Basement spaces. In residential buildings with automatic sprinkler systems designed and installed in accordance with NFPA 13R, basements used for living or storage purposes must be fully sprinklered with residential type heads.

Add Section 903.3.1.3 to read as follows:

903.3.1.3. NFPA 13D sprinkler systems. Where allowed, automatic sprinkler systems will be installed in one- and two-family dwellings will be installed throughout in accordance with NFPA 13D, 2025 Edition as amended in Chapter 80.

Add Section 903.3.1.3.1 to read as follows:

903.3.1.3.1. Detailed requirements. Automatic sprinkler system protection for one and two-family dwellings will be designed and installed in accordance with NFPA 13D, 2025 Edition with the following modifications:

1. A local water flow alarm must be provided for all sprinkler systems.
2. Attics and basements used for storage purposes must be fully sprinklered with residential type heads.
3. Overhead piping must be hydrostatically tested for leakage at 200 psi for two hours and inspected before drywall or insulation installation.
4. A minimum of three spare representative sprinkler heads and installation wrench must be provided at an approved location.

Amend Section 903.3.5 as follows:

903.3.5 Water Supplies. Water supplies for automatic sprinkler systems must comply with this section and the standards referenced in section 903.3.1. The potable water supply must be protected against backflow in accordance with the *Health and Safety Code* and the Monterey Park Municipal Code. Hydraulic calculations for systems designed per NFPA 13, 13D, or 13R will include a ten percent (10%) reduction from the available supply source.

17.02.110 Addition—Multiple fire alarm and detection systems.

Section 907.1.6 is added to read as follows:

907.1.6 Multiple Fire Alarm Systems. Multiple fire alarm systems within single protected premises must be interconnected and must transmit signals as one system.

17.02.120 Amendment—Emergency Responder Radio Coverage

Section 1103.2 is amended to read as follows:

1103.2 Emergency responder radio coverage in existing buildings. Existing buildings that do not have approved radio coverage for emergency responders within the building based upon the existing coverage levels of the public safety communication systems of the jurisdiction at the exterior of the building, must be equipped with such coverage according to one of the following:

1. Whenever an existing wired communication system cannot be repaired or is being replaced, or where not approved in accordance with Section 5101, Exception 1.
2. Whenever total additions result in an increase of more than 6,000 square feet in the total floor area, including mezzanines or additional stories, regardless of ownership. Additions must be cumulative with each application for a building permit from January 1, 2011.
3. Whenever the value of alternations requiring permits exceed \$500,000 in valuation. Alterations values must be cumulative with each application for a building permit from January 1, 2011.

17.02.130 Amendment—Explosive materials.

Sections 5601.2 and 5601.3 are amended to read as follows:

5601.2 The manufacture, possession, storage, sale, transportation and use of explosive materials will be prohibited, unless it is authorized by the State Fire Marshal. This will not apply to hand loading of small arms ammunition for personal use when not for resale.

5601.3 Non explosive materials must be bolts, explosive rivets or cartridges for explosive-actuated power tasks in quantities involving less than 500 pounds.

17.02.140 Addition—Fireworks display.

Sections 5608.1.2 and 5608.1.3 are added to read as follows:

5608.1.2 Permits. It is unlawful for any person to present or conduct any public display of fireworks within the City of Monterey Park without first having obtained a permit there from the Fire Chief or their representative.

5608.1.3 Detailed Requirements. The public display of fireworks within the City of Monterey Park must comply with Section 5608.1 of this Code and all of the following:

1. The Fire Chief is authorized to grant permits for supervised public displays of fireworks. Every such display must be personally supervised by a competent, licensed pyrotechnic operator approved by the Fire Chief. Each such display must

be held at an approved location and must be so discharged or fired as, in the opinion of the Fire Chief after proper investigation, not to be hazardous to property or to endanger any person.

2. Applications for a permit must be made in writing at least ten days before the date of the display. If a permit is issued, the sale, possession, use, and/or distribution of fireworks for such display will be lawful for the permitted activity and time frame only. No permit granted under this code is transferable.
3. The permittee must furnish a bond or certificate of insurance in an amount deemed adequate by the Fire Chief for the payment of all damages which may be caused either to a person or persons or to property by reason of the permitted display and arising from any acts of the permittee, agents, employees, or subcontractors.
4. When required by the Chief, the pyrotechnic operator will employ and provide additional personnel whose sole duty will be the enforcement of crowd control around the display area. Unauthorized persons will not be allowed to enter the discharge site until the site has been inspected and cleared after conclusion of the display by the pyrotechnic operator.
5. The Fire Chief is authorized to require rope barriers, fences, signs or other devices to be installed around the display area to aid in crowd control.
6. The Fire Chief may promulgate rules and regulations consistent with this code as needed to prevent injury to persons and/or property including, without limitation, requiring standby fire personnel or apparatus at the firing site.
7. If the Fire Chief or designee determines that there is a lack of crowd control or that the crowd is in danger, the display may be immediately stopped. If at any time high winds or wet weather creates a danger, the display may be postponed until weather conditions are acceptable to the Fire Chief.
8. The entire firing site must be inspected immediately following a display and before allowing public access for the purpose of locating unexploded aerial shells and/or hazardous debris. Unexploded shells will not be handled within 15 minutes after the time of their firing. Such shells must then be doused thoroughly with water, allowed to stand for at least five minutes, and then be submerged in a full bucket of water.

17.02.150 Addition—Fireworks manufacturing.

Section 5614 is added to read as follows:

SECTION 5614 FIREWORKS MANUFACTURING

5614.1 It is unlawful to manufacture fireworks within the City of Monterey Park.

5614.2 The Fire Chief is authorized to seize, take, remove or cause to be removed, at the expense of the owner, all stocks of fireworks or explosives offered or exposed for sale, or stored or held in violation of this section.

17.02.160 Addition—Sale of fireworks.

Section 5615 is added to read as follows:

**SECTION 5615
SALE OF FIREWORKS**

5615.1 Sales of Fireworks. The sale of “Safe and Sane” fireworks within the City of Monterey Park city limits will be in accordance with Chapter 5.48 of the Monterey Park Municipal Code, and all of the following:

5615.1.1 It is unlawful for any person to sell, or to cause or permit to be sold, within the city, any fireworks at retail without first securing a permit to do so from the Fire Chief. A separate permit must be obtained for each separate or distinct place of business or stand. It is unlawful for any permittee not to comply with the conditions of a permit or this code. Application must be made no earlier than April 1 and no later than May 15 of each calendar year.

5615.1.2 Not more than 20 permits may be issued during any one calendar year. If the number of applications exceed the number of permits to be issued, the permittees, who did not violate any requirements of this chapter during the preceding year, will have first priority for the available permits until April 15, provided each permittee represents the same participating organization which operated under the permit during the preceding year. If there are any additional permits available, such additional permits will be granted by a drawing supervised the City Manager, or designee.

1. The following qualifications must be met by each application for a permit:
 - a. No permit will be issued to any person, firm, or corporation, except any veterans organization or any auxiliary of such organization chartered by the Congress of the United States, maintaining a charter and meeting place in the City whose membership is composed of members now and/or heretofore serving in the armed forces of the United States; or, any nonprofit associations or corporations organized primarily for civic betterment or youth activities, charitable, or religious purposes.
 - b. Each such organization must have its principal and permanent meeting place within the city limits of Monterey Park, and must have been organized and established within the city limits of Monterey Park, and must have been organized and established within such city limits for a minimum of one year continuously preceding the filing of an application for a permit.

- c. No organization may receive more than one permit for fireworks sales during any one calendar year.
 - d. No stand will be within 500 feet of another stand.
2. Each applicant for a permit must take out and maintain in force, while any such fireworks stand is open, public liability insurance in an amount of not less than \$1,000,000 for injury to one person, and not less than \$1,000,000 for any one occurrence, and one million dollars (\$1,000,000) for damage to property. The City of Monterey Park must be named as "additional insured" on all policies required hereunder. Before the issuance of a permit hereunder, each applicant must furnish evidence satisfactory in form and substance to the city that such insurance is in force, and adequate legal assurance that the carrier will give the city at least thirty days' prior written notice of the cancellation of the policy, during the effective period of the permit.
 3. Applicants for a permit hereunder must pay a permit fee in accordance with the City of Monterey Park Master Schedule of Fees and Charges for each fireworks stand.
 4. It will be unlawful for any person to sell at retail "dangerous fireworks," as defined in the California State Fireworks Law.
 5. No "safe and sane" fireworks, as defined in the California State Fireworks Law, will be sold or offered for sale at retail within the City, except from 12:00 noon on June 28 to 9:00 p.m. on July 4 of each year. In addition, the discharge of fireworks is limited to 10 a.m. to 10 p.m. on only July 4.
 6. No "safe and sane" fireworks will be sold or offered for sale at retail unless the fuses or other igniting devices are protected by approved protective caps, or each item or group of items is enclosed or sealed in a package bearing the California State Fire Marshal's Seal of Registration, upon which the wholesaler's license number appears.
 7. The Fire Chief is authorized to promulgate reasonable additional rules and regulations for the operation of fireworks stands, in order to eliminate or reduce to a minimum the risk of fire or injury to persons or damage to property. A copy of any such rules and regulations must be posted in a prominent place in each fireworks stand. Failure to comply with said rules and regulations will be grounds for the immediate revocation of any permit granted under this section.

17.02.170 Amendment—Locations where aboveground tanks are prohibited.

Section 5704.2.9.6.1 is amended to read as follows:

5704.2.9.6.1 The storage of Class I and II liquids in above ground tanks outside of buildings is prohibited within the limits established by law as the limits of districts in which such storage is prohibited.

1. Class I and II liquids must be stored in above ground tanks outside of buildings only at locations in the city zoned or used for Manufacturing purposes, as designated in the Monterey Park Municipal Code and the zoning map of the City of Monterey Park. Exception: Above ground storage tanks dispensing Class I and II liquids will not be allowed in motor fuel service stations.
2. The storage of Class I and II liquids in above ground tanks may be permitted in other zones if the Fire Chief finds that such use in a particular installation will not create an unreasonable risk of injury to person or property after consideration of special factors; such as, topographical conditions, nature of occupancy and proximity to buildings or adjoining property, and height and character of construction of such buildings, capacity and construction of proposed tanks and character of liquids to be stored, degree of private fire protection to be provided, and facilities of the Fire Department available to cope with flammable or combustible liquid fires.

17.02.180 Amendment—Liquefied petroleum gases—Location of containers.

Section 6104.2 is amended to read as follows:

6104.2 Liquefied petroleum gas may be stored only at locations zoned or used for Manufacturing Development purposes, as designated in the Monterey Park Municipal Code and the zoning map of the City of Monterey Park.

Such storage, however, may be permitted in other zones if the fire code official finds that such use in a particular installation will not create an unreasonable risk of injury to person or property, after consideration of the special features; such as, topographical conditions, nature of occupancy and proximity to building or adjoining property and height and character of construction of such buildings, capacity and construction of proposed tanks, and character of liquids to be stored, degree of private fire protection to be provided, and facilities of the Fire Department to cope with flammable or combustible liquid fires.

17.02.190 Amendment—Appendix Chapter D Dead ends.

Section D103.4 of Appendix Chapter D is amended to read as follows:

D103.4 Dead Ends. Dead-end fire apparatus access roads in excess of 150 feet must be provided with width and turnaround provisions to the minimum standards adopted by the jurisdiction.

17.02.200 Amendment — Appendix Chapter P Haunted Houses

Section P101.2 of Appendix Chapter P is amended to read as follows:

P101.2 Permits. A permit is required for haunted houses, ghost walks, or similar amusement uses in accordance with Appendix P101.2.

EXCEPTION: Haunted houses, ghost walks, or similar amusement uses in Group R-3 occupancies.”

SECTION 15: A new Chapter 17.03 entitled “Chapter 17.03 WILDLAND-URBAN INTERFACE CODE” is added to the MPMC to read as follows:

“§ 17.03.010 Wildland-Urban Interface Code adopted by reference.

Pursuant to Government Code section 50022.9, the city council adopts and incorporates by reference the California Wildland-Urban Interface Code, 2025 Edition, as published in California Code of Regulations Title 24, Part 7.”

SECTION 16: *Renumbering.* All sections of the MPMC affected by changes implemented by this Ordinance are renumbered as appropriate.

SECTION 17: *Construction.* This Ordinance must be broadly construed in order to achieve the purposes stated in this Ordinance. It is the City Council’s intent that the provisions of this Ordinance be interpreted or implemented by the City and others in a manner that facilitates the purposes set forth in this Ordinance.

SECTION 18: *Enforceability.* Repeal of any provision of the Monterey Park Municipal Code does not affect any penalty, forfeiture, or liability incurred before, or preclude prosecution and imposition of penalties for any violation occurring before this Ordinance’s effective date. Any such repealed part will remain in full force and effect for sustaining action or prosecuting violations occurring before the effective date of this Ordinance.

SECTION 19: *Validity of Previous Code Sections.* If this entire Ordinance or its application is deemed invalid by a court of competent jurisdiction, any repeal or amendment of the MPMC or other city ordinance by this Ordinance will be rendered void and cause such previous MPMC provision or other the city ordinance to remain in full

force and effect for all purposes.

SECTION 20: ***Environmental Assessment.*** The City Council finds that adoption of this Ordinance is exempt from review under the California Environmental Quality Act (Public Resources Code §§ 21000, *et seq.*, “CEQA”) and the regulations promulgated thereunder (14 California Code of Regulations §§ 15000, *et seq.*, the “CEQA Guidelines”) because it consists only of minor revisions and clarifications to an existing code of construction-related regulations and specification of procedures related thereto and will not have the effect of deleting or substantially changing any regulatory standards or findings required therefor, and therefore does not have the potential to cause significant effects on the environment. In addition, this ordinance is an action being taken for enhanced protection of the environment and is exempt from further review under CEQA Guidelines § 15308.

SECTION 21: ***Severability.*** If any part of this Ordinance or its application is deemed invalid by a court of competent jurisdiction, the city council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Ordinance are severable.

SECTION 22: ***Publication.*** The City Clerk is directed to certify the passage and adoption of this Ordinance; cause it to be entered into the City of Monterey Park’s book of original ordinances; make a note of the passage and adoption in the records of this meeting; and, within 15 days after the passage and adoption of this Ordinance, cause it to be published or posted in accordance with California law.

SECTION 23: ***Effective Date.*** This Ordinance will become effective on January 1, 2023. Projects for which a building permit application and building plans were submitted before the effective date of this Ordinance, and for which building permits are obtained within 90 days from the effective date of this Ordinance, are exempt from the regulations in the 2025 code update including the codes adopted by reference in this Ordinance. Should, however, the building permit expire, all building plans must comply with this Ordinance.

SECTION 24: ***Filing with Building Standards Commission.*** The City Clerk must file a certified copy of this Ordinance with the California Building Standards Commission.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Monterey Park, held on the 3rd day of December, 2025.

Elizabeth Yang, Mayor

ATTEST:

Maychelle Yee, City Clerk

I HEREBY CERTIFY that the above and foregoing ordinance was duly passed and adopted by the Monterey Park City Council at its regular meeting held on 3rd day of December, 2025, by the following vote, to wit:

AYES;

NOES;

ABSENT:

APPROVED AS TO FORM:

KARL H. BERGER, CITY ATTORNEY

Karl H. Berger, City Attorney

EXHIBIT A

Findings - Local Amendments To The 2025 California Building Standards Codes

The City Council finds as follows:

SECTION 1: Pursuant to the requirements of Health and Safety Code § 17958.7, the City Council finds that there are local climatic, geographic, and topographic conditions justifying the various local amendments to the California Building Standards Codes as set forth herein.

SECTION 2: Specifically, the City Council finds:

A. Climatic Conditions

1. The City of Monterey Park is a densely populated area within a climate system capable of producing major winds, fire and rain related disasters, including but not limited to those caused by the Santa Ana winds and El Niño (or La Niña) subtropical-like weather. This region is especially susceptible to more active termite and wood attacking insects and microorganisms.
2. Hot, dry Santa Ana winds are common to all areas within the City of Monterey Park. These winds, which can cause small fires which spread quickly, are a contributing factor to the high fire danger in the area, and create the need for an increased level of fire protection. This added protection will supplement normal fire department response available and provide immediate protection for life and safety of multiple occupancy occupants during fire occurrences.
3. Los Angeles County and the City of Monterey Park are located in a semi-arid Mediterranean type climate which predisposes all fuels, including wood shingles to rapid ignition and spread of fire. Therefore, there exists a need for additional fire protection measures.
4. The warm, dry climate is conducive to swimming pools which creates a higher probability of child drowning where pools are unprotected.

B. Geological Conditions

1. The City of Monterey Park is a densely populated area having buildings and structures constructed over and near a vast array of

fault systems capable of producing major earthquakes, including but not limited to the 1994 Northridge Earthquake, the 1987 Whittier Narrows Earthquake, the 1971 San Fernando Earthquake and the 1933 Long Beach Earthquake.

2. The October 17, 1989, Santa Cruz earthquake resulted in only one major San Francisco fire in the Marina district. But, when combined with the 34 other fires and over 500 responses, the department was taxed to its full capabilities. The Marina fire was difficult to contain because mains supplying water to the district burst during the earthquake. If more fires had been ignited by the earthquake, it would have been difficult for the fire department to contain them. This situation creates the need for both additional fire protection measures and automatic on-site fire protection for building occupants since a multitude of fires may result from breakage of gas and electric lines as a result of an earthquake. As noted by "Planning Scenario on a Major Earthquake Department on of the Newport-Inglewood Fault Zone, 1988, State Conservation," "unfortunately meeting the minimum earthquake standards of building codes barely places a building on the verge of being legally unsafe."
3. Traffic and circulation congestion presently existing in the City of Monterey Park often challenges fire department response times. This condition will be exacerbated by any major disaster, including any earthquake wherein damage to the highway system will occur. This condition makes the need for additional on-site protection for property occupants necessary.
4. Placement of multiple occupancy buildings, location of arterial roads, and fire department staffing constraints due to recent revenue-limiting state legislation have made it difficult for the fire department to locate additional fire stations and provide manpower sufficient to concentrate fire companies and personnel to control fires in high density apartment or condominium buildings. Fire Department equipment does not allow easy access to areas of buildings greater than 55 feet above the level of Fire Department vehicle access. These conditions create the need for built-in onsite fire protection systems to protect occupants and property until firefighting apparatus and personnel arrive on the scene.
5. The City of Monterey Park is located in an area subject to a climatic condition of high winds and low humidity. This combination of events creates an environment which is conducive to rapidly spreading fires. Control of such fires requires rapid response. Obstacles generated by a strong wind, such as fallen trees, street lights and utility poles, and the requirement to climb 75 feet vertically up flights of stairs will

greatly impact the response time to reach an incident scene. Additionally, ASCE-7, Section 6, Figure 6 - 2 Height Adjustment Table identifies a significant increase in the amount of wind force at 60 feet above the ground. Use of aerial type firefighting apparatus above this height would place rescue personnel at increased risk of injury.

6. The City of Monterey Park is located in the middle of a seismically active area. The viability of the public water system would be questionable at best after a major seismic event. This would leave tall buildings vulnerable to uncontrolled fires due to a lack of available water and an inability to pump sufficient quantities of any available water to floors above the 55-foot level. A severe seismic event has the potential to negatively impact any rescue or fire suppression activities because it is likely to create obstacles similar to those indicated under the high wind section above. With the probability of strong aftershocks, there exists a need to provide increased protection for anyone on upper floors.
7. Untreated wood roofs cause or contribute to serious fire hazard and to the rapid spread of fires when such fires are accompanied by high winds. Pieces of burning wooden roofs become flying brands and are carried by the wind to other locations and thereby spread fire quickly.

C. Topographic Conditions

1. The City of Monterey Park is in an area that has a high percentage of structures on hillsides. Access for fire or rescue response and staging for firefighting are made challenging and difficult due to the terrain.

SECTION 3: Because of the local climatic, geologic and topographic conditions, the following local amendments are needed:

2025 California Building Code

Code Section	Finding
Chapter 9	A-1, A-2, B-4, C-1
Table 15.05.1	A-1, A-2, B-4, C-1

2025 California Residential Code

Code Section	Finding
Section R301.1.3.2	B-1
Section R309	A-1, A-2, B-4, C-1

2025 California Fire Code

Code Section	Finding
102.5	Administrative
103.4	Administrative
105.6.7	Administrative
112	Administrative
202	Administrative
304.1.3	A,B,C
307.1	A,B,C
903	A,B,C
907.1.6	A,B,C
1103.2	A,B,C
5601	A,B,C
5608	A,B,C
5614	A,B,C
5615	A,B,C
5704.2.9.6.1	A,B,C
6104.2	A,B,C
D103.4	A,B,C
P101.2	A,B,C

ATTACHMENT 2

Staff Report dated November 5, 2025 (without
attachments)



City Council Staff Report

Date: November 5, 2025

Agenda Item Number: 9.D.

To: The Honorable Mayor and City Council

From: Timothy Hou, Director of Community Development
Jason Hing, Fire Chief

Subject: Consideration and possible action to read by title only, waive further reading, and introduce Ordinance amending Titles 16 and 17 of the Monterey Park Municipal Code by adopting the 2025 Edition of the California Building Standards Code and the Monterey Park Amendments to the California Building Standards Code; set public hearing for December 3, 2025

Recommendation:

It is recommended that the City Council consider:

1. Reading by title only, waiving further reading, and introducing the proposed Ordinance;
2. Scheduling a public hearing on December 3, 2025, for the second reading and adoption of the Ordinance; and/or
3. Taking such additional, related, action that may be desirable.

CEQA (California Environmental Quality Act):

Pursuant to the California Environmental Quality Act ("CEQA") and the CEQA Guidelines, the proposed Ordinance affects commercial development or businesses and is not subject to further review under CEQA for the following reasons: (1) the Ordinance is an action being taken for enhanced environmental protection (14 Cal. Code Regs. § 15308); (2) there is no possibility that the ordinance may have a significant effect on the environment (14 Cal. Code Regs. § 15061(b)(3)); and (3) it will not result in a direct or reasonably foreseeable indirect physical change in the environment (14 Cal. Code Regs. § 15060(c)(2)).

Executive Summary:

Every three years California adopts updated building standards codified in Title 24 of the California Code of Regulations. The draft ordinance (Attachment 1) incorporates the 2025 codes by reference and includes limited local amendments based on documented climatic, geological, and topographic conditions and administrative needs. This cycle primarily clarifies existing requirements and updates numbering, with targeted fire and life safety provisions. The staff report also explains how the ordinance complies with AB 130 by limiting local changes that are applicable to residential units to the narrow exceptions allowed by state law, and by treating other changes as administrative or fire authority supported.

Type Of Action: (Legislative)

The recommended action is to amend Monterey Park Municipal Code (MPMC) Titles 16 and 17 by adopting the 2025 Edition of the California Building Standards Code (CBSC). In considering such action, the City Council acts in its discretionary legislative capacity (formulating rules that apply to all future cases). For the proposed amendments, the City Council must find that they are reasonably necessary because of local climatic, geological or topographical conditions (Health and Safety Code § 17958.7). These findings, and the facts upon which they rely, are included within the draft Ordinance (Attachment 1). Accordingly, a Notice of Exemption has been prepared for the proposed ordinance (Attachment 2).

Background:

The California Building Standards Commission is authorized by Health and Safety Code §§ 18901 through 18949.31 to administer the processes governing the adoption, approval, publication, and implementation of California's uniform codes every three years.

California law does allow each local jurisdiction to make limited amendments to the CBSC to govern unique issues within that jurisdiction. For example, coastal cities may make changes to address coastal erosion. In Monterey Park, the primary issues are fire-prone open and inhabited areas, combined with steep topography and seasonal high winds. Additionally, like virtually every other jurisdiction in California, the City must be prepared for earthquake activity. To address these local challenges, the proposed Ordinance makes local amendments to the CBSC.

Local amendments are not effective or operative until the amendment documents meeting the requirements have been filed with CBSC. As stated in the Ordinance, the City Clerk will send a certified copy of the Ordinance to the California Building Standards Commission.

Since the City is incorporating the CBSC into the Monterey Park Municipal Code ("MPMC") by reference (with local amendments), Government Code § 50022.3 requires that the City Council conduct a public hearing before adopting the Ordinance. Accordingly, if the Ordinance is introduced, a public hearing would be scheduled for the December 3, 2025 City Council meeting.

Assembly Bill 130 (2025) ("AB 130"), among other things, amended Health and Safety Code §17958 by prohibiting modifications to building standards affecting residential units between October 1, 2025, and June 1, 2031, unless certain conditions exist, including a finding that the local amendments are "substantially equivalent" to prior provisions. The local amendments incorporated into the draft ordinance are substantially equivalent to existing regulations as adopted under the 2022 uniform codes. Proposed changes to existing regulations are primarily administrative.

The 2025 California Building Standards Codes will take effect on January 2, 2026. The new codes apply to building permit applications submitted on or after that date. Based upon the draft ordinance, permit applications submitted on or before December 31, 2025, remain subject to the current 2022 codes for as long as the application stays active.

Strategic Plan Goal:

N/A

Fiscal Impact:

There are no identifiable fiscal impacts associated with adopting the Ordinance and Resolution (other than administrative costs associated with codifying the Ordinance).

Attachments:

1. Ordinance and Exhibit A- Findings- Local Amendments to the 2025 California Building Standards Code
2. Notice of Exemption

ATTACHMENT 3

Notice of Exemption

Notice of Exemption

From: City of Monterey Park Planning
320 W. Newmark Avenue
Monterey Park, CA 91754

To:

- ☐ Office of Planning and Research
1400 Tenth Street, Room 121
Sacramento, CA 95814
- ☐ Los Angeles, County Clerk
Environmental Filings
12400 Imperial Highway #1201
Norwalk, CA 90650
Attn: Business Filings and Registration

Project Title: Code Amendment – Amending Titles 16 and 17 of the Monterey Park Municipal Code
Project Location - Specific: Citywide
Project Location - City: Monterey Park
Project Location - County: Los Angeles

Description of Project:

Approval of a code amendment to Titles 16 and 17 of the Monterey Park Municipal Code by adopting the 2025 Edition of the California Building Standards Code and the Monterey Park Amendments to the California Building Standards Code.

Name of Public Agency Approving Project: City of Monterey Park
Name of Person or Agency Carrying Out Project: City of Monterey Park

Exempt Status: (check one)

- ☐ Ministerial (Sec. 21080(b)(1); 15268);
☐ Declared Emergency (Sec. 21080(b)(3); 15269(a));
☐ Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
☐ Categorical Exemption. State type and section number: _____
☒ Statutory Exemptions. State code number: 15060(c)(2); 15061(b)(3); and 15308

Reasons why project is exempt:

This Code Amendment is exempt from further CEQA review for the following reasons: (1) the ordinance is an action being taken for enhanced environmental protection (14 Cal. Code Regs. § 15308); (2) there is no possibility that the ordinance may have a significant effect on the environment (14 Cal. Code Regs. § 15061(b)(3)); and (3) it will not result in a direct or reasonably foreseeable indirect physical change in the environment (14 Cal. Code Regs. § 15060(c)(2)).

Lead Agency Contact Person: Timothy Hou, AICP Telephone (626) 307-1315

If filed by applicant:

1. Attach certified document of exemption finding.
2. Has a notice of exemption been filed by the public agency approving the project? ☒ Yes ☐ No

Signature: _____ Date: _____ Title: Director of Community Development

- ☐ Signed by Lead Agency Date received for filing at OPR:
☐ Signed by Applicant



City Council Staff Report

Date: December 3, 2025

Agenda Item Number: 10.B.

To: The Honorable Mayor and City Council
From: Timothy Hou, Director of Community Development
Subject: A continued public hearing to consider approval of the construction of a 247,480-square-foot data center and associated improvements located at 1977 Saturn Avenue, (Assessor's Parcel Number 5265-026-054) ("Subject Property")

Recommendation:

It is recommended that the City Council consider:

1. Re-opening the public hearing and taking testimonial and documentary evidence;
2. After closing the public hearing and considering the evidence received during the public hearing, introduce and waive first reading of an Ordinance activating the Business Recovery Development Agreement Zone ("BRDZ"), approving Development Agreement No. 24-02 ("DA-24-02") and site development plan (DRB-24-040) for the construction of a data center, and adopting a Mitigated Negative Declaration ("MND") (State Clearing House Number 2024101397);
3. Taking such additional, related, action that may be desirable.

CEQA (California Environmental Quality Act):

The City reviewed the environmental impacts of the project pursuant to the California Environmental Quality Act (Public Resources Code §§ 21000, et seq. "CEQA") and the regulations promulgated thereunder (14 Cal. Code of Regs. §§ 15000, et seq., the "CEQA Guidelines"). An initial study was prepared in accordance with the CEQA Guidelines § 15063 ("IS") which shows that, if mitigated, the Project would not cause any significant environmental impacts. Accordingly, pursuant to CEQA § 21091, the City prepared a Mitigated Negative Declaration ("MND") of environmental impacts. Based on the IS findings, and with proposed mitigation measures for cultural resources, geology and soils, hazards and hazardous materials and tribal cultural resources, the project would not result in significant environmental impacts.

The IS and MND, and a notice of intent to adopt the IS and MND was prepared, circulated, and made available for public review between Thursday, October 31, 2024, and Monday, December 2, 2024. During this period, the City received five comment letters stating concerns with the proposed project. Comments were received from Los Angeles County Sanitation Districts, Advocates for the Environment, Coalition for Responsible Equitable Economic Development Los Angeles ("CREED LA"), California Department of Conservation, Geologic Energy Management Division, and the South Coast Air Quality Management District. The

Director of Community Development considered all comments, determined that the comments did not constitute substantial evidence of a potentially significant impact, and while not required by CEQA, provided responses to those concerns. Therefore, no further environmental review is required. The MND, Response to Comments and other CEQA documents can be found in Attachment 1, Exhibit C and on the City website

at <https://www.montereypark.ca.gov/DocumentCenter/View/18325/11-19-2025-1977-Saturn-Data-Center-Project-ISMND>

Executive Summary:

HMC StratCap 1977 Saturn, LLC (the “Applicant”) requests a Development Agreement and activation of the Business Recovery Development Agreement Zone (“BRDZ”) to construct a 247,480-square-foot data center and associated improvements (the “Project”) on the real property commonly known as 1977 Saturn Street (the “Property”). The Property is approximately 15.8 acres (689,073 square feet) within the S-P Saturn Park Innovation/Technology Zone (“SPITZ”) and has a General Plan Land Use Designation of Innovation/Technology.

Pursuant to the Monterey Park Municipal Code (“MPMC”) § 21.14.180 and § 21.14.220, data centers are permitted in the SPITZ with a development agreement.

This item was noticed for public hearing at the November 19, 2025, City Council meeting at which time the Applicant requested a continuance. At the November 19, 2025, the City Council opened the public hearing and continued the public hearing to the December 3, 2025, City Council meeting.

TYPE OF ACTION (LEGISLATIVE; QUASI-JUDICIAL; OR ADVISORY):

Legislative: The recommended action entails adoption of an Ordinance activating the BRDZ and approving a development agreement. When considering such actions, the City Council acts in its discretionary legislative capacity. Pursuant to Government Code § 65867.5, to approve the development agreement, the City Council must find that the:

- Provisions of the agreement are consistent with the general plan and any applicable specific plan.

Quasi-judicial: The recommended action includes approval of a site development plan (DRB-24-040) and adoption of the IS and MND. In considering such actions, the City Council acts in a quasi-judicial role. When doing so, the City Council acts like a court; it applies facts gathered during a public hearing to existing law. Just like a court, the City Council can only consider facts that are relevant to the case. A party appearing before the legislative body is entitled to:

- Notice of the proposed action;
- Reasons for the action;
- A copy of the evidence on which the action is based; and
- The right to respond before a reasonably impartial, non-involved reviewer.

The City Council must base its decision upon substantial evidence within the record. “Substantial evidence” generally means enough relevant information and reasonable inferences from information gathered during a public hearing that a fair argument can be made

to support a conclusion, even though other conclusions might also be reached. Argument, speculation, unsubstantiated opinion or narrative, evidence which is clearly erroneous or inaccurate, or evidence of social or economic impacts does not constitute substantial evidence. Substantial evidence includes facts, reasonable assumptions predicated upon facts, and expert opinion supported by facts. If the City Council asks irrelevant questions and bases its decision-making on such questions, a court may overturn the City Council's decision and potentially hold the City liable for violating the applicant's constitutionally protected due process rights.

Pursuant to MPMC §§ 21.14.180 and 21.36.060, to approve the site development plan the City Council must find that the project:

- Is compatible and in keeping with the character of the neighborhood and not detrimental to the general welfare of the neighborhood in which they are located;
- Reflects the values of the community; enhance the surrounding environment; and harmonize with its surroundings; and
- Provides a visually pleasing setting for structures on the site through landscaping.

Pursuant to CEQA Guidelines § 15074, to approve the MND, the City Council must find:

- On the basis of the whole record before it (including the initial study and any comments received), that there is no substantial evidence that the project will have a significant effect on the environment and that the negative declaration or mitigated negative declaration reflects the lead agency's independent judgment and analysis.

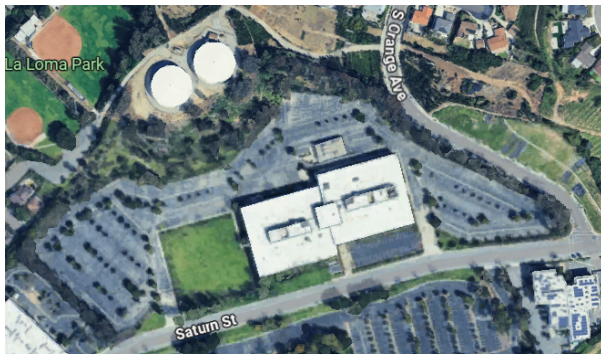
These findings are included in the attached Ordinance (Attachment 1), including its attachments. The facts to make such findings are based upon substantial evidence in the entire administrative record, including, without limitation, those gathered during the public hearing.

Background:

The Property is located in the southeastern portion of the City to the north of Potrero Grande Drive, within Saturn Park. The Property is located on the southwest corner of Saturn Street and Orange Avenue, is irregular in shape, approximately 15.8 acres in size, and has topography that includes uphill slopes to the rear of the Property. The Property is improved with a two-story professional office building, which has been vacant since 2016. The improvements include extensive surface parking on the north, east and west sides of the building. All existing improvements would be demolished as part of this Project.

Surrounding land uses include office development to the south, east and west (Saturn Park) and La Loma Park and a landscape nursery to the north, with a small portion of residential uses at the northwest corner of the property. The Project includes additional buffering landscaping in that area and a 6-foot tall block wall on the residential side of the property. The plans indicate trees and shrubs to provide screening for the residential uses.

Figure 1: Aerial



The Project is for the development of a 247,480-square-foot data center. The proposed data center would house computer servers and support equipment for private clients. The computer facilities located within the data center will be in operation 24 hours a day and seven days a week. Clients would either use the data center as a place to relocate their existing servers or as a place to operate new servers and expand their server capacity. Employees on-site would include technicians, professional employees, and building maintenance personnel during regular business hours. Security personnel will be on-site at all times.

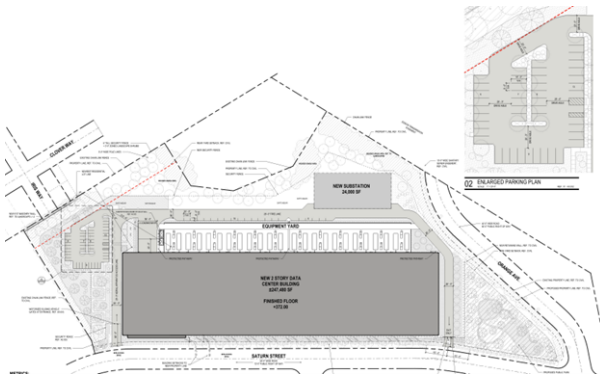
Site Plan

The Property has primary frontage on Saturn Street with some secondary frontage on Orange Avenue. The Applicant is proposing to construct the large data center building in the center of the Property. The proposed building is 900 feet long by 238 feet deep.

The building is setback from the front property line 12 feet at the closest point, with most of the building being setback a minimum of 19 feet. The other setbacks are substantial, with the 50-foot setback to Orange Avenue being the closest at the corner of the building. Most of the building will be one story. The western portion of the building, however, where the office area is located, is two stories. While the building height of the building is measured through an average grade plane calculation, the height of the single story portions of the building will be 32 feet and the height of the second story portion will be 42 feet. The development has a floor area ratio (FAR) of 0.359. The Saturn Park Zone does not have a maximum FAR.

The design includes two drive aisles on Saturn Street, one on each side of the building. Behind the main building is a new Edison Substation that would allow for the electrical power needed for the data center. The hillsides on the north side of the Property would stay in their existing condition. The Property would be enclosed with an eight-foot-tall security fence, including gates for vehicles. The vehicular gate on the west side of the building has a 65-foot setback to allow for queuing of vehicles waiting to enter. Retaining walls are proposed on the north side of the property near the Edison substation.

Figure 2: Site Plan



The primary parking area is located on the western side of the building and would provide 46 parking spaces. At the rear of the building another 22 parking spaces are proposed, which are designed as parallel parking spaces. A total of 68 parking spaces are proposed, all of which are standard parking spaces. Because the MPMC does not have a parking requirement for data centers, the Applicant prepared a Parking Demand Analysis (Attachment 5). The Parking Analysis is based on the size of floor area for the office area, and the Municipal Code standard for parking in a Public Utility Substation (a similar use). The parking requirement for a Public Utility Substation is one parking space per employee. The Analysis indicates that the data center will have 26 employees and concludes that the proposed 68 parking spaces is sufficient for the use.

Large areas of landscaping are proposed along the east side at the intersection of Orange Avenue and Saturn Street, on the west side of the Property and on the slopes on the north side of the Property. The slopes on the north side of the Property are currently landscaped with trees, which will be retained. The landscape areas on the east and west will be created with this development. A Tree Evaluation Report ("TER") was prepared for the project which indicates that most of the trees on the site will be removed, with those on the slopes on the north side of the Property being retained. The TER states that there are currently 337 trees on the property. While 162 trees will be removed, the Applicant will plant 162 trees as part of the Project.

The highest elevation on the Property is on the north and east side. To provide a relatively level pad for the structure, retaining walls are proposed at the rear of the Property adjacent to the slope. The proposed retaining walls includes the following:

- North side of property (behind the Edison Substation) eight feet maximum height (not visible from the street);
- North side of property (35 feet from Orange Avenue) four feet maximum height (not visible from the street).

The Applicant will be dedicating land to the City as part of the Project. The City Engineer is requiring a 20-foot right-of-way dedication on Saturn Street and Orange Avenue to facilitate street widening and sidewalk installation . Additionally, the Applicant proposes to dedicate a park site to the City. The potential park site is located at the eastern side of the Property at the intersection of Saturn Street and Orange Avenue and is approximately 39,900 square feet.

Building Plans

The overwhelming majority of the floor plan is utilized by the six data halls and utility areas

(166,600 square feet). Other substantial amounts of floor area are used as mechanical and electrical rooms. The office area includes two floors and includes administration, storage, and a lobby (22,232 square feet). The loading dock and loading area are located next to the office area. The trash enclosures are located next to the loading area. The trash enclosure is 12 foot by 21 feet with an 8-foot-tall wall surrounding it. The trash enclosure is in compliance with the Code standards.

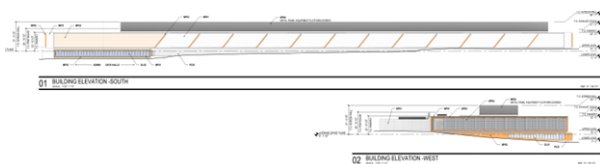
To the rear of the building, outside of the building walls, is an equipment yard that runs along the back of the building and is enclosed by an 18-foot-tall wall. Within that equipment yard, the proposal is to install 24 stationary diesel fueled internal combustion engines and generators. These generators would be used only in the event of an interruption in Edison service. Each generator would be equipped with a sound-rated all-weather enclosure capable of achieving an outdoor sound level of 65.3 dBA at 7 meters. It should be noted that the Monterey Park Municipal Code (MPMC) Section 4.50.050 states that emergency generators used during a power outage or other emergency are exempt from the City's noise ordinance.

The proposal includes an equipment platform constructed above the roof. The equipment platform would extend most of the length of the building (750 feet) and be about 70 feet in width. The equipment area would be screened from view by a 19-foot tall, light gray, mesh and louver screen. The equipment screen would be set back approximately 90 feet from the front elevation of the building. This screen would conceal the rooftop equipment. This rooftop equipment would be required to provide interior temperature control and to cool computer servers.

Architectural Design

The proposed building is a data center and has been designed primarily with solid walls for security and climate control. The main portion of the building, which houses the data halls, will have an exterior of metal panels. Along the Saturn Street frontage, the proposal includes large white solid panels that angle away from the building to a depth of 3 feet and angle from the roof downward. The ends of these panels include an orange fin. Along the western side of that elevation, where the office area is located, the lower floor includes a row of windows, and the upper floor includes a solid and perforated panel that is white with orange accents. The western elevation includes angled perforated screen panels on the upper elevation with a row of windows on the lower level. The combination of angled solid panels, perforated screens and varied materials and colors provide interest to the proposed building.

Figure 3: South and West Elevations



Development Agreement

The Project satisfies all requirements, including General Plan consistency, for approving a development agreement. MPMC § 21.14.220 requires a development agreement for data centers. The Applicant is proposing public benefits which include:

- Development of a vacant and underutilized property in Saturn Park.
- Improvement of the public right-of-way along certain Property frontages.
- Installation of enhanced landscaping and lighting along certain Property frontages.
- Generation of reoccurring tax revenues for the City.
- Public Open Space. Before certificate of occupancy is issued, the Applicant must provide to City a grant deed, that transfers fee title ownership, of approximately 39,900 square feet of land located along the Property frontage on Saturn Street and Orange Avenue, for use as a publicly-accessible pocket park, that City will own and operate.
- Public Trail Extension. Before certificate of occupancy is issued, the Applicant must deposit \$200,000 with City to fund the design and construction of improvements, located in the public right-of-way and/or easement areas controlled by the City, to extend a segment of the existing pedestrian trail from La Loma Park, through the existing plant nursery, and along the west side of Orange Avenue, to the access point of the new pocket park.

The Development Agreement also activates the Business Recovery Development Agreement Zone ("BRDZ") per MPMC Chapter 21.45. The BRDZ is a "floating zone" which is allowed to be activated once a need is identified. The BRDZ area provides flexibility for development standards that would generally be applicable to the underlying zone. Here, the Applicant is requesting to establish a height limit to allow the height to exceed the 40-foot identified in the Code. While the building height is 32 feet 10.5 inches, the Equipment Platform Screen is 51 feet 5.5 inches. The activated BRDZ allows that height with the approval of the Development Agreement.

The Development Agreement also includes additional requirements, which will limit impacts, and implement the goals, policies, and objectives of the General Plan.

Strategic Plan Goal:

The Project meets the 2025-26 Strategic Plan Goal to "Advance Economic Development Initiatives and Support Local Businesses" by fostering business growth and attracting investment.

LEGAL NOTIFICATION:

The legal notice of this hearing was posted at City Hall, Monterey Park Bruggemeyer Library, and Langley Center and published in Monterey Park Press on October 30, 2025, with affidavits of posting on file. The legal notice of this hearing was mailed to 49 property owners within a 300 feet radius of the property.

Fiscal Impact:

Project is anticipated to generate revenue of \$6.5 million during construction and \$5 million recurring, once construction is complete.

Attachments:

1. Draft Ordinance
2. Architectural Plan
3. Parking Demand Analysis
4. Letter of Support

ATTACHMENT 1

Draft Ordinance

ORDINANCE NO.

AN ORDINANCE ACTIVATING THE BUSINESS RECOVERY DEVELOPMENT AGREEMENT ZONE (“BRDZ”); AMENDING THE ZONING MAP TO REFLECT ACTIVATION OF THE BRDZ; APPROVING DEVELOPMENT AGREEMENT NO. 24-02 (“DA-24-02”); APPROVING SITE DEVELOPMENT PLAN (DRB-24-040) FOR CONSTRUCTION OF A DATA CENTER ON REAL PROPERTY AT 1977 SATURN AVENUE

THE CITY COUNCIL DOES ORDAIN AS FOLLOWS:

SECTION 1. *Recitals.* The City Council finds and declares as follows:

- A. HMC StratCap 1977 Saturn, LLC (“Developer”) submitted development applications for approval of a data center in Saturn Park on real property with an address of 1977 Saturn Avenue (“Project Site”). The project consists of land use approvals for DRB-24-040; DA-24-02; and ZA-25-03. The zone change constitutes activation of the Business Recovery Development Agreement Zone (“BRDZ”).
- B. The City Planner reviewed the Project’s environmental impacts under the California Environmental Quality Act (Public Resources Code §§ 21000, *et seq.*, “CEQA”) and the regulations promulgated thereunder (14 California Code of Regulations §§ 15000, *et seq.*, the “CEQA Guidelines”).
- C. The City Planner completed review and scheduled a public hearing regarding the proposed Project before the City Council for November 19, 2025. On October 29 and 30, 2025, Notice of the public hearing on the Project was duly given as required by law.
- D. On November 19, 2025, the City Council conducted a public hearing to consider the Project including, without limitation, this Ordinance and the Development Agreement.
- E. The City Council reviewed the proposed project, conditions of approval, and related environmental aspects of the Project as required by the MPMC at the November 19, 2025, public hearing.

- F. The City Council carefully considered all pertinent testimony and the staff report offered in the case as presented at the public hearing of November 19, 2025.
- G. This Ordinance, and its findings, are based upon the entire administrative record considered during the November 19, 2025, public hearing including, without limitation, the staff report and accompanying documents.

SECTION 2. *Factual Findings.* The City Council finds that the following facts exist:

- A. The Project includes demolishing an existing 205,628 square foot office building and construction of 247,480 square-foot data center and associated improvements (“the Project”).
- B. The Project Site is zoned S-P Saturn Park Innovation/Technology Zone (“SPITZ”) and has a General Plan designation of Innovation/Technology. The Project complies with the SPITZ. A data center is permitted only with a development agreement as provided in MPMC § 21.14.220.
- C. The Project Site is accessible from Saturn Street, a 60'- 0" wide right-of-way minor arterial street. A Project Transportation Study Screening Assessment was prepared for the Project which indicates that the Project will generate approximately 52 daily vehicle trips.
- D. The Project Site is surrounded by office development to the south, east and west (Saturn Park) and La Loma Park and a landscape nursery to the north, with a small portion of residential uses at the northwest corner of the property.
- E. The Project is compatible with the existing uses in the vicinity, which include office buildings and associated improvements.
- F. The Project features exterior building elements and materials for the proposed data center would include metal panels, precast concrete panels, aluminum-framed shadow box glass storefront with an aluminum canopy, aluminum-framed doors, glazed windows, and perforated/louvered screen walls.

SECTION 3. Pursuant to Government Code § 65867.5, the City Council finds the following:

- A. The development agreement is consistent with the City’s General Plan. The development agreement furthers the goals of the General Plan and is in the interest of the general community welfare in that the development agreement

will, among other things, facilitate the development of the Project Site that is currently vacant and underutilized, which is consistent with the following General Plan policies:

1. LU Policy 2.1 - Provide flexible and clear development standards to allow commercial, professional, industrial, institutional, and hospitality businesses and uses to expand and thrive economically.
2. LU Policy 2.2 - Facilitate the growth of a diverse business sector resilient to change over time and compatible with a broad range of skills and workers.
3. LU Policy 2.3 - Create a culture of innovation and growth, encouraging emerging businesses to attract high-quality jobs.
4. LU Policy 25.3 - Create a distinct physical identity for the Saturn Park district.

- B. The development agreement also provides certainty in planning and construction as well as orderly development, while providing assurance to the Developer that it may construct the Project.

SECTION 4. Environmental Review. The City reviewed the environmental impacts of the proposed Ordinance pursuant to the California Environmental Quality Act (Public Resources Code §§ 21000, et seq. “CEQA”) and the regulations promulgated thereunder (14 Cal. Code of Regs. §§ 15000, et seq., the “CEQA Guidelines”). The City Council finds as follows:

- A. An Initial Study of Environmental Impacts (“IS”) and Mitigated Negative Declaration (“MND”) were prepared for the Project pursuant to CEQA Guidelines § 15063.
- B. Pursuant to CEQA Guidelines § 15070 (b), a mitigated negative declaration is deemed appropriate if it is determined that though a project could result in a significant effect, mitigation measures are available to reduce these significant effects to less than significant levels. Pursuant to the MND, recommended mitigation measures are provided for Cultural Resources (Section 4.5), Geology and Soils (Section 4.7), Hazards and Hazardous Materials (Section 4.9) and Tribal Cultural Resources (Section 4.18).
- C. The IS and MND were made available to the public for review and comment from Thursday, October 31, 2024, and Monday, December 2, 2024.

- D. During the public review of the IS/MND, the City received five comment letters. Subsequently, a Response to Comments and Errata documents was prepared and provided as part of the public hearing.
- E. A duly noticed public hearing was held by the City Council on November 19 2025, at which time evidence was heard on MND and staff report. At the hearing, the City Council fully reviewed and carefully considered the MND and Response to Comments and Errata, together with any comments received during the public review period and determined that the MND was consistent with CEQA.
- F. When considering the whole record for the IS and MND, there is no evidence that the Project will have the potential for an adverse effect on wildlife resources or the habitat on which the wildlife depends, because the Project is in a built-out urban environment and includes appropriate mitigation measures.
- G. Accordingly, based upon the evidence presented to the City Council, the City need not prepare an environmental impact report for the proposed project. Consequently, the City Council adopts the draft MND.

SECTION 5. Notice of Determination. The City Manager, or designee, is directed to file a Notice of Determination in accordance with CEQA §§ 21152, 21167(f); CEQA Guidelines § 15094; and any other applicable law.

SECTION 6. General Plan and Zoning. The Project conforms to the City's General Plan, and Title 21 (Zoning) of the MPMC, including, without limitation:

- A. Policy 2.1 - Provide flexible and clear development standards to allow commercial, professional, industrial, institutional, and hospitality businesses and uses to expand and thrive economically.
- B. Policy 2.2 - Facilitate the growth of a diverse business sector resilient to change over time and compatible with a broad range of skills and workers.
- C. Policy 2.3 - Create a culture of innovation and growth, encouraging emerging businesses to attract high-quality jobs.
- D. Policy 25.3 - Create a distinct physical identity for the Saturn Park district.

SECTION 7. Site Development Plan Findings. Pursuant to MPMC §§ 21.14.180 and 21.36.060, the City Council finds as follows:

- A. The architecture and mass of new buildings and structures and modifications of existing buildings and structures are compatible and in keeping with the character of the neighborhood and not detrimental to the general welfare of the neighborhood in which they are located.

The development is proposed in the Saturn Park area on a 15.8-acre site currently improved with an office building that is vacant. Saturn Street is currently developed with office and business park uses. The Project Site is large, and the floor area ratio (FAR) proposed is 0.359 in a General Plan designation that allows up to 0.6 FAR. The Project's building and architecture are compatible and in keeping with the character of other buildings on Saturn Street. The proposed development includes large areas of open space on the north and west sides of the building. These large open spaces provide a buffer to the residential neighborhoods adjacent to the Project Site to the northwest. The proposed development is not detrimental to the general welfare of the neighborhood.

- B. The design and architecture reflect the values of the community; enhances the surrounding environment; and harmonizes with its surroundings.

The Project's architecture includes modern elements with simple building forms such as a flat roof with a parapet, a mix of wall finishes and materials. The elevations are designed to provide articulation to provide movement and interest. Surrounding buildings are offices or business park buildings. The proposed architecture reflects the values of the community, enhances the surrounding environment and harmonizes with its neighborhood surroundings.

- C. The landscaping provides a visually pleasing setting for structures on the site.

The proposed project is a large property and will include a significant amount of landscaped open space, including retaining much of the existing landscaping on the north side of the project. The landscaping will provide a visually pleasing setting for structures on the site as the preliminary landscape plans include a mix of plant materials that include various heights and types of landscaping.

- D. The design, quality, and location of signs are consistent with the character and scale of the structures to which they are attached and are visually harmonious with surrounding development.

The proposed building is a data center. Most of the floor area of the structure is utilized by data halls. Minimal signage for identification purposes is anticipated and will comply with the MPMC. The proposed use will maintain visual harmony within the surrounding development.

SECTION 8. Public Benefits. The Development Agreement provides for public benefits including, without limitation:

- A. Improvement of the public right-of-way along certain property frontages.
- B. Installation of enhanced landscaping and lighting along certain Property frontages.
- C. Generation of reoccurring tax revenues for the City.
- D. Public Open Space. Before the Building Official issues the final Certificate of Occupancy for the Project, Developer must provide to City a grant deed, that transfers fee title ownership, of approximately 39,900 square feet of land located along the Property frontage on Saturn Street and Orange Avenue, as identified in Exhibit "F," for use as a publicly-accessible pocket park, that City will own and operate. Developer will construct initial improvements (including pedestrian pathway, lawn areas, bench seating, an entry monument, and associated irrigated landscaping) for the pocket park in substantial conformance with the conceptual plan. Developer will consult with City regarding final park design which must be approved by City in its reasonable discretion. Developer's obligation under this provision is considered fully satisfied after the grant deed in Exhibit "F" of the Development Agreement is recorded and in the 1977 Saturn Data Center plans approved by the City on _____, 2025.
- E. Public Trail Extension. Before the Building Official issues the final Certificate of Occupancy for the Project, Developer must deposit \$200,000 with City to fund the design and construction of improvements, located in the public right-of-way and/or easement areas controlled by the City, to extend a segment of the existing pedestrian trail from La Loma Park, through the existing plant nursery, and along the west side of Orange Avenue, to the access point of the new pocket park, as identified in Exhibit "G" of the Development Agreement. Developer's obligation under this provision is considered fully satisfied upon deposit of \$200,000 with the City.

SECTION 9. Incorporation of Development Agreement; Changes; Execution. In accordance with Government Code §§ 65864, *et seq.* this Ordinance approves the Development Agreement in substantially the form attached as Exhibit "A," and incorporated into this Ordinance by reference.

- A. The DA may be changed before execution as authorized by the City Council during the public hearings for the Project.
- B. The DA may be changed before execution for minor clarifications and technical, clerical, corrections as approved by the City Attorney including, without

limitation, completion of references, status of planning approvals, and completion and conformity of all exhibits to the DA.

- C. The City Council authorizes the Mayor to execute the DA on the City's behalf in a form approved by the City Attorney. The City Manager, or designee, is authorized to execute amendments or operating memoranda as permitted by the DA, in a form approved by the City Attorney.

SECTION 10. *Adoption and Approval.* Based on the foregoing, the City Council:

- A. Approves site development plan (DRB-24-040), subject to conditions in the attached Exhibit "B" which are incorporated by reference. In the event of any conflict between the MPMC, the DA, and this Ordinance, the MPMC and the DA will take precedent over the Conditions of Approval;
- B. Adopts the MND attached as Exhibit C, and incorporated by reference;
- C. Activates the BRDZ for the Project Site pursuant to MPMC Chapter 21.45

SECTION 11. *Zone Map Amendment.* Pursuant to MPMC § 21.45.020(F), the Monterey Park Zoning Map is amended to reflect the BRDZ overlays as set forth in attached Exhibit "D," which is incorporated by reference.

SECTION 12. *Construction.* This Ordinance must be broadly construed in order to achieve the purposes stated in this Ordinance. It is the City Council's intent that the provisions of this Ordinance be interpreted or implemented by the City and others in a manner that facilitates the purposes set forth in this Ordinance.

SECTION 13. *Enforceability.* Repeal of any provision of the Monterey Park Municipal Code does not affect any penalty, forfeiture, or liability incurred before, or preclude prosecution and imposition of penalties for any violation occurring before this Ordinance's effective date. Any such repealed part will remain in full force and effect for sustaining action or prosecuting violations occurring before the effective date of this Ordinance.

SECTION 14. *Reliance on Record.* Each and every one of the findings and determinations in this Ordinance are based on the competent and substantial evidence, both oral and written, contained in the entire record relating to the matter. The determinations constitute the independent findings and determinations of the City Council in all respects and are fully and completely supported by substantial evidence in the record as a whole.

SECTION 15. *Limitations.* The City Council's analysis and evaluation of the project is based on the best information currently available. It is inevitable that in evaluating a project that absolute and perfect knowledge of all possible aspects of the project will not

exist. One of the major limitations on analysis of the project is the City Council's lack of knowledge of future events. In all instances, best efforts have been made to form accurate assumptions. Somewhat related to this are the limitations on the City's ability to solve what are in effect regional, state, and national problems and issues. The City must work within the political framework within which it exists and with the limitations inherent in that framework.

SECTION 16. *Severability.* If any part of this Ordinance or its application is deemed invalid by a court of competent jurisdiction, the City Council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Ordinance are severable.

SECTION 17. *Electronic Signatures.* This Resolution may be executed with electronic signatures in accordance with Government Code §16.5. Such electronic signatures will be treated in all respects as having the same effect as an original signature.

SECTION 18. *Publications.* The City Clerk is directed to certify the passage and adoption of this Ordinance; make a note of the passage and adoption in the records of this meeting; and, within fifteen (15) days after the passage and adoption of this Ordinance, cause it to be published or posted in accordance with California law.

SECTION 19. *Recording.* The City Clerk is directed to certify the passage and adoption of this Ordinance, cause it to be entered into the City of Monterey Park's book of original ordinances, make a note of the passage and adoption in the records of this meeting, and, within fifteen days after the passage and adoption of this Ordinance, cause it to be published or posted in accordance with California law.

SECTION 20. *Effective Date.* This Ordinance becomes effective on the 30th day following its passage and adoption.

PASSED, APPROVED, AND ADOPTED this 19th day of November 2025.

Elizabeth Yang, Mayor

ATTEST:

Maychelle Yee, City Clerk

APPROVED AS TO FORM:

Karl H. Berger, City Attorney

Exhibit A: Development Agreement No. 24-02
Exhibit B: Site Development Plan Conditions of Approval
Exhibit C: Initial Study & Mitigated Negative Declaration
Exhibit D: Zone Map Amendment ZA-25-03

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) §
CITY OF MONTEREY PARK)

I, Maychelle Yee, City Clerk of the City of Monterey Park, California, do hereby certify that the foregoing Ordinance No. _____ was introduced, and placed upon its first reading at a regular meeting of the City Council of the City of Monterey Park, held on the 19th day of November, 2025. That thereafter on the 3rd day of December 2025, said Ordinance was duly passed, approved and adopted by the following vote:

Ayes:	Council Members:
Noes:	Council Members:
Absent:	Council Members:
Abstain:	Council Members:

Dated this 3rd day of December 2025.

Maychelle Yee, City Clerk
City of Monterey Park, California

Exhibit A
Development Agreement No. 24-02

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

CITY OF MONTEREY PARK
320 West Newmark Avenue
Monterey Park, CA 91754

Attention: City Clerk

EXEMPT FROM RECORDER'S FEES

Pursuant to Government Code § 6103

(Space Above For Recorder's Use)

DEVELOPMENT AGREEMENT

By And Among

City of Monterey Park

And

HMC StratCap 1977 Saturn, LLC

DEVELOPMENT AGREEMENT

This DEVELOPMENT AGREEMENT (“Agreement,” effective as of [REDACTED], 2025 (“Effective Date”), is entered into by and between (1) the CITY OF MONTEREY PARK, a general law city and municipal corporation (“City”), and (2) HMC STRATCAP 1977 SATURN, LLC, a Delaware limited liability company (“Developer”), as follows:

RECITALS

A. In order to strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic costs and risk of development, the Legislature of the State of California enacted Government Code Section 65864, et. seq. (“Development Agreement Statute”). The Development Agreement Statute authorizes the City to enter into binding development agreements with developers having a legal or equitable interest in real property, establishing certain development rights in such property.

B. Pursuant to the Development Agreement Statute, City adopted regulations implementing the Development Agreement Statute as codified in the Monterey Park Municipal Code (“MPMC”).¹ This Agreement has been processed and approved in accordance with the MPMC.

C. Developer purchased 1977 Saturn Street, Monterey Park, CA 91755 for the purpose of developing a data center with an ancillary equipment yard, substation, parking, and landscaping (the “Project”) affected by the terms of this Agreement. The real property affected by the Project is legally described in attached Exhibit “A,” which is incorporated by reference (the “Property”).

D. City and Developer determined a development agreement is appropriate for the Project in order to activate the Business Recovery Development Agreement Zone (“BRDZ”).²

E. The City Council determined that the Project will provide certain public benefits to warrant entering into this Agreement. Those benefits are listed in Section 5.1 of this Agreement. In addition, this Agreement will facilitate orderly growth and quality development of the Project in conformance with the goals and policies of the City’s General Plan.³

F. Developer would not proceed with the Project without the City’s assurances set forth in this Agreement. Developer has and will continue to invest substantial money and effort in reliance upon the City’s assurances as set forth in this Agreement. Developer acknowledges that the City would not enter into this Agreement without the Developer’s assurances set forth in this Agreement and the anticipated benefits, as described in Section 5.1, to be provided in connection with development of the Project.

G. City has conducted an environmental review of the Project under the California Environmental Quality Act (“CEQA”) and, based on the analysis provided within the Initial

¹ See MPMC Chapter 21.44 as codified by Ordinance No. 2193, adopted October 7, 2020.

² As codified in MPMC Chapter 21.45 by Ordinance No. 2193; originally adopted via Ordinance Nos. 2184 (adopted July 15, 2020) and 2185 (adopted August 5, 2020).

³ As adopted pursuant to Measure JJ on November 3, 2020.

Study/Mitigated Negative Declaration and technical studies identified in attached Exhibit “B,” determined the Project, with incorporation of the identified mitigation as agreed to by Developer, would not result in significant impacts on the environment (“CEQA Determination”).

H. The City Council has given the required notice of its intention to adopt this Agreement and conducted public hearings thereon pursuant to the Development Agreement Statute and MPMC. As required by applicable law, the City Council has found the provisions of this Agreement and its purposes are consistent with the goals, policies, standards, and land use designations specified in the City’s General Plan and will provide for an orderly development of the Project in accordance with the objectives set forth in the General Plan and the MPMC.

I. On November XX, 2025, the City Council adopted the Approving Ordinance (defined below) approving this Agreement and authorizing its execution. That Ordinance became effective on November XX, 2025. Before approving this Agreement, the City Council made certain findings, as set forth in the Approving Ordinance.

J. The term or duration of this Agreement has a commensurate relationship to the benefits provided to the City.

ARTICLE 1

DEFINITIONS

1.1. Unless the contrary is stated or clearly appears from the context, the following definitions will govern the construction of the words and phrases used in this Agreement. Words and phrases not defined in this Article have the meaning set forth in this Agreement; the MPMC; the Development Agreement Statute; or in common usage.

1.2. “Applicable Rules” means all of the ordinances, rules, regulations, fees and official policies governing the Project as set forth in Article 3, including, without limitation, the City’s zoning regulations and building regulations, adopted as of the Effective Date. Among other matters, the Applicable Rules set forth and govern the permitted uses of land, the density or intensity of use, subdivision requirements, setbacks, and development standards, the provision for reservation or dedication of land for public purposes, and the design, improvement and construction guidelines, standards and specifications applicable to the development of the Property.

1.3. “Approving Ordinance” means Ordinance No. XX-XX adopted on November XX, 2025, approving execution of this Agreement.

1.4. “CEQA” means the California Environmental Quality Act (California Public Resources Code §§ 21000, *et seq.*), and the CEQA Guidelines (14 California Code of Regulations §§ 15000, *et seq.*).

- 1.5. “City” means the City of Monterey Park and its successors and assigns.
- 1.6. “City Council” means the City Council of Monterey Park, its governing body.
- 1.7. “Developer” means the Party who has signed this Agreement as Developer, and, subject to the restrictions on assignment set forth herein, successor owners.
- 1.8. “Development Impact Fees” means fees established and adopted pursuant to the Mitigation Fee Act (Government Code §§ 66000, *et seq.*) and the MPMC. Development Impact Fees do not mean or include Processing Fees. The Development Impact Fees estimated to be paid for the Project are set forth in attached Exhibit “E,” which is incorporated by reference.
- 1.9. “Development Agreement Regulations” means MPMC Chapter 21.44.
- 1.10. “Development Agreement Statute” means Government Code §§ 65864, *et seq.*
- 1.11. “Discretionary Action(s)” or “Discretionary Approval(s)” means a City action requiring the exercise of judgment, deliberation, or discretion on the City’s behalf, including that of any board, agency, commission, officer, or employee in the process of approving or disapproving a particular activity, as distinguished from any ministerial activity which merely requires City to determine whether there has been compliance with statutes, ordinances, or regulations.
- 1.12. “Effective Date” means the effective date of this Agreement and commencement of the Term, which is the date the Approving Ordinance becomes effective.
- 1.13. “General Plan” means the City of Monterey Park General Plan, as it exists as of the Effective Date.
- 1.14. “Ministerial Permits and Approvals” means the permits, approvals, plans, inspections, certificates, documents, licenses, and all other actions required to be taken by the City in order for Developer to implement, develop and construct the Project and the mitigation measures including, without limitation, building permits, foundation permits, public works permits, grading permits, stockpile permits, encroachment permits, and other similar permits and approvals which are required by the MPMC and project plans and other actions required by the Project Approvals to implement the Project and the mitigation measures. Ministerial Permits and Approvals do not include any Discretionary Actions.
- 1.15. “Minor Change” means changes, modifications, or adjustments which are consistent with the overall intent of the Project Approvals and which do not materially alter the overall nature, scope, or design of the Project including, without limitation, minor changes in locations of the Project buildings or infrastructure, relocation of no more than 30% of the total approved Project building square footage, the construction or provision of additional parking

spaces within the building envelope of any parking areas, and/or the configuration of internal circulation elements.

1.16. “Party” means, individually, and “Parties” means, collectively, the parties to this Agreement, consisting of City (and its successors and assigns) and the Developer (including, subject to the restrictions on assignment set forth herein, successor owners).

1.17. “Processing Fees” means all processing fees and charges required by City that are applied uniformly to all construction or development related activity including, without limitation, fees for land use applications, building permit applications, building permits, grading permits, shoring and excavation permits, hauling permits, encroachment permits, demolition permits, subdivision or parcel maps, lot line adjustments, street vacations, inspections, certificates of occupancy, and plan check. Expressly exempted from Processing Fees are all Development Impact Fees that may be imposed by the City on development projects pursuant to laws enacted after the Effective Date of this Agreement.

1.18. “Project” means the development project identified as “1977 Saturn Data Center Project” as described in CEQA Determination (Exhibit “B”), and detailed in the Approved Development Plan as shown on attached Exhibit “D,” which is incorporated by reference.

1.19. “Project Approvals” is defined in Section 3.4.

1.20. “Property” means the real property described in attached Exhibit “A,” which is incorporated by reference.

1.21. “Subsequent Permits” is defined in Section 4.1.1.

1.22. “Uniform Codes” means those Uniform Codes adopted by reference in the MPMC in accordance with Government Code §§ 50022.2, *et seq.* as required by applicable law including, without limitation, Health and Safety Code § 18944.5 and Title 24 of the California Code of Regulations. The Uniform Codes govern building and construction standards including, without limitation, the building, plumbing, electrical, mechanical, grading, sign, and fire standards.

1.23. “Vested Rules” are defined in Section 3.1.

ARTICLE 2

GENERAL PROVISIONS

2.1. Property Subject to This Development Agreement. This Agreement benefits and encumbers the Property. The Property is to be developed with the Project, i.e., the “1977 Saturn Data Center Project.”

2.2. Term of Agreement. The Term of this Agreement commences upon the Effective Date and continues in full force and effect for five years pursuant to MPMC § 21.44.020(E) unless terminated earlier by its terms (“Term”).

ARTICLE 3

APPLICABLE RULES, REGULATIONS, AND POLICIES

3.1. Vested Rules. “Vested Rules” mean, collectively, the ordinances, resolutions, rules, regulations, requirements, and official policies of the City in effect as of the Effective Date which govern and include, without limitation, the following, to the extent applicable to the Property: development agreements; permitted uses; density and building intensity; growth control; zoning designations and regulations; land use designations, subdivision, improvement, grading, landscaping and signage; design, development, improvement, and construction standards and specifications; standards and requirements for public reservations and dedications, public improvements and facilities; transit, parking, open space, employee housing and affordable housing; standards and requirements for processing of Subsequent Permits (as defined in Section 4.1.1); Development Impact Fees and related rules and calculations; and the Project Approvals described in Section 3.4. The Vested Rules do not include: (i) Uniform Codes, or changes thereto from time to time; (ii) Processing Fees; or (iii) fees imposed by other governmental agencies, whether or not collected by the City on behalf of such agencies. A list of the Vested Rules as of the Effective Date is attached as Exhibit “C,” and incorporated by reference. Various Subsequent Permits, such as tentative subdivision maps, grading permits and use permits, are or may be required in order to implement the development of the Project under the terms of the Vested Rules. In addition, Subsequent Permits, such as a change in zoning standards, may be desirable due to changes in development products or standards or for other reasons during the Term of this Agreement. This Agreement and the vested right to develop are not intended to preclude changes or additions to the Vested Rules which are mutually acceptable. Developer takes notice pursuant to Government Code § 66020(d) that City is imposing exactions upon the Project in accordance with the Mitigation Fee Act (Government Code § 66000, et seq.). Developer is informed that it may protest exactions in accordance with Government Code § 66020. Developer knowingly and willingly waives any rights it may have under Government Code § 66020 or any other provision of law to protest the imposition of any fees, dedications, reservations, or exactions imposed on the Project as authorized by this Agreement.

3.2. Uniform Codes Not Vested. Section 3.1 does not apply to City’s enforcement of the “Uniform Codes” regulating building or construction standards which will apply to the Project at the time City issues building permits.

3.3. Changes to the Vested Rules. All Subsequent Permits will be processed in accordance with the procedures, standards, and requirements set forth in the Vested Rules, except to the extent changes to the Vested Rules are proposed by the Subsequent Permit. In that case, the processing of the Subsequent Permit is not subject to the Vested Rules. Any approved Subsequent Permit will be incorporated into (and amend or supplement, as appropriate) the Vested Rules upon adoption by City and approval by the affected Developer. If Developer proposes any amendment

or addition to the Vested Rules, then the application therefor will clearly indicate such request, and, if the application is approved by City, then City's action will clearly state the Vested Rules were amended or supplemented. City must consider any such request in its sole discretion, without unreasonable delay or condition. If an amendment or supplement to the Vested Rules is adopted by City other than pursuant to an application by Developer, then it may amend or supplement the Vested Rules only if the affected Developer approved the same in writing.

3.4. Project Approvals. "Project Approvals" means: (a) this Agreement; (b) the CEQA Determination; (c) City approvals governing development of the Project; and (d) any amendments or additions to the Project Approvals and any Subsequent Permits (as defined in Section 4.1.1) which are subsequently issued by City and approved by Developer of the affected Project or portion thereof, in accordance with the procedures described in Section 3.1. The Project Approvals are included in the Vested Rules. The permitted uses, the density or intensity of use, the zoning, the maximum height and size of buildings, the provisions for reservation and dedication of land, and the subdivision or use permit improvement requirements for the Project are set forth in Exhibit "D," as supplemented by Subsequent Permits issued in conformance with the Vested Rules.

3.5. Vested Right to Develop. During the Term of this Agreement, with regard to the Project listed in Recital C and the Property legally defined in Exhibit "A," Developer is assured, and City agrees, the development rights, obligations, terms and conditions specified in the Project Approvals, the other Vested Rules, and this Agreement are fully vested in Developer and may not be changed or modified by City, whether by administrative action, legislative action, or vote of the electorate, except as may be expressly permitted by and in accordance with the terms and conditions of this Agreement, or as may be expressly consented to in writing by Developer. Developer has the vested right to develop and construct the Project on the Property, and dispose of the Property with vested rights, and each portion thereof, in accordance with the Project Approvals, the other Vested Rules, and this Agreement.

3.6. No Conflicting Enactments. During the Term of this Agreement, the City will not, without the prior written consent of Developer, do any of the following:

3.6.1 Apply to the Property, or any portion thereof, any change in the Vested Rules or any new or amended rule, ordinance, resolution, regulation, requirement, or official policy which conflicts with or is inconsistent with this Agreement, or which reduces the development rights provided by this Agreement, or which limits or reduces the permitted uses allowed under the Vested Rules, or which discriminates against Developer or the Project or any portion thereof, or which applies only to the Project or a portion thereof;

3.6.2 Apply to the Property any new rule, ordinance, resolution, regulation, requirement, or official policy which requires any additional discretionary review or approval; or

3.6.3 Apply to the Property any new or amended rule, ordinance, resolution, regulation, requirement, or official policy that materially, adversely affects the timing or phasing of construction or development or that limits the availability of utilities, infrastructure, or public services for the Property.

3.7. Term of Project Approvals. The term of any Project Approvals approved for any portion of the Property, whether existing or subsequently approved, will be automatically extended for the Term of this Agreement. In addition, in accordance with Government Code § 66452.6, the term of any map or other Project Approval will be extended for a period equal to any period of time during which: (a) a development moratorium exists including, without limitation, a water or wastewater moratorium, or the actions of public agencies (other than City) that regulate land uses, development or providing services to the Property, that prevents, prohibits, or delays the construction of the Project; or (b) a lawsuit involving any development approvals or permits for the Project is pending. A development moratorium adopted or implemented by City does not apply to the Property, as further described in Section 3.9.

3.8. Initiatives/Referendum. Any law enacted or imposed after the Effective Date by initiative or referendum, or by the City Council, directly or indirectly, in connection with any proposed initiative or referendum, which law would conflict with the vested rights to develop granted to Developer under this Agreement will, to the maximum extent permitted by law, not apply to the Property.

3.9. Moratoria; Growth Control Measures. Developer's rights to develop the Property in conformance with the vested rights under this Agreement prevails over any growth control measure or development moratorium adopted or implemented by City after the Effective Date, whether adopted specifically to prohibit construction of the Project or any portion thereof, or as an interim measure during the processing of contemplated General Plan, Specific Plan, or zoning changes, or as a general growth control management measure.

3.10. Effect of Inconsistent State or Federal Laws. This Agreement may be modified or suspended as may be necessary to comply with the State of California or Federal legislation, case law, codes, or regulations enacted/issued after the Effective Date, which preempt local jurisdiction and which prevent or preclude compliance with one or more provisions of this Agreement; provided, however, that such modification or suspension will be made to the minimum extent necessary and only after the Parties have met and conferred in good faith to determine the feasibility of such modification or suspension and to minimize its effect on the rights of the Parties and fulfillment of the purposes and intent of this Agreement. The Parties will cooperate to process applications for any City or governmental approvals which may be required as a result of any such modification or suspension of this Agreement.

3.11. Public Works. Developer must construct any facilities or improvements which will be dedicated to City or any other governmental agency upon completion in the same manner and to the same standards as would be applicable to City or such other governmental agency should it have undertaken construction.

3.12. Business Recovery Development Agreement Zone ("BRDZ"). This Agreement is intended to activate the BRDZ as set forth in the MPMC. Pursuant to MPMC Chapter 21.45, this Agreement allows for the following:

3.12.1 Land Uses. See Exhibit "D."

3.12.2 Development Standards. See Exhibit “D.”

3.13. Agreement and Assurances on Part of the City. In addition to assurances provided in Section 3.5 of this Agreement, and in consideration for the Developer entering into this Agreement, and as an inducement for Developer to obligate itself to carry out the covenants and conditions set forth in this Agreement, City agrees as follows:

3.13.1 Time Frames and Staffing for Processing and Review. City agrees that expeditious processing of Ministerial Permits and Approvals and Discretionary Actions, if any, and any other approvals or actions required for the Project are critical to the implementation of the Project. In recognition of the importance of timely processing and review of Ministerial Permits and Approvals, City agrees to work with Developer to establish time frames for processing and reviewing such Ministerial Permits and Approvals and to comply with time frames established in the Project Approvals. City agrees to expedite all Ministerial Permits and Approvals and Discretionary Actions requested by Developer, provided that Developer agrees to pay any applicable fee for expedited review and processing time.

3.13.2 Interim Use. The City agrees that the Developer may use the Property during the term of this Agreement for any use that is otherwise permitted by the applicable zoning regulations and the General Plan in effect at the time of such interim use (subject to obtaining any Discretionary Action required for such use) or pursuant to any approvals, permits, other agreements between the City and the Developer, or other entitlements previously granted and in effect as of the Effective Date.

ARTICLE 4

PROCESSING OF SUBSEQUENT PERMITS AND APPROVALS

4.1. Subsequent Permits.

4.1.1 Defined. “Subsequent Permits” means the land use, development, and building approvals which are to be processed for approval by City and which are necessary or appropriate in order to develop the Project in accordance with the Vested Rules, the Project Approvals, and this Agreement including, without limitation, zone changes, master plans or amendments thereto, any and all permits and/or approvals that are part of development maps, subdivision improvements plans and agreements, design review, site plans, landscape plans, preliminary grading plans, grading plans and permits, building plans and permits, and environmental determinations. The Subsequent Permits include any permits and approvals required to complete the infrastructure and improvements necessary to develop the Property (collectively, the “Improvements”), in accordance with this Agreement and the Vested Rules including, without limitation, those related to: (a) clearing the Property; (b) preliminary grading or grading of the Property; (c) construction of roads and storm drainage facilities; (d) construction of all commercial structures and all structures and facilities accessory thereto, subject to the limitations set forth in this Agreement. The grant of vested rights to Developer pursuant to this

Agreement does not waive or remove any requirement to process and obtain Subsequent Permits for the Project, to the extent required under the Vested Rules and the Project Approvals.

4.1.2 Standard of Review. City agrees applications for Subsequent Permits will be processed in good faith and granted on terms and conditions in conformance with this Agreement, the Project Approvals, and the Vested Rules. In the event any conflict arises between the terms and conditions of a Subsequent Permit and this Agreement, the provisions of this Agreement prevail unless otherwise agreed to in writing by the City and the affected Developer.

4.2. Processing. Subject to compliance with the Vested Rules and other applicable laws, the Subsequent Permits will be reviewed, processed, and acted upon by City, provided that: (a) applications for such approvals are submitted to City during the Term of this Agreement; (b) the applications are deemed complete pursuant to the Vested Rules; and (c) there is no uncured Event of Default under the terms and conditions of this Agreement with respect to the portion of the Property for which such approval is sought. City agrees it will not unreasonably withhold, delay or unreasonably condition any Discretionary Action or Discretionary Approval which may be issued by City in order for the Project to proceed, provided that Developer reasonably and satisfactorily complies with all preliminary procedures, actions, payments of Processing Fees, and criteria generally required of developers by City for processing applications for developments and consistent with this Agreement.

4.3. Development Fees. Due to the consideration and benefits as described in Section 5.1, the following apply to the development fees described below:

4.3.1 Development Impact Fees. Developer will pay fees established and adopted pursuant to the Mitigation Fee Act (Government Code §§ 66000, *et seq.*) and the MPMC, as detailed in Exhibit "E," which are in effect on the date the City Council approves this Agreement. Except for Processing Fees, Developer's obligations regarding the payment of any fees in connection with the Project and Project Approvals is limited to those Development Impact Fees listed in Exhibit "E."

4.3.2 Processing Fees. Developer must pay the Processing Fees in effect on the date the City Council approves this Agreement.

4.4. Other Local, State, Federal Approvals. The Parties contemplate that development of the Project pursuant to this Agreement may be subject to the approval of other governmental agencies. The Parties will act in good faith and use reasonable effort and diligence to process and obtain such approvals in a manner and on terms and conditions that are consistent with, and implement, the Project Approvals, the Vested Rules, and this Agreement. If any revisions or corrections of plans for Project Approvals approved by City are required by any other governmental agency, then the Parties will cooperate reasonably and in good faith to develop a mutually acceptable solution.

ARTICLE 5

PUBLIC BENEFITS

5.1. Public Benefits. The Parties acknowledge and agree that Developer's agreement to perform and abide by the covenants and obligations set forth herein is material consideration for City's agreement to perform and abide by the covenants set forth herein, including the following specific public benefits for this Agreement:

- Development of a vacant and underutilized property in Saturn Park.
- Improvement of the public right-of-way along certain Property frontages.
- Installation of enhanced landscaping and lighting along certain Property frontages.
- Generation of reoccurring tax revenues for the City.
- Public Open Space. Before the Building Official issues the final Certificate of Occupancy for the Project, Developer must provide to City a grant deed, that transfers fee title ownership, of approximately 39,900 square feet of land located along the Property frontage on Saturn Street and Orange Avenue, as identified in Exhibit "F," for use as a publicly-accessible pocket park, that City will own and operate. Developer will construct initial improvements (including pedestrian pathway, lawn areas, bench seating, an entry monument, and associated irrigated landscaping) for the pocket park in substantial conformance with the conceptual plan identified in Exhibit "F." Developer will consult with City regarding final park design which must be approved by City in its reasonable discretion. Developer's obligation under this provision is considered fully satisfied upon recordation of the aforementioned grant deed identifying the City as fee title owner of the land identified conceptually in Exhibit "F" and in the 1977 Saturn Data Center plans approved by the City on [REDACTED], 2025.
- Public Trail Extension. Before the Building Official issues the final Certificate of Occupancy for the Project, Developer must deposit \$200,000 with City to fund the design and construction of improvements, located in the public right-of-way and/or easement areas controlled by the City, to extend a segment of the existing pedestrian trail from La Loma Park, through the existing plant nursery, and along the west side of Orange Avenue, to the access point of the new pocket park, as identified in Exhibit "G." Developer's obligation under this provision is considered fully satisfied upon deposit of \$200,000 with the City.
- [REDACTED]

ARTICLE 6

REVIEW OF COMPLIANCE

6.1. Annual Review. The City will conduct reviews in accordance with the MPMC to determine whether Developer is acting in good faith compliance with the provisions of this Agreement. Appropriate fees to cover City's costs to conduct the annual review shall be collected from the Developer in compliance with the MPMC.

6.2. Procedure for Review. City's City Planner, or designee, will conduct the review contemplated by this Article 6 to ascertain whether Developer has reasonably complied in good faith with the material terms and conditions of this Agreement during the period for which the review is conducted. The City Planner, or designee, will give Developer notice that any such review has been commenced, and give Developer at least 20 days to provide the City Planner such information as Developer deems relevant to such review. In addition, upon written request of the City Planner, Developer must furnish such documents or other information reasonably requested by the City Planner.

6.3. Result of Review. If, following such a review, the City Planner, or designee, finds good faith compliance by Developer with the terms and conditions of this Agreement, the City Planner, or designee, will issue to Developer an executed certificate of compliance. The certificate of compliance will state: (a) the Agreement is unmodified and in full force and effect (or identifying any modifications); (b) there are no uncured defaults under the Agreement by the certifying Party or, to the certifying Party's knowledge, by any other Party (or specifying any such defaults); and (c) any other information reasonably requested regarding the status of the Agreement and performance by the Parties.

If, following such a review, the City Planner, or designee, finds that Developer has not complied in good faith with the terms and conditions of the Agreement, the City Planner, or designee, will provide notice to Developer detailing such non-compliance. Upon receipt of such notice, Developer may commence to cure the stated non-compliance in accordance with the terms of this Agreement, including without limitation Section 8.3. If Developer fails to cure the non-compliance pursuant to the terms of this Agreement, including without limitation Section 8.3, the City Planner, or designee, will notify the City Council. Developer has the ability to dispute any such claim of non-compliance or failure to cure at a public hearing before the Agreement may be modified or terminated.

ARTICLE 7

ASSIGNMENTS; MORTGAGEE PROTECTION

7.1. Right to Assign

7.1.1 Right to Assign. Subject to Section 7.2 of this Agreement with respect to the rights of a mortgagee, Developer may assign or transfer any portion of its interests, rights, or obligations (“Rights”) under this Agreement and under the Project Approvals and Subsequent Approvals to third parties acquiring successor interests in the Project or Property, or any portion thereof, including without limitation purchasers or long-term ground lessees of the parcels or facilities located on or within the Property.

7.1.2 Assumption of Assigned Obligations and Rights. As a condition to any assignment or transfer under this Agreement, any person or entity accepting such Assignment (“Assignee”) must assume all of the obligations and rights of this Agreement as they pertain to the portion of the Property being transferred to the Assignee.

7.2. Right to Mortgage. Developer or successor owners may assign, pledge, or otherwise encumber their rights and interests under this Agreement for security purposes to a mortgagee of any defined lot(s) without City’s consent. Nothing contained in this Agreement restricts Developer from encumbering all or any portion of the Property with a mortgage, deed of trust, or other security device (collectively, “Mortgage”). No breach of this Agreement will default, render invalid, diminish, or impair the lien of any Mortgage or the rights of any mortgagee, but all of the terms and conditions of this Agreement are binding upon and effective against any person, including any mortgagee or any person, who acquires title to the Property, or any portion thereof, by foreclosure, trustee’s sale, deed in lieu for defaults or monetary obligations arising before its acquisition of title to the Property or portion thereof.

7.3. Notice of Default. If City receives written notice from a mortgagee requesting a copy of any notice of default given to Developer and specifying the address for service thereof, then City will deliver to such mortgagee, concurrently with the delivery to Developer, any notice given to Developer with respect to any claim by City that such Developer is in default hereunder. If City makes a determination of noncompliance hereunder and a mortgagee has requested notice of such determination, City will also serve notice of such noncompliance on such mortgagee concurrently with service on Developer. Each mortgagee may, without obligation, during the same period available to Developer hereunder, cure or remedy, or commence to cure or remedy, the event of default claimed or the areas of noncompliance set forth in City’s notice.

ARTICLE 8

DEFAULT; REMEDIES

8.1. Events of Default. Subject to the provisions of Section 10.17 regarding Unavoidable Delays, Section 7.1 regarding assignment and assumption, and Section 7.2 regarding

mortgagee protection, the failure by any Party to pay any sum or to perform any obligation required under this Agreement, including, without limitation, City's failure to issue Subsequent Permits for the Project in conformance with this Agreement, and such Party's failure to cure such default within the specified cure period after receipt of a Notice of Default pursuant to Section 8.2 below, constitutes an "Event of Default" under this Agreement. Except as otherwise provided in Section 4.2, failure by Developer to construct or delay in constructing the Project or any portion thereof shall not be a default or Event of Default under this Agreement, and Developer is not liable to City for damages for failure to construct any portion of the Project.

8.2. Notice of Default and Cure. Any Party claiming a default under this Agreement must deliver to the defaulting Party a written notice of default ("Notice of Default"). The Notice of Default must specify the reasons for the allegation of default with reasonable particularity and the manner in which the default can be cured. The defaulting Party has the right to cure the default within 30 days after receiving the Notice of Default; provided, however, that if the nature of the alleged default is such that it cannot be reasonably cured within 30 days, then the 30-day period will be extended for the time reasonably required to complete the cure, so long as the defaulting Party commences the cure within the 30-day period and diligently prosecutes the cure to completion thereafter.

8.3. Procedure Upon an Event of Default. After the occurrence of an Event of Default, the other Party may give notice of its intent to terminate this Agreement pursuant to Government Code § 65868 and the MPMC implementing said section. Following notice of intent to terminate, or before instituting legal proceedings, the matter must be scheduled for consideration and review at a public meeting of the City Council within 30 days after that notice. Following consideration of the evidence presented in the review before the City Council, the Party alleging the default by the other Party may institute legal proceedings or may give written notice of termination of this Agreement to the other Party; provided, however, Developer may only terminate this Agreement with respect to such portion of the Property then owned by Developer. Evidence of default may also arise in the course of an annual review of this Agreement pursuant to Section 6.1. If Developer is determined by City to be in default pursuant to the procedures for annual review, and after giving effect to Developer's right of appeal of such determination to the City Council as provided in Section 6.3, then City may give a written Notice of Default pursuant to Section 8.1. If the alleged default is not cured within the cure period set forth in Section 8.2 or within such longer period specified in City's Notice of Default, or if Developer waives its right to cure such alleged default in writing, then this Agreement may be terminated by City with respect to the portion of the Property then owned by the defaulting Developer.

8.4. Remedies for Non-Defaulting Party. If either Party is in default under the terms of this Agreement, the other Party may elect to pursue any of the following courses of action: (i) waive such default; (ii) pursue administrative remedies as provided in this Agreement; (iii) pursue any judicial remedies available under the law; or (iv) terminate this Agreement.

8.4.1 Unless otherwise provided in this Agreement, either Party, in addition to any other rights or remedies, may institute legal action to cure, correct, or remedy any default by the other Party to this Agreement, to enforce any covenant or agreement herein, or to enjoin any threatened or attempted violation hereunder or to seek specific performance. All remedies

available to a Party under this section are cumulative and not exclusive of the other, and the exercise of one or more of these remedies does not constitute a waiver or election with respect to any other available remedy. In general, each of the Parties hereto may pursue any remedy at law or equity available for the breach of any provision of this Agreement, including without limitation specific performance, except that City is not liable in damages to Developer, or to any successor in interest of Developer, or to any other person, in connection with this Agreement and Developer, on behalf of itself and all successors in interest, covenants not to sue for damages or claim any damages with respect to this Agreement:

- (a) For any breach of this Agreement or for any cause of action that arises out of this Agreement; or
- (b) For the taking, impairment or restriction of any right or interest conveyed or provided under or pursuant to this Agreement; or
- (c) Arising out of or connected with any dispute, controversy or issue regarding the application or interpretation or effect of the provisions of this Agreement.

Notwithstanding anything to the contrary in this Section 8.4 or any other provision of this Agreement, in no event is City entitled to special, consequential or punitive damages or damages measured by lost profits against Developer with respect to any breach or default by Developer of this Agreement.

8.4.2 Informal Discussions. With regard to any dispute between or among the Parties contemplated by this Agreement, within seven business days written notice from either Party, the City Manager and Developer's senior executives must meet and attempt in good faith to resolve any such disputes through informal discussions, which discussions will not exceed 10 business days unless extended by mutual agreement.

8.5. Mediation. If the Parties are unable to resolve their dispute through informal discussion, then either Party may commence mediation by providing to JAMS (or other mediator mutually agreed to by the Parties) and the other Party a written request for mediation, setting forth the subject of the dispute and the relief requested. The Parties will cooperate with JAMS and with one another in selecting a mediator from JAMS' panel of neutrals, and in scheduling the mediation proceedings. The Parties covenant that they will participate in all phases of the mediation in good faith. The mediation process will occur in two phases, if necessary, as described below. During the first phase of the mediation, which in no event will exceed 30 days unless otherwise agreed to by the Parties, the Parties will attempt to resolve their dispute in accordance with JAMS standard mediation procedures. If the Parties are unable to resolve their dispute during this first phase of the mediation process, then the second phase of the mediation process will be conducted in a manner consistent with this Section. If the Parties are unable to resolve their dispute through the first phase of mediation, as described above, the party that commenced mediation (the "Complaining Party"), will have 10 business days from the expiration of the 30 day period described above to file a brief with the other party (the "Responding Party") and with the mediator presiding over the first phase of the mediation process (the "Mediator"), which brief must set forth the merits of the Complaining Party's position regarding the issues raised during the first phase of mediation (the "Initial Brief"). The Responding Party will have 10 business days from its receipt

of the Initial Brief to file a brief with the Mediator and the Complaining Party responding to the issues raised in the Initial Brief and setting forth the merits of the Responding Party's position regarding the issues raised during the first phase of mediation (the "Responding Brief"). The Complaining Party will have five business days from its receipt of the Responding Brief to file a reply brief with the Mediator and the Responding Party replying to the issues raised in the Responding Brief (the "Reply Brief"). In no event will the Initial Brief and the Responding Brief be longer than 15 pages and in no event will the Reply Brief be longer than 10 pages. Except as otherwise set forth in this Section, the Initial Brief, the Responding Brief and the Reply Brief will be formatted in accordance with requirements of Rule 3.1110 of the California Rules of Court, unless otherwise agreed to by the Parties. The Mediator will have two weeks following its receipt of the Reply Brief to consider the arguments set forth by the Complaining Party and the Responding Party in their respective briefs and issue an opinion stating which party the Mediator would consider to be the prevailing party if the Mediator were a judge presiding over the dispute in a court of law (the "JAMS Opinion").

8.5.1 All offers, promises, conduct and statements, including the JAMS Opinion, whether oral or written, made in the course of the mediation by any of the Parties, their agents, employees, experts and attorneys, and by the mediator and any JAMS employees, are confidential, privileged and inadmissible for any purpose, including impeachment, in any litigation or other proceeding involving the Parties, provided that evidence that is otherwise admissible or discoverable will not be rendered inadmissible or non-discoverable as a result of its use in the mediation. Notwithstanding the foregoing, the JAMS Opinion will serve as the basis solely for determining whether, in the event a dispute between the Parties is litigated, either party will be awarded Attorneys' Fees (as defined in Section 8.5.3) in accordance with this Agreement.

8.5.2 Nothing in this Article will in any way be interpreted as requiring that Developer and City and/or City's designee reach agreement with regard to those matters being addressed, nor will the outcome of these meetings be binding in any way on City or Developer unless expressly agreed to in writing by the Parties to such meetings. Notwithstanding the foregoing, the JAMS Opinion will be binding on the Parties solely for the purposes of determining whether, in the event a dispute between or among the Parties is litigated, either party will be awarded Attorneys' Fees (as defined in Section 8.5.3) in accordance with this Agreement.

8.5.3 Should any judicial remedy be sought by any party because of any default under this Agreement or to enforce any provision hereof, or to obtain a declaration of rights hereunder (each individually a "Judicial Action"), the prevailing party in such Judicial Action is entitled to reasonable attorney's fees, court costs and such other costs as may be fixed by the court (collectively, "Attorneys' Fees"), provided the prevailing party in the Judicial Action was also determined to be the prevailing party in the JAMS Opinion. For purposes of this Agreement, Attorneys' Fees will be calculated from the start of the first phase of mediation and will include all reasonable costs related to the first and second phases of mediation. If the prevailing party in a Judicial Action was determined to be the losing party in the JAMS Opinion, then each party will assume the cost of their own Attorneys' Fees. Not in limitation of the foregoing, the Parties will assume their own costs related to the informal dispute resolution process described above.

8.6. Extension of Agreement Term. The Term of this Agreement as set forth in Section 2.2 will automatically be extended for the period of time in which the Parties are engaged in dispute

resolution to the degree that such extension of the Term is reasonably required because activities which would have been completed before the expiration of the Term are delayed beyond the scheduled expiration of the Term as a direct result of such dispute resolution.

ARTICLE 9

AMENDMENTS; TERMINATION

9.1. Amendments. Except as set forth in Section 3.1, this Agreement may be modified, amended and/or extended only by mutual written consent of the Parties and must be approved in the same manner as adoption of this Agreement, by ordinance as set forth in the Development Agreement Statute.

9.2. Operating Memoranda. The Parties acknowledge that the provisions of the Agreement require a close degree of cooperation and that new information and future events may demonstrate that changes are appropriate with respect to the details of performance of the Parties under this Agreement. The Parties desire, therefore, to retain a certain degree of flexibility with respect to the details of performance for those items covered in general terms under this Agreement. If and when, from time to time, the Parties find that refinements or adjustments are desirable, such refinements or adjustments will be accomplished through operating memoranda or implementation agreements approved by the Parties which, after execution, will be attached to this Agreement as addenda and become a part hereof.

9.3. Execution of Memoranda. Operating memoranda or implementation agreements may be executed on behalf of City by the City Manager and the City Attorney. In the event a particular subject requires notice or hearing, such notice or hearing will be appropriately given. Any significant modification to the terms of performance under this Agreement will be processed as an amendment of this Agreement in accordance with this Agreement and must be approved by the City Council.

9.4. Effect of Expiration/Termination. Upon expiration or termination of this Agreement: (a) no Party has any further rights or obligation hereunder except for matters which accrued before such expiration or termination and matters which specifically survive expiration or termination under the express terms of this Agreement; (b) the underlying Project Approvals remain in full force and effect; and (c) the underlying zoning for the Property (absent the BRDZ) becomes effective automatically upon termination without any further action required by the City. Developer may, in its sole discretion, terminate this Agreement at any time, without claim of default by the City, if Developer decides not to exercise the Project Approvals and/or develop the Project.

ARTICLE 10

MISCELLANEOUS

10.1. Insurance. Before the commencement of any work, Developer must furnish evidence to City that all of the following insurance requirements have been satisfied.

10.2. General. Developer must, throughout the duration of this Agreement, maintain, or cause to be maintained, the insurance specified below, to insure Developer and its employees for liability arising out of the work in connection with the Property, Project and this Agreement at the minimum levels set forth herein, with City being an additional insured on the CGL (as defined in Section 10.2.1) and excess or umbrella liability insurance.

10.2.1 Commercial General Liability. Commercial General Liability (“CGL”) insurance with coverage in an amount not less than \$2,000,000.00 general aggregate, \$2,000,000.00 per occurrence and \$2,000,000.00 products/completed operations, and including contractual liability insurance for the indemnification heretofore provided to City (subject to the policy terms, conditions, definitions and exclusions).

10.2.2 Business Auto Coverage. Business Automobile Liability insurance with coverage in an amount not less than \$1,000,000.00 per accident for bodily injury and property damage, covering all vehicles used by the Developer (personal, company) and its employees, on or within the Project or Property or associated therewith.

10.2.3 Excess or Umbrella Liability Insurance (Over Primary Coverage). Such excess coverage must be at least as broad as the underlying coverage and be provided on a “pay on behalf” basis. The excess or umbrella coverage can be not less than \$5,000,000.00 per occurrence/annual aggregate.

10.2.4 Workers’ Compensation. Coverage must be maintained as required by the State of California.

10.2.5 Insurance Coverage to be Maintained by Developer’s Contractors and Subcontractors. Developer must require by contract that its contractors and subcontractors maintain the same CGL, business auto, excess or umbrella liability and workers’ compensation insurance as set forth in Sections 10.2.1 through 10.2.4, inclusive, hereof, except that the required minimum limits for the CGL coverage will be \$2,000,000.00 general aggregate, \$2,000,000.00 per occurrence and \$2,000,000.00 products/completed operations, with excess or umbrella liability insurance in the amount of \$2,000,000.00 per occurrence/annual aggregate. The CGL policy must include contractual liability insurance (subject to the policy terms, conditions, definitions and exclusions).

10.3. Construction; Interpretation. This Agreement has been reviewed and revised by legal counsel for Developer and the City, and no presumption or rule that ambiguities may be construed against the drafting party apply to the interpretation or enforcement of this Agreement.

10.4. Agreement Constitutes Legislative Act. Developer acknowledges and agrees that City has approved and entered into this Agreement in the sole exercise of its legislative discretion and that the standard of review of the validity and meaning of this Agreement will be that accorded legislative acts of City.

10.5. Cooperation; Further Assurances. Each Party will: (a) deal fairly and in good faith with the other Party; (b) not impede the other Party's right to receive the benefits of this Agreement; (c) cooperate with and provide reasonable assistance to the other Party in the performance of this Agreement; and (d) execute such documents or take such further actions as may be reasonably necessary to consummate the performance or to carry out the purpose and intent of this Agreement.

10.6. Counterparts. This Agreement, and any documents implementing this Agreement, may be executed in multiple counterpart originals, each of which is deemed to be an original and all of which when taken together shall constitute one and the same instrument.

10.7. Entire Agreement. The Recitals set forth above in this Agreement and the Exhibits attached hereto are incorporated by references into this Agreement as an integrated portion hereof. This Agreement, including all such Recitals and Exhibits, constitutes the entire agreement of the Parties regarding the subject matter hereof, and all prior or contemporaneous agreements and understandings, whether written or oral, are superseded.

10.8. Governing Law/Jurisdiction. This Agreement shall be governed, construed and enforced in accordance with the laws of the State of California, and the state courts of Los Angeles County have jurisdiction.

10.9. Legal Challenges—Defense and Indemnification.

10.9.1 Cooperation in the Event of a Legal Challenge.

In the event of any administrative, legal or equitable action or other proceeding instituted by any person or entity not a party to the Agreement challenging the validity of any provision of this Agreement; challenging any agreement between City and other government agencies entered into at the request of Developer to facilitate the development of the Property; challenging any of the Project Approvals; or challenging the sufficiency of any environmental review of either this Agreement or any Project Approval under CEQA (each a "Third Party Challenge"), each Party must cooperate in the defense of such Third Party Challenge, in accordance with this Section. In light of the Parties' mutual interests in successfully defending against a Third Party Challenge, the Parties will enter into a joint nondisclosure, indemnity, and litigation defense agreement, which, among other things, will require all communications between Developer and City concerning a Third Party Challenge must be kept confidential and cannot be disclosed by either Party without the written consent of the other Party. Developer agrees to pay City's costs of defending a Third Party Challenge, including all court costs and reasonable attorney's fees expended by City (including the time and cost of the City Attorney) in defense of any Third Party Action, as well as the time of City's staff spent in connection with such defense. Developer may select its own legal

counsel to represent Developer's interests in any Third Party Challenge at Developer's sole cost and expense. City agrees that it will not enter into a settlement agreement to any Third Party Challenge without Developer's written consent. Developer's obligation to pay City's costs in the defense of a Third Party Challenge does not extend to those costs incurred on appeal unless otherwise authorized by Developer in writing. If Developer elects, in its sole and absolute discretion, not to contest such litigation challenges, City does not have any obligation to contest such challenges. If City elects to contest such challenges after Developer elects not to contest, City will do so at its sole cost.

10.9.2 Third Party Challenges Related to the Applicability of City Laws.

The provisions of this Section will apply only in the event of a legal or equitable action or other proceeding, before a court of competent jurisdiction, instituted by any person or entity not a party to this Agreement challenging the applicability to the Project or Property of a conflicting City law (a "Third Party Enforcement Action"):

10.9.3 Cooperation in Case of a Third Party Enforcement Action.

In the event of a Third Party Enforcement Action, City must (i) promptly notify Developer of such action or proceeding, and (ii) cooperate with Developer so as to most effectively respond to the Third Party Enforcement Action. In no event will City take any action that would frustrate, hinder, or otherwise complicate Developer's efforts to respond. The Parties to this Agreement agree to cooperate, to the maximum extent permitted by law, in the defense of such action or proceeding. For purposes of this Section, the required cooperation between the Parties includes, without limitation, developing litigation strategies, preparing litigation briefs and other related documents, conferring on all aspects of the litigation, developing settlement strategies, and, to the extent permitted by law, jointly making significant decisions related to the relevant litigation, throughout the course thereof. In light of the Parties' mutual interests in successfully defending against a Third Party Enforcement Action, all communications between Developer and City concerning a Third Party Enforcement Action must be kept confidential and cannot be disclosed by either party without the written consent of the other party.

10.9.4 Litigation Costs.

City's costs of defending any Third Party Enforcement Action, including all court costs, and reasonable attorney's fees expended by City (including the time and cost of the City Attorney) in defense of any Third Party Enforcement Action, as well as the time of City's staff spent in connection with such defense (the "Enforcement Action Defense Costs"), will be paid in accordance with this Agreement. Notwithstanding the foregoing, in no event will the Enforcement Action Defense Costs extend to, nor will Developer or the Project be obligated to pay, any costs incurred on appeal unless otherwise authorized by Developer in writing.

10.9.5 Settlement.

City must not enter into a settlement agreement or take any other action to resolve any Third Party Enforcement Action without Developer's written consent. City cannot, without

Developer's written consent, take any action that would frustrate, hinder or otherwise prevent Developer's efforts to settle or otherwise resolve any Third Party Enforcement Action.

10.9.6 Effect of a Judgment.

Provided that City complies with this Section and provided that Developer is a party to the relevant Third Party Enforcement Action, Developer agrees to be bound by any final judgment (i.e., following all available appeals) arising out of a Third Party Enforcement Action and further agrees that no default under this Agreement will arise if such final judgment requires City to apply to the Project or Property a City law that conflicts with applicable law or this Agreement.

10.9.7 Defense and Indemnity.

Developer must defend and indemnify City from and against any and all damages, claims, costs and liabilities arising out of the personal injury or death of any third party, or damage to the property of any third party, to the extent such damages, claims, costs or liabilities result from the construction of the Project by Developer or by Developer's contractors, subcontractors, agents or employees. Nothing in this Section will be construed to mean that Developer must defend or indemnify City from or against any damages, claims, costs or liabilities arising from, or alleged to arise from, activities associated with the maintenance or repair by City or any other public agency of improvements that have been offered for dedication and accepted by City or such other public agency or for any other public improvements constructed by City or constructed by Developer at direction of City. City and Developer may from time to time enter into subdivision improvement agreements, as authorized by the Subdivision Map Act, which agreements may include defense and indemnity provisions different from those contained in this Section. In the event of any conflict between such provisions in any such subdivision improvement agreement and the provisions set forth above, the provisions of such subdivision improvement agreement will prevail.

10.9.8 Effect on Term. The Term of this Agreement will be tolled from the initiation of any litigation until final court action is taken in such litigation.

10.10. Notices. All notices, demands, correspondence and communications ("Notice") shall be in writing and shall be either personally delivered or sent by certified mail, postage prepaid, return receipt requested, or delivered by a nationally recognized overnight courier service (which provides a delivery receipt), at the addresses set forth below. Any such Notice will be deemed received on the date of personal delivery or on the date of receipt (or refusal to accept delivery) set forth in the certified mail receipt if sent by U.S. mail or in the receipt provided by the overnight courier service if sent by such service. Any Party may at any time, by giving 10 days' written notice to the other Party, designate any other address in substitution of the address, or any additional address, to which such notice or communication must be given.

City:	City of Monterey Park
	320 West Newmark Avenue
	Monterey Park, CA 91754
	Attn: Ms. Inez Alvarez, City Manager

with a copy to: Burke, Williams & Sorensen LLP
444 South Flower Street, 40th Floor
Los Angeles, CA 90071
Attn: Mr. Karl H. Berger, City Attorney

Developer: HMC StratCap 1977 Saturn, LLC
30 Rockefeller Plaza, Suite 2050
New York, NY 10112
Attn: Mr. Bryan Marsh, Managing Director,
North America

with a copy to: Sheppard, Mullin, Richter & Hampton, LLP
650 Town Center Drive, 10th Floor
Costa Mesa, CA 92626
Attn: Mr. James E. Pugh, Partner

10.11. Private Undertaking. It is expressly understood and agreed by the Parties the development contemplated by this Agreement is a private development, no Party is acting as the agent of any other Party in any respect hereunder, and Developer has full power and exclusive control over its properties subject only to the limitations and obligations of Developer under the Vested Rules and this Agreement. Nothing contained in this Agreement or in any document executed in connection with this Agreement will be construed as making City and Developer joint venturers or partners.

10.12. Recordation. City will cause this Agreement to be recorded with the Los Angeles County Recorder within 10 days after the Effective Date, pursuant to Development Agreement Statute § 65868.5. Thereafter, if this Agreement is terminated, modified or amended as provided herein, the City will record notice of such action with the Los Angeles County Recorder.

10.13. Section Headings. Article and Section headings in this Agreement are inserted for convenience only and are not intended to be used in interpreting or construing the terms, covenants or conditions of this Agreement.

10.14. Severability. If any provision or term of this Agreement, or the application of any provision or term of this Agreement to any particular situation, is held by a court of competent jurisdiction to be invalid, void or unenforceable, then the remainder of the Agreement is unaffected and will remain in full force and effect unless enforcement of the Agreement, with such invalidation, would be unreasonable or inequitable under the circumstances or would frustrate the purposes of the Agreement or the rights and obligations of the Parties thereunder.

10.15. Successors and Assigns; Covenants Running with the Land. Subject to the provisions of Section 7.1 governing assignment, the rights and obligations of Developer under this Agreement will be binding upon and inure to the benefit of successor owners of all or any portion of the Property and shall be covenants running with the land.

10.16. Third-Party Beneficiaries. This Agreement is made and entered into for the sole protection and benefit of the Parties and their successors and assigns, including the owners. No other person has any right of action based upon any provision of this Agreement.

10.17. Unavoidable Delays or Events. In addition to specific provisions of this Agreement, performance by any Party hereunder shall not be deemed to be in default where delays or defaults are due to war, terrorism, pandemic, insurrection, riots, floods, earthquakes, fires, casualties, governmental restrictions imposed or mandated by governmental entities (but only as to delays or performance by Developer), enactment of conflicting state or federal laws or regulations (but only if the Party claiming delay complies at all times with the provisions of this Agreement pertaining to such conflicting laws), litigation against this Agreement or any of the Project Approvals, referendum of this Agreement or any of the Project Approvals or similar bases for excused performance ("Unavoidable Delay" or "Unavoidable Event"). Upon the occurrence of an Unavoidable Event, the time for performance will be extended, for the duration of the Unavoidable Delay. Notwithstanding the foregoing, none of the following constitutes an Unavoidable Event: (i) delays caused by market forces beyond the Parties' control; (ii) delays caused by the delay or failure by any entity other than the Party claiming such delay to provide financing for construction of the Project or any portion thereof; (iii) delays related to the cost or unavailability of financing, construction contractors, consultants, or labor; or (iv) delays related to economic conditions locally, regionally, statewide, nationwide, or worldwide.

10.18. Waiver. No waiver of any provision of this Agreement is effective unless it is in writing and signed by a duly authorized representative of the Party against whom enforcement of the waiver is sought. No waiver of any right or remedy is deemed a waiver of any right or remedy with respect to any other occurrence or event.

10.19. Estoppel Certificate. The City will, at any time and within 60 days following the written request of the Developer, certify in writing to the Developer and any applicable and prospective transferee that (a) this Agreement is in full force and effect and a binding obligation of the Parties; (b) this Agreement has not been amended or modified or, if so amended or modified, identifying the amendments and modifications; and (c) the Developer is not in default in the performance of its obligations under this Agreement or, if in default, to describe the nature and extent of any such default. Any such estoppel certificate may be administratively issued by the City Manager, or designee.

10.20. Authorization. Each person executing this Agreement represents and warrants that he or she is authorized and has the legal capacity to execute and deliver this Agreement on behalf of the Party for which execution has been made.

IN WITNESS WHEREOF, the Parties have executed this Development Agreement to be effective as of the Effective Date first set forth above.

“CITY”

CITY OF MONTEREY PARK
a municipal corporation

Dated: _____, 2025

By: _____
Ms. Elizabeth Yang, Mayor

ATTEST:

Ms. Maychelle Yee, City Clerk

APPROVED AS TO FORM:

By: _____
Mr. Karl H. Berger, City Attorney

“DEVELOPER”

HMC STRATCAP 1977 SATURN, LLC
a Delaware limited liability company

Dated: _____, 2025

By: _____
Mr. Bryan Marsh, Managing Director,
North America

APPROVED AS TO FORM:

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

By: _____
Mr. James E. Pugh, Partner

Developer’s Attorney

**Exhibit A:
The Property**

The Property referred to herein below is situated in the City of Monterey Park, County of Los Angeles, State of California, and is described as follows:

PARCEL 1:

PARCEL 5 OF THE PARCEL MAP NO. 7972, IN THE CITY OF MONTEREY PARK, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 80 PAGES 45 AND 46 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ALSO EXCEPTING ALL OIL, GAS, HYDROCARBON SUBSTANCES RESERVED IN THE DEED RECORDED APRIL 8, 1977 AS INSTRUMENT NO. 77-354323, RECORDS OF LOS ANGELES COUNTY.

ALSO EXCEPTING ALL OIL, GAS, HYDROCARBON SUBSTANCES, AND ALL MINERALS OF EVERY KIND, NATURE AND DESCRIPTION BEING MORE THAN 500 FEET BELOW THE SURFACE OF THE REAL PROPERTY WITHOUT THE RIGHT OF ENTRY FOR ANY PURPOSE WHATSOEVER UPON, OVER OR INTO THE SURFACE OR 500 FEET OF THE SURFACE OF THE REAL PROPERTY, AS RESERVED BY LOWRY B. MCCASLIN AND PAULINE C. MCCASLIN, HUSBAND AND WIFE AND MCCASLIN PROPERTIES, A CALIFORNIA GENERAL PARTNERSHIP, BY DEED RECORDED DECEMBER 10, 1985 AS INSTRUMENT NO. 85-1456239, OFFICIAL RECORDS.

PARCEL 2:

LOTS 1, 2, 3 AND 16 OF TRACT NO. 33910, IN THE CITY OF MONTEREY PARK, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 909 PAGES 76 TO 79 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ALSO EXCEPTING ALL OIL, GAS, HYDROCARBON SUBSTANCES, AND ALL MINERALS OF EVERY KIND, NATURE AND DESCRIPTION BEING MORE THAN 500 FEET BELOW THE SURFACE OF THE REAL PROPERTY WITHOUT THE RIGHT OF ENTRY FOR ANY PURPOSE WHATSOEVER UPON, OVER OR INTO THE SURFACE OR 500 FEET OF THE SURFACE OF THE REAL PROPERTY, AS RESERVED BY LOWRY B. MCCASLIN AND PAULINE C. MCCASLIN, HUSBAND AND WIFE AND MCCASLIN PROPERTIES, A CALIFORNIA GENERAL PARTNERSHIP, BY DEED RECORDED DECEMBER 10, 1985 AS INSTRUMENT NO. 85-1456239, OFFICIAL RECORDS.

For conveyancing purposes only: APN 5265-026-054

The Property is depicted on the map below, for reference only:

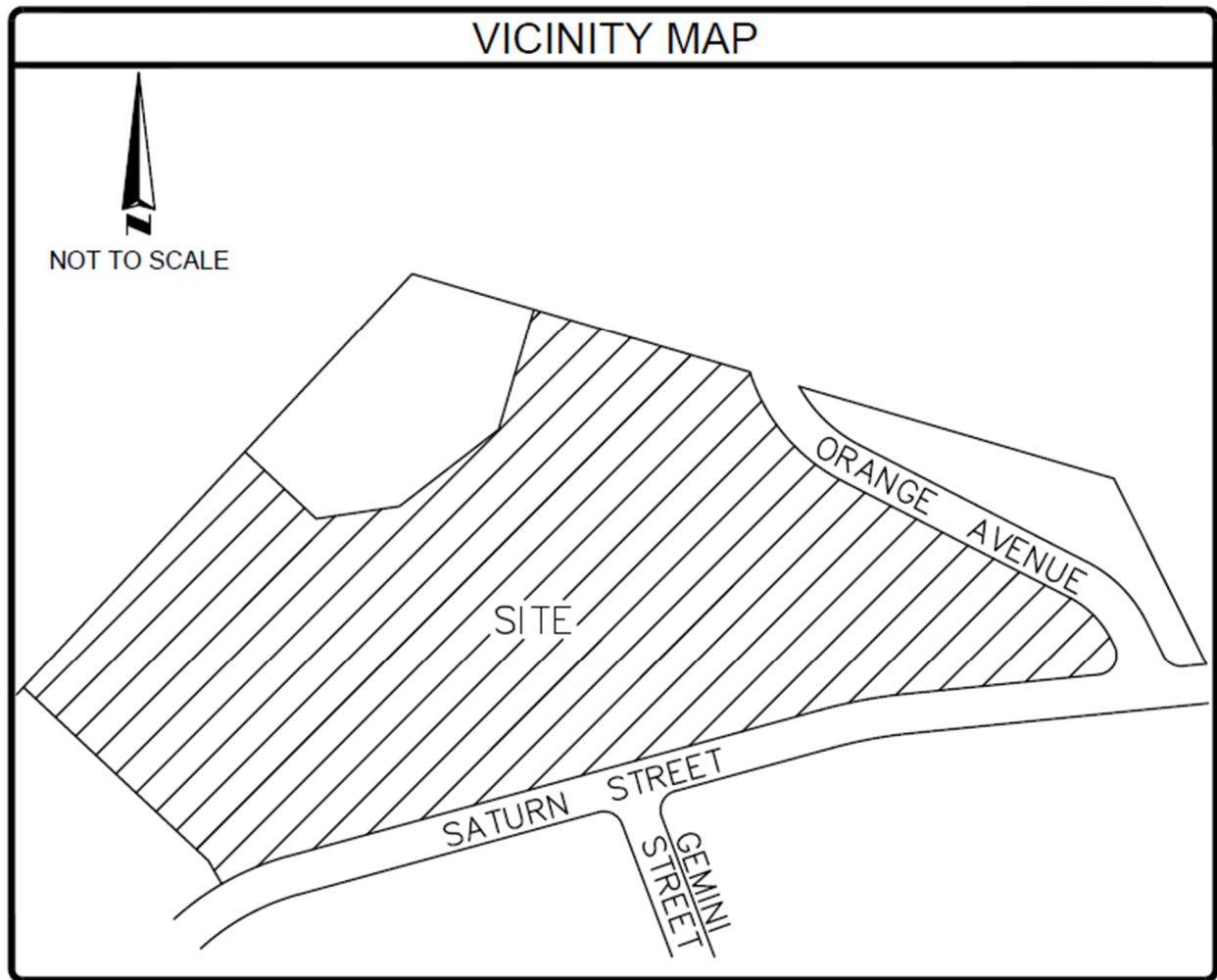


Exhibit B
CEQA Determination

The CEQA Determination includes the following environmental review documents:

1. Initial Study/Mitigated Negative Declaration for the 1977 Saturn Data Center Project, State Clearing House No. 2024101397, October 31, 2024
2. Appendix A-1: Air Quality Analysis Memorandum
3. Appendix A-2: Offsite Improvements for Southern California Edison Service
4. Appendix B: Health Risk Assessment Memorandum
5. Appendix C: Tree Evaluation Report
6. Appendix D: Cultural Resources Assessment
7. Appendix E: Energy Calculations
8. Appendix F: Geotechnical Investigation
9. Appendix G: Greenhouse Gas Emissions Analysis Memorandum
10. Appendix H: Phase I Environmental Site Assessment
11. Appendix I: Water Resources Technical Report
12. Appendix J: Noise and Vibration Analysis Memorandum
13. Appendix K: Transportation Analysis and Vehicle Miles Traveled Screening Memorandum
14. Appendix L: Assembly Bill 52 Communications
15. Appendix M-1: Water and Sewer Infrastructure Report
16. Appendix M-2: Water Efficiency Memorandum
17. Final Mitigated Negative Declaration for the 1977 Saturn Data Center Project

Exhibit C Vested Rules

Vested Rules include all provisions, as they exist as of the Effective Date, of the Monterey Park General Plan, Monterey Park Municipal Code, and any other ordinances, resolutions, rules, regulations, requirements, and official policies governing:

Development agreements; permitted uses; density and building intensity; growth control; zoning designations and regulations; land use designations, subdivision, improvement, grading, landscaping and signage; design, development, improvement, and construction standards and specifications; standards and requirements for public reservations and dedications, public improvements and facilities; transit, parking, open space, employee housing and affordable housing; standards and requirements for processing of Subsequent Permits (as defined in Section 4.1.1); Development Impact Fees and related rules and calculations (as defined in Section 1.8); and the Project Approvals described in Section 3.4.

For avoidance of doubt, Vested Rules do not include: (i) Uniform Codes (as defined in Section 1.22), or changes thereto from time to time; (ii) Processing Fees (as defined in Section 1.17); or (iii) fees imposed by other governmental agencies, whether or not collected by the City on behalf of such agencies.

Exhibit D
Approved Land Use and Development Standards

SUMMARY:

Per Section 3.12 of this Agreement, the BRDZ is activated to permit the following land uses and development in accordance with the following development standards.

PERMITTED LAND USES:

The Property will be used for a data center with an ancillary equipment yard, substation, parking, and landscaping.

INTENSITY OF USE:

The Project involves the development of a data center with gross total building area of approximately 247,480 square feet on an approximately 15.8-acre site. The proposed Floor Area Ratio ("FAR") is 0.359.

DEVELOPMENT STANDARDS:

Lot Size (minimum)
Pursuant to applicable Monterey Park Municipal Code (MPMC) provisions and/or the development standards identified in the 1977 Saturn Data Center plans approved on [REDACTED], 2025, whichever is more permissive

Setbacks (minimum)
Pursuant to applicable MPMC provisions and/or the development standards identified in the 1977 Saturn Data Center plans approved on [REDACTED], 2025, whichever is more permissive

Building Height (maximum)
52 ft. pursuant to the City's average grade plane measurement methodology; or the maximum height of any structure identified in the 1977 Saturn Data Center plans approved on [REDACTED], 2025, whichever is more permissive

Floor Area Ratio (maximum)
Pursuant to applicable MPMC provisions (0.60 FAR) and/or the development standards identified in the 1977 Saturn Data Center plans (0.359 gross FAR; or 0.405 net FAR) approved on [REDACTED], 2025, whichever is more permissive

Off-Street Parking and Loading
68 parking spaces

Required Walls
Pursuant to applicable MPMC provisions and/or the development standards identified in the 1977 Saturn Data Center plans approved on [REDACTED], 2025, whichever is more permissive

Trash Facilities
Pursuant to applicable MPMC provisions and/or the development standards identified in the 1977 Saturn Data Center plans approved on [REDACTED], 2025, whichever is more permissive

Buffering and Maintenance of Landscaping and Easements
Pursuant to applicable MPMC provisions and/or the development standards identified in the 1977 Saturn Data Center plans approved on [REDACTED], 2025, whichever is more permissive

Compressors, Air-Conditioning Units or Similar Mechanical Equipment
Pursuant to the development standards identified in the 1977 Saturn Data Center plans approved on [REDACTED], 2025

Lighting
Pursuant to applicable MPMC provisions and/or the development standards identified in the 1977 Saturn Data Center plans approved on [REDACTED], 2025, whichever is more permissive

Limitations on Permitted Uses
All uses permitted in MPMC §§ 21.14.040 and 21.14.220, as amended by Ordinance No. [REDACTED], including but not limited to equipment yards and substations as accessory uses to the permitted primary data center use, and any other accessory uses identified in the 1977 Saturn Data Center plans approved on [REDACTED], 2025

(SEE ATTACHED BUILDING & SITE DEVELOPMENT PLANS)

**Exhibit E
Fee Estimate⁴**

Development Impact Fee (“DIF”)				
	Rate	Sq. Ft.	Fee	
Police	\$ 0.050	247,480	\$	12,374.00
Fire	\$ 0.019	247,480	\$	4,702.12
Circulation System (Streets, Signals, and Bridges)	\$ 1.305	247,480	\$	322,961.40
Water	\$ 0.386	247,480	\$	95,527.28
Sewer	\$ 0.069	247,480	\$	17,076.12
Library	\$ -	247,480	\$	-
Public Meeting Facilities	\$ -	247,480	\$	-
Aquatics	\$ -	247,480	\$	-
Parks	\$ 0.032	247,480	\$	7,919.36
Total Development Impact Fees	\$ 1.861	247,480	\$	460,560.28

Plan Check Fees				
Building	<i>Building/Electrical/Mechanical/Plumbing Plan</i>		\$	
Fire			\$	
Public Works			\$	
Total Plan Check Fees			\$	TBD

Permit and Inspection Fees				
Building	<i>Building/Electrical/Mechanical/Plumbing Plan</i>		\$	
Public Works	<i>Permit</i>		\$	
Public Works	<i>Inspection</i>		\$	
Total Permit and Inspection Fees			\$	TBD

Misc. Fees				
Plans Archival/Records Management			\$	
General Plan Revision Surcharge			\$	
Strong Motion Tax			\$	
Green				
Total Misc. Fees			\$	TBD

Water and Fire Connection Fee				
Water and Fire Connection Fee			\$	
Total Connection Fees			\$	TBD

School Fee				
School Impact Fee	<i>(Estimate; determined by applicable school district)</i>		\$	
Total Estimated School Fees			\$	TBD

⁴ The fees listed are an estimate only; the final amounts may be different. These fees do not include time and materials costs associated with processing the Project or administrative costs including, without limitation, third-party consultants and legal fees. All such amounts must be paid before City issues a building permit, unless otherwise modified by this Development Agreement or the Project Approvals.

	County Sanitation Fee		
Sanitation Fee	<i>(Estimate)</i>	\$	
Total Estimated Sanitation Fees		\$	TBD

Exhibit F
Public Open Space⁵



⁵ Pocket park rendering for conceptual purposes only.

Exhibit G
Public Trail Extension



Exhibit B
Site Development Plan
Conditions of Approval

ORDINANCE NO. XXXX
EXHIBIT B
SITE DEVELOPMENT PLAN
CONDITIONS OF APPROVAL
1977 SATURN STREET

In addition to all applicable provisions of the Monterey Park Municipal Code ("MPMC"), HMC StratCap 1977 Saturn, LLC (the "Permittee"), agrees to comply with the following conditions of approval ("Project Conditions") for Design Review No. 24-040 ("DRB-24-040").

PLANNING:

1. The Permittee must comply with the plans reviewed by the City Council on November 19, 2025.
2. The Permittee is responsible for maintaining the area adjacent to the business location and the site, including any parkways.
3. The Project Site must remain well maintained and free of graffiti. The Permittee's failure to remove graffiti within 24 hours of written notice by the City will result in the City abating the graffiti at the Permittee's cost.
4. The permitted hours of operation of the business are 24 hours a day, seven days a week.
8. The removal and preservation of trees on the Project Site must be consistent with the Arborist Report prepared for the project Mitigated Negative Declaration.
9. Before the Building Official issues a building permit, the Director must approve a Final Landscape Plan from the Permittee. The approved Landscape Plan must include special buffering adjacent to single-family residential properties.
10. The Director must approve a wall and fence plan showing all walls and fencing on the project site.
11. Before the City Engineer issues grading permits, the Permittee must submit grading plans identifying areas where existing landscape will be preserved with specified techniques. All fences must be approved by the Director.
12. Before the Building Official issues a final certificate of occupancy, the Permittee must

execute a maintenance agreement, in a form approved by the City Attorney, with the City to maintain landscaping and irrigation within the public right of way.

FIRE:

13. Fire Department Access must be provided within 150 feet of all exterior portions of any structure. Minimum three points of access are required.
14. Fire Department vehicular access roads must be installed and maintained in a serviceable manner before and during the time of construction.
15. Minimum Required Fire Flow and Fire Hydrants: All structures must have the minimum fire flow (GPM) in accordance with Appendix B and the quantity and spacing of fire hydrants in accordance with Appendix C 2022 CFC.
16. Permittee must obtain approval from the Fire Chief, or designee, for a fire hydrant plan.
17. Before the Building Official issues a building permit, building plans must comply with requirements of CFC Sections D105.1 through D105.4, as adopted by the MPMC. All Fire lanes must be minimum of 26 feet wide.
18. All access gates across roadways or entrances to facilities must be designed to unlock or open in the event of any loss of power. All access gates and main entrance doors must have a Knox Box or Knox Control Key Switch installed.

ENGINEERING

19. All public works improvements must comply with the standards and specifications of the City and to the satisfaction of the City Engineer. Improvements to the adjoining street(s) must be made to their centerline along Saturn and Orange.
20. A water plan must be submitted for review and approval by the City Engineer. This plan must substantiate adequate water service for domestic flow, fire flow, irrigation, and identify backflow prevention. Domestic water and irrigation must include a Reduced Pressure Principle Backflow Assembly ("RP") and the fire line must have a double detector check assembly to the approval of the City Engineer.
21. Permittee's water/sewer plans must show the point of connections of the sewer and water line. The plan must include the connection details of all domestic flow, fire line, irrigation line, sewer clean-outs, and must be prepared and submitted showing all existing and proposed utilities per City standards.
22. Permittee must submit a separate street improvement plan showing improvements along the entire frontage of the property, up to the centerline, and to the satisfaction of the City Engineer. Permittee must offer the following dedications: 20 feet on Saturn

Street and 20 feet on Orange Avenue. Permittee must provide improvements to all right of way dedicated along Saturn Street and Orange. Existing chain link fence on Orange Avenue must be removed from the Public Right of way or any area to be dedicated and dedicated area must be made safe for public use and improved to the satisfaction of the City Engineer.

23. Permittee must submit to the City Engineer a dedication instrument, in a form approved by the City Attorney, for all right of way and easements for review and approval, including public park, right of way, and water easement.

24. Along the entire Project Site frontage of Saturn and Orange Avenue, the Permittee must remove existing curb, gutter, sidewalk, driveway approach, and construct new curb and gutter, driveway approaches, and a full 10-foot-wide sidewalk.

25. Existing street lights will be relocated per the City Engineer's direction.

26. Offsite landscaping plans must be submitted and reviewed by the City Engineer. The locations and types of off-site street trees will be determined by the City Engineer. Trees must be consistent with the City's tree masterplan.

BUILDING

27. Before the Building Official issues a building permit, Permittee must provide the Building Official with evidence that current easement holder(s) approve any proposed development encroaching into existing easement(s) not owned by Permittee.

By signing this document, the Permittee, certifies having read and understood the Project Conditions, and agrees to comply with the Project Conditions.

Bryan Marsh on behalf of
HMC StatCap 1977 Saturn, LLC, Permittee

Exhibit C

Initial Study & Mitigated Negative Declaration

The IS/MND, Response to Comments and other CEQA documents can be found on the City's website at:

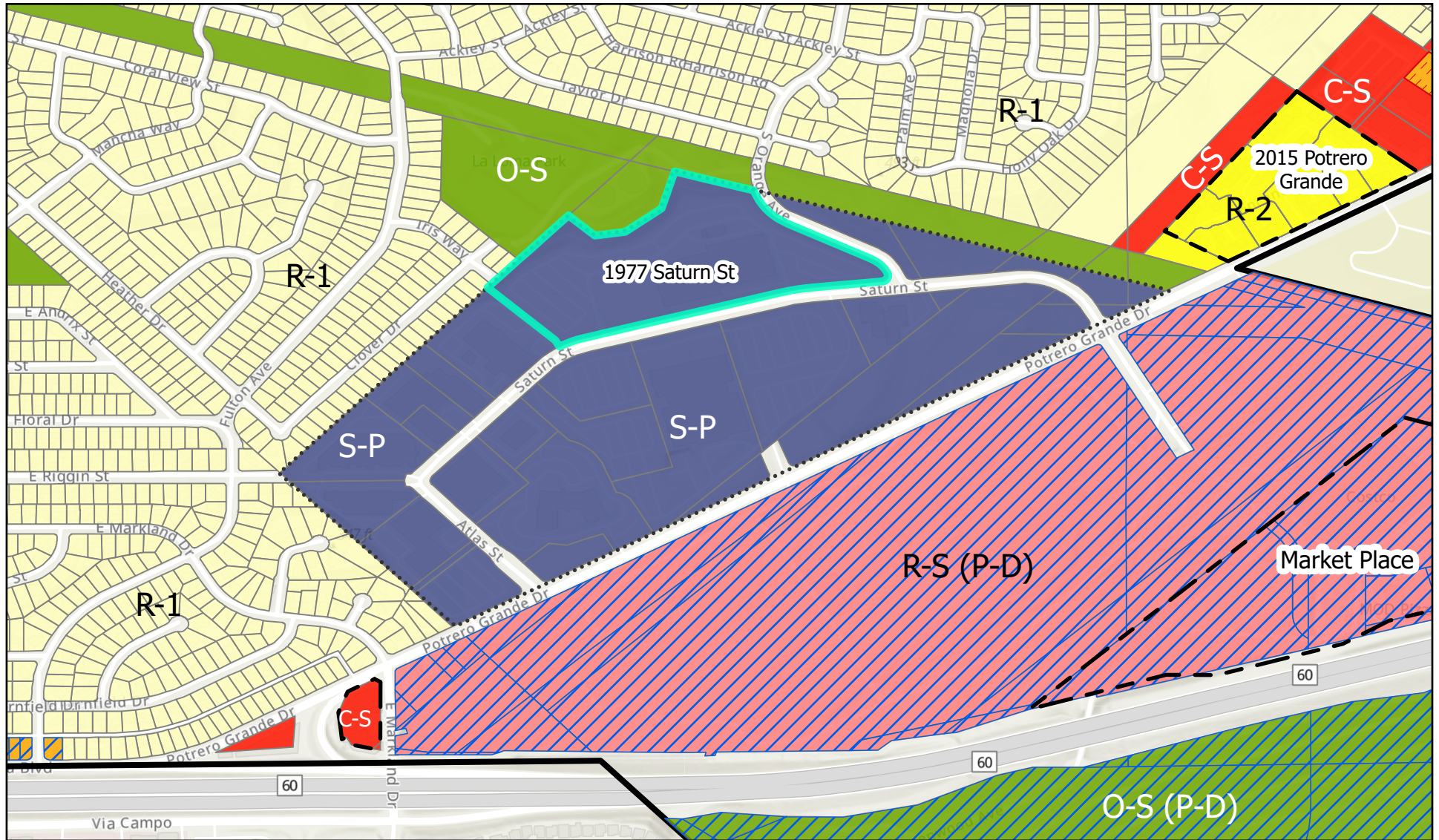
<https://www.montereypark.ca.gov/DocumentCenter/View/18325/11-19-2025-1977-Saturn-Data-Center-Project-ISMND>

and

<https://www.montereypark.ca.gov/DocumentCenter/View/18335/1977-Saturn-Data-Center---Responses-to-Comments-and-Errata>

Exhibit D
Zone Map Amendment ZA-25-03

1977 Saturn St - Existing Zoning



Overlay

- Business Recovery Development Agreement Zone (BRDZ)
- Planned Development (P-D)
- Senior Citizen Housing (S-C-H)

Zoning

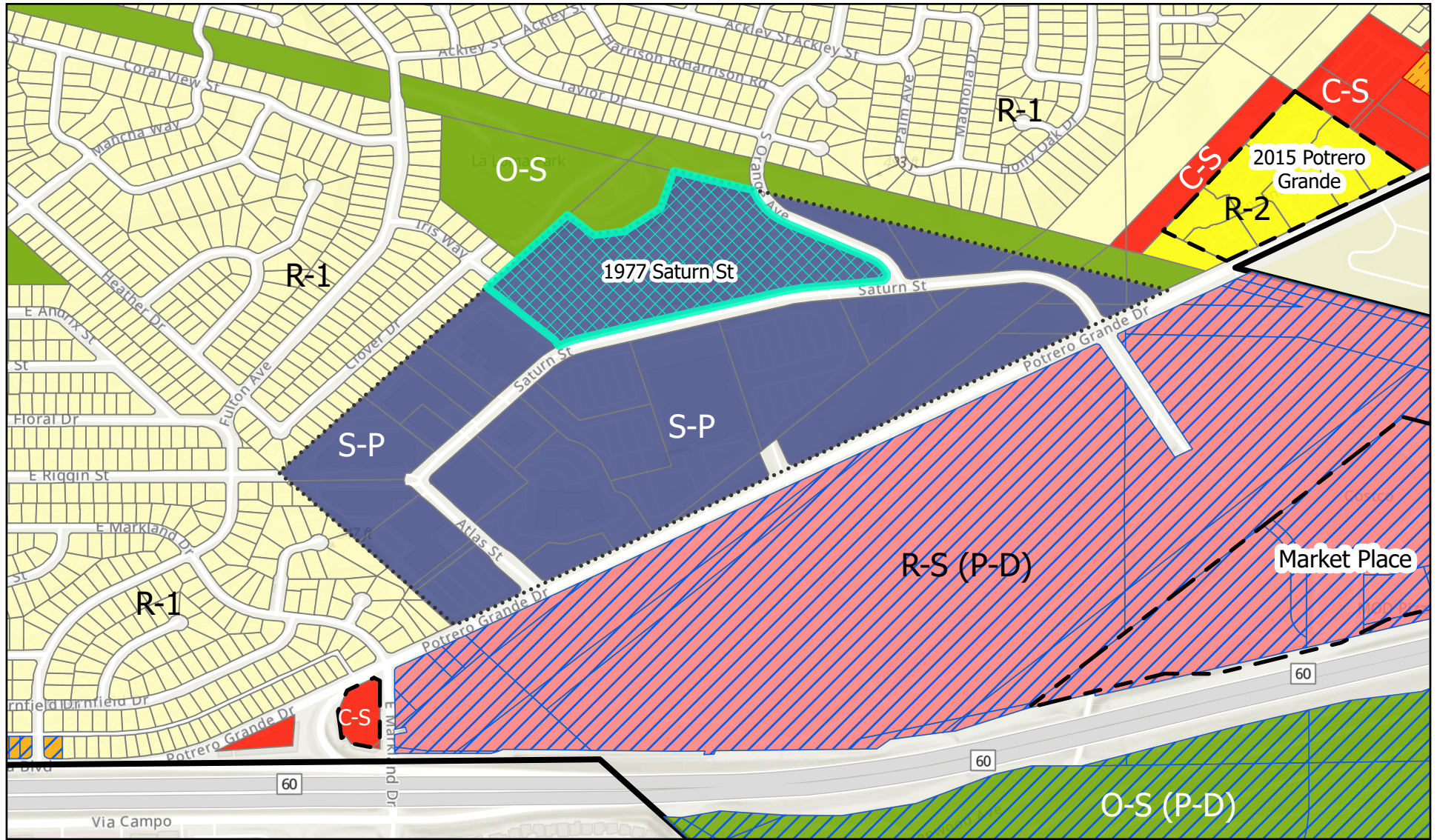
- Saturn Park (S-P)
- Regional Specialty Center (R-S)
- Commercial Services (C-S)
- Open Space (O-S)

- Single-Family Residential (R-1)
- Medium-Density Residential (R-2)
- High-Density Residential (R-3)

- MPK City Boundary
- Saturn Park Voter Enacted
- Specific Plans

0 0.05 0.1 0.2 Miles

1977 Saturn St - Proposed Zoning



Overlay

-  Business Recovery Development Agreement Zone (BRDZ)
-  Planned Development (P-D)
-  Senior Citizen Housing (S-C-H)

Zoning

-  Saturn Park (S-P)
-  Regional Specialty Center (R-S)
-  Commercial Services (C-S)
-  Open Space (O-S)

-  Single-Family Residential (R-1)
-  Medium-Density Residential (R-2)
-  High-Density Residential (R-3)

-  MPK City Boundary
-  Saturn Park Voter Enacted
-  Specific Plans

0 0.05 0.1 0.2 Miles

Attachment 2

Architectural Plans



BUILDING APPROACH - VIEW FROM SATURN STREET AT SOUTHWEST OF SITE

HMC StratCap
1977 Saturn, LLC

Gensler

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United States

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Fax 214.273.1505



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Tel 206.332.1900

△	Date	Description
1	08/15/2025	ISSUE FOR CONDITIONAL USE

Seal / Signature

NOT IN
CONSTRUCTION

Project Name
StratCap

Project Number
027.8295.002

Description
RENDERING

Scale

A9.000

PLANT LIST

TREES		BOTANICAL NAME	COMMON NAME	SPACING	WUCOLS RATING*	MATURE HEIGHT x WIDTH**
QTY	SIZE					
11	24" BOX	AGONIS FLEXUOSA 'JERVIS BAY AFTER DARK'	PEPPERMINT TREE	18' ON CENTER	L - 0.2	15-25' x 15-25'
51	36" BOX	CORYMBIA CITRIODORA	LEMON-SCENTED GUM	VARIES	L - 0.2	45-90' x 15-45'
27	24" BOX	GEJERA PARVIFLORA	AUSTRALIAN WILLOW	18-20' ON CENTER	L - 0.2	25-30' x 20'
25	36" BOX	LAURUS NOBILIS	SWEET BAT	40' ON CENTER	L - 0.2	12-40' x 12-40'
7	24" BOX	LAGERSTROEMIA INDICA 'TUSCARORA'	TUSCARORA PINK CRAPE MYRTLE	20' ON CENTER	L - 0.2	15-20' x 10-15'
10	24" BOX	OLEA 'SWAN HILL'	FRUITLESS OLIVE	24' ON CENTER	L - 0.2	15-25' x 15-20'
12	48" BOX	PLATANUS x HISPANICA 'COLUMBIA'	COLUMBIA LONDON PLANE TREE	VARIES	M - 0.4	40-80' x 30-40'
23	36" BOX	QUERCUS AGRIFOLIA	COAST LIVE OAK	VARIES	VL - 0.1	40-60' x 40-50'
20	36" BOX	QUERCUS DOUGLASII	BLUE OAK	VARIES	VL - 0.1	30-60' x 30-60'

SHRUBS		BOTANICAL NAME	COMMON NAME	SPACING	WUCOLS RATING*	MATURE HEIGHT x WIDTH**
QTY	SIZE					
16	5 GAL	ARBUTUS UNEDO 'COMPACTA'	DWARF STRAWBERRY TREE	10' ON CENTER	L - 0.2	7-10' x 7-10'
135	5 GAL	FRANGULA CALIFORNICA 'EVE CASE'	EVE CASE COFFEEBERRY	VARIES	L - 0.2	4-8' x 4-8'
30	5 GAL	NERIUM OLEANDER 'RED SINGLE'	RED SINGLE OLEANDER	8' ON CENTER	L - 0.2	6-8' x 6-20'
253	5 GAL	OLEA EUROPEA 'LITTLE OLLIE'	DWARF OLIVE	5' ON CENTER	VL - 0.1	4-6' x 4-6'
192	5 GAL	PHORMIUM TENAX 'YELLOW WAVE'	NEW ZEALAND FLAX	VARIES	L - 0.2	4' x 4'

GRASSES		BOTANICAL NAME	COMMON NAME	SPACING	WUCOLS RATING*	MATURE HEIGHT x WIDTH**
QTY	SIZE					
81,200	SF HYDROSEED	FESTUCA RUBRA	RED FESCUE	NOT APPLICABLE	L - 0.2	12" x SPREADING

GROUND COVERS		BOTANICAL NAME	COMMON NAME	SPACING	WUCOLS RATING*	MATURE HEIGHT x WIDTH**
QTY	SIZE					
304	1 GAL	LANTANA MONTEVIDENSIS 'LAVENDER'	LAVENDER LANTANA	3' ON CENTER	L - 0.2	2' x 3-6'
93	1 GAL	LANTANA MONTEVIDENSIS 'WHITE'	WHITE LANTANA	3' ON CENTER	L - 0.2	2' x 3-6'
937	1 GAL	ROSMARINUS OFFICINALIS 'PROSTRATUS'	CREeping ROSEMARY	4' ON CENTER	L - 0.2	2-3' x 4-6'

*SOURCE FOR WATER USE RATING: WATER USE CLASSIFICATION OF LANDSCAPE SPECIES (WUCOLS), COPYRIGHT UC REGENTS, UNIVERSITY OF CALIFORNIA, DAVIS, JANUARY 2014

**SOURCE FOR MATURE HEIGHT x WIDTH: SUNSET WESTERN GARDEN BOOK, SEVENTH EDITION, 2001.

SUNSET CLIMATE ZONE

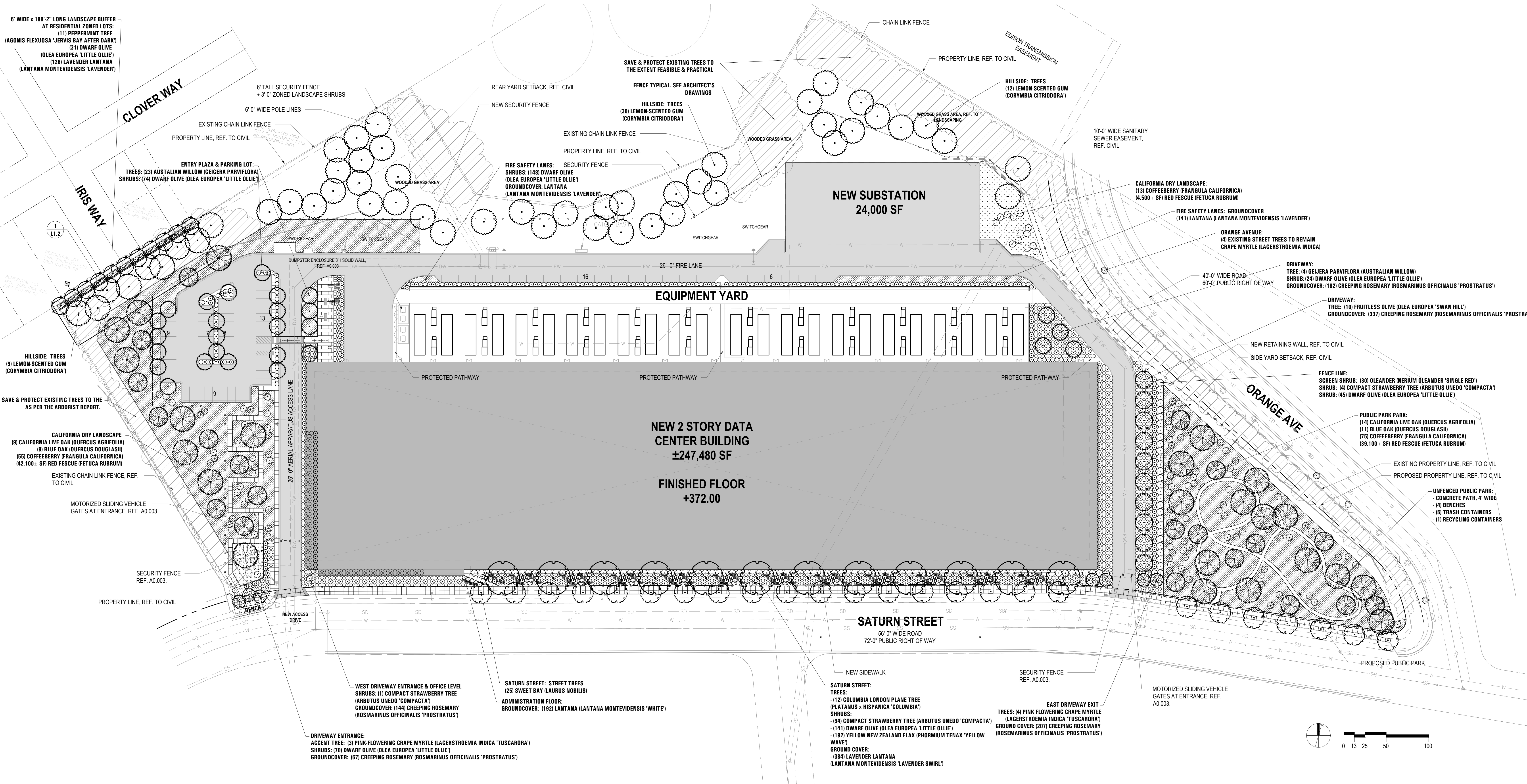
SUNSET CLIMATE ZONE: 23

WUCOLS CLIMATE REGION

WUCOLS CLIMATE REGION: #3

TREE REPLACEMENT CALCULATIONS

EXISTING ON-SITE TREES REMOVED	186
PROPOSED ON-SITE TREES PER THE PLANT LIST ABOVE	186



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Date	Description
1 08/15/2025	ISSUE FOR CONDITIONAL USE

Seal / Signature

NOT IN
CONSTRUCTION

Project Name
STRATCAP

Project Number
027.8295.002

Description
PLANTING PLAN

Scale

L1.1

Gensler

5005 Greenville Avenue
Dallas, TX 75206
United States

Tel 214.273.1500
Fax 214.273.1505



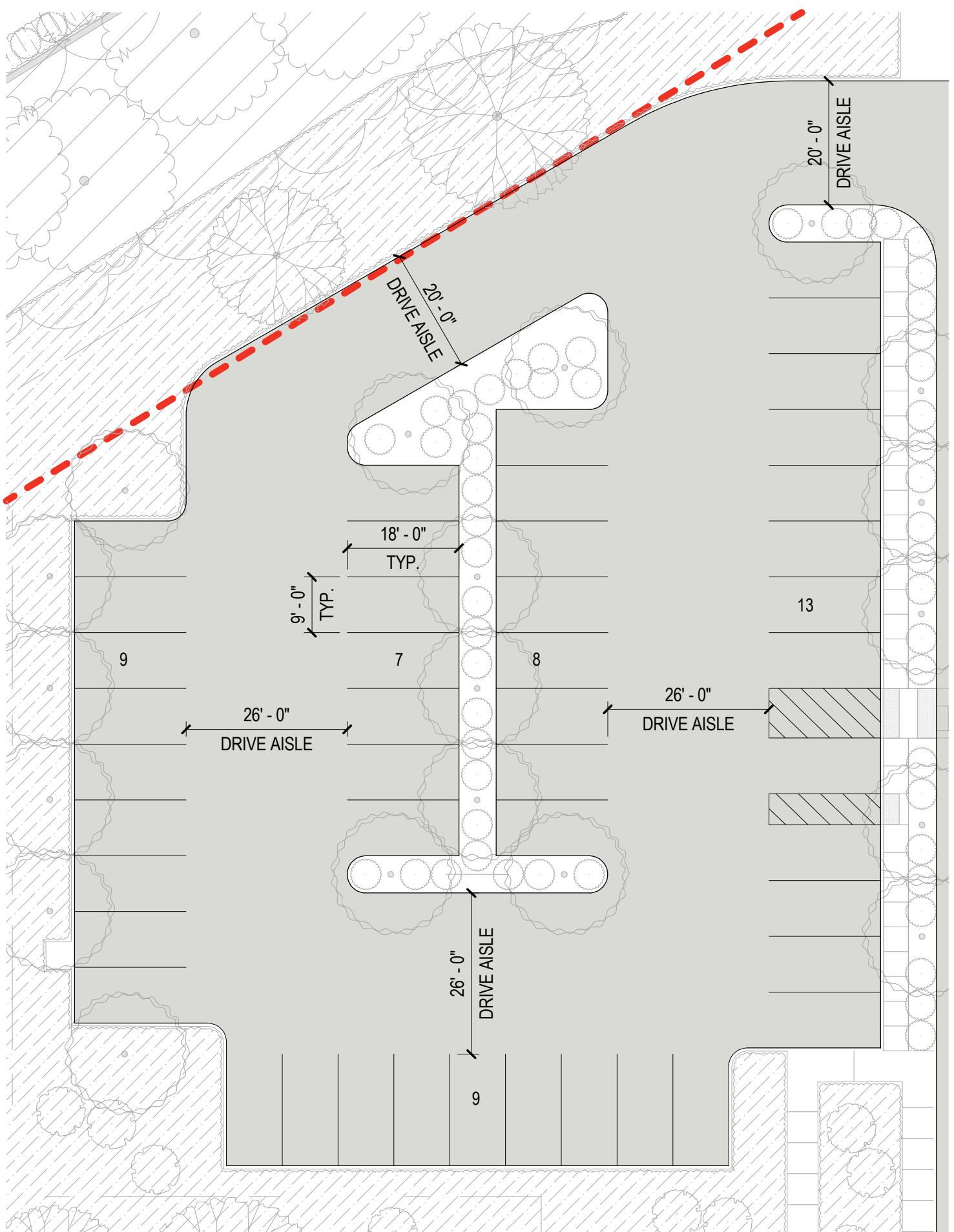
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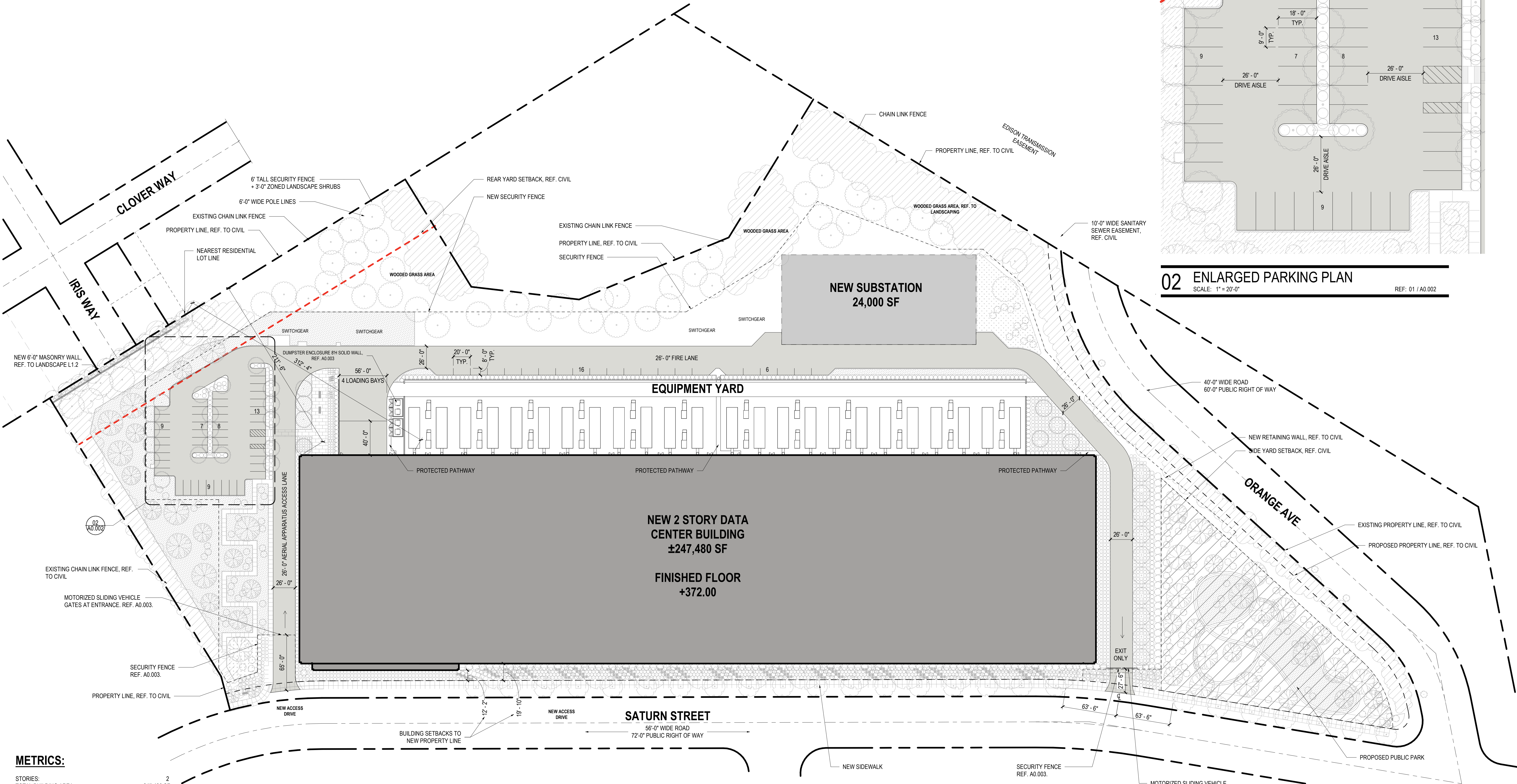
DCI ENGINEERS
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Seattle, WA 98101
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02 ENLARGED PARKING PLAN

SCALE: 1" = 20'-0"

REF: 01 / A0.002



METRICS:

STORIES:	2
TOTAL BUILDING AREA:	247,480 SF
WHITE FLOOR AREA:	108,400 SF
DATA HALLS:	6
DATA HALL AREA:	18,866 SF
TOTAL POWER:	49.5 MW
CRITICAL POWER:	33 MW
POWER DENSITY:	304.42 WATTS PER SF
POWER DENSITY PER DATA HALL:	5.5 MW
CAB COUNT: (HAC)	2,064 RACKS
KW PER CAB:	16 KW
GENERATORS (2.75MW):	24 (4:3)
TOTAL COOLING LOAD:	10,460 TONS
TOTAL CHILLERS (525 TONS EACH):	24 (4:3)
SITE AREA:	15.80 ACRES (689,073.2 SF)
GROSS FAR:	0.359
PROPOSED PUBLIC PARK:	39,914.3 SF
ROADWAY DEDICATION:	38,984.8 SF
SITE AREA (AFTER DEDICATION):	14.00 ACRES (610,174.0 SF)
NET FAR (AFTER DEDICATION):	0.405
MAX FAR ALLOWED (0.60):	413,444 SF
MAX STRUCTURE HEIGHT:	40 FT
PROPOSED STRUCTURE HEIGHT:	39'-10.5" FT (EXCL. EQUIP.)
SUBSTATION AREA:	24,000 SF
PROPOSED PARKING (CUP REQUEST):	68 SHOWN
REQUIRED PARKING (4 SPACES / 1,000SF):	990

01 SITE PLAN

SCALE: 1" = 50'-0"

REF: 01 / A2.000

Date	Description
1 08/15/2025	ISSUE FOR CONDITIONAL USE

Seal / Signature

NOT IN
CONSTRUCTION

Project Name

StratCap

Project Number

027.8295.002

Description

ARCHITECTURAL SITE PLAN

Scale

As indicated

A0.002



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Date	Description
1 08/15/2025	ISSUE FOR CONDITIONAL USE

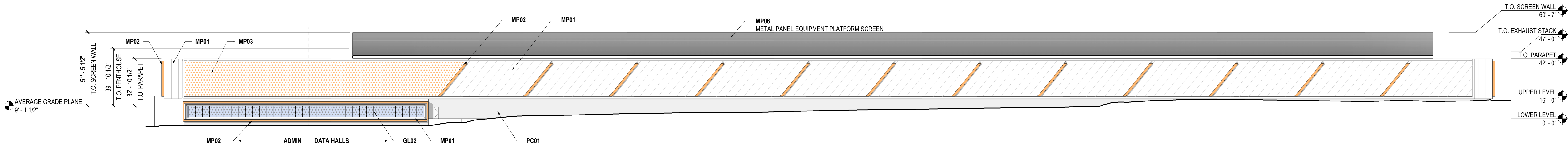
Seal / Signature

NOT IN
CONSTRUCTION

Project Name	StratCap
Project Number	027.8295.002
Description	BUILDING ELEVATIONS

Scale
As indicated

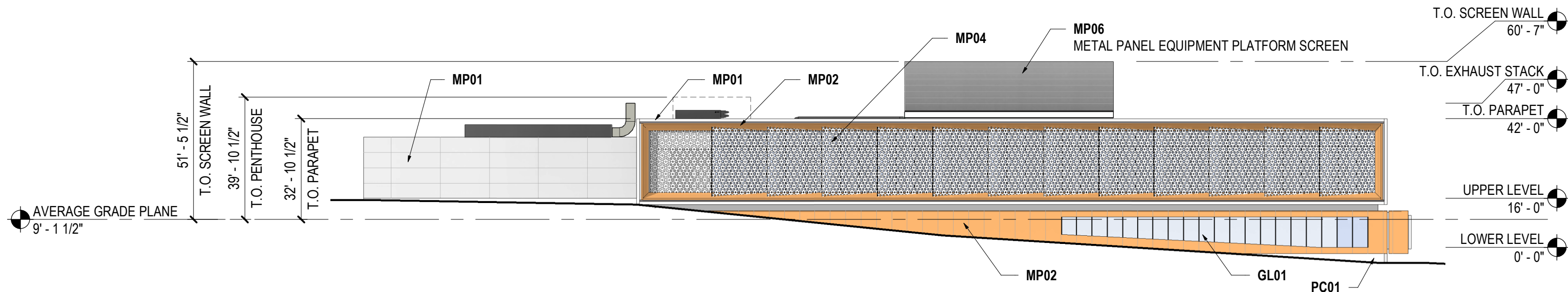
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01 BUILDING ELEVATION -SOUTH

SCALE: 1/32" = 1'-0"

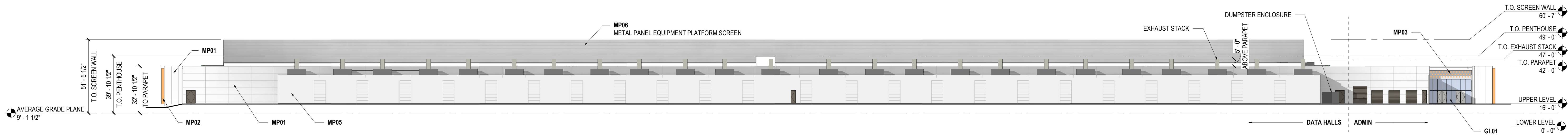
REF: 01 / A0.101



02 BUILDING ELEVATION -WEST

SCALE: 1/32" = 1'-0"

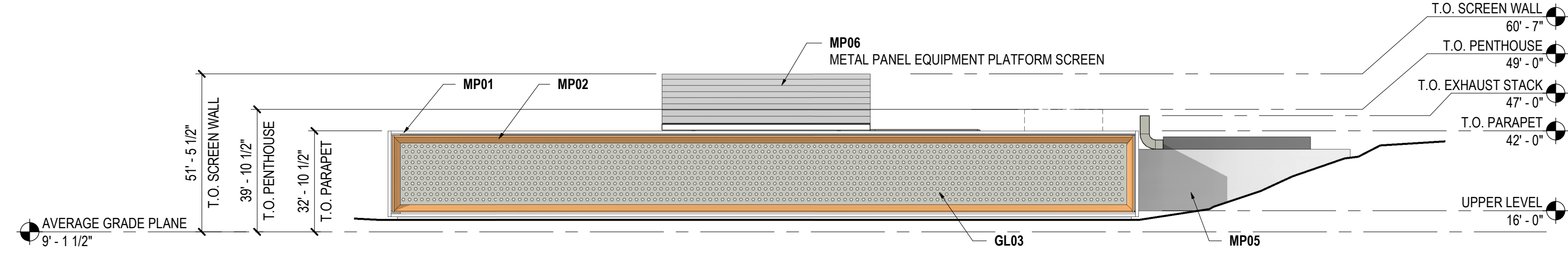
REF: 01 / A0.101



03 BUILDING ELEVATION -NORTH

SCALE: 1/32" = 1'-0"

REF: 01 / A0.101

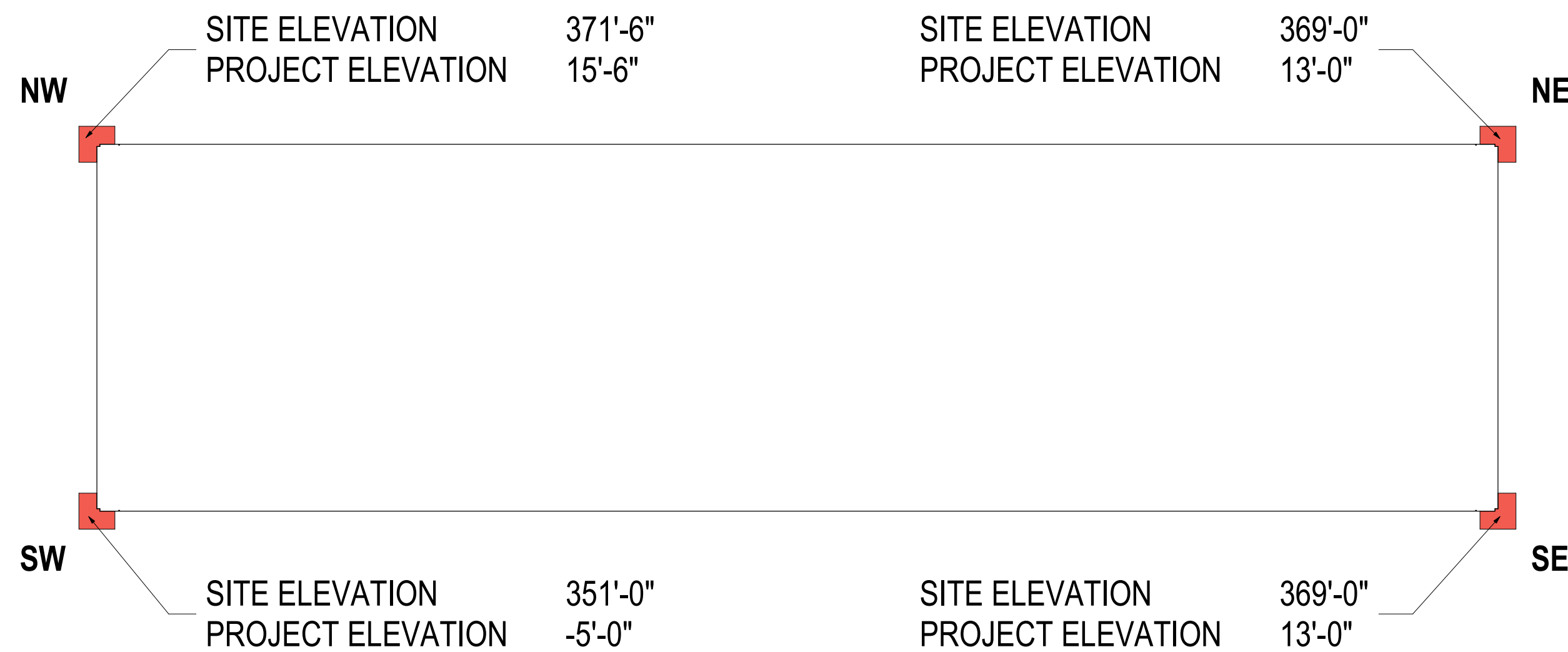


04 BUILDING ELEVATION -EAST

SCALE: 1/32" = 1'-0"

REF: 01 / A0.101

AVERAGE GRADE PLANE INTERPRETATION

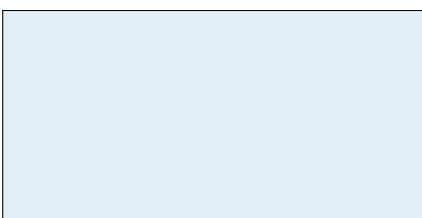


LOCATION	SITE ELEVATION	PROJECT ELEVATION
NW	371'-6"	15'-6"
NE	369'-0"	13'-0"
SE	369'-0"	13'-0"
SW	351'-0"	-5'-0"
AVERAGE GRADE PLANE	365'-1.5"	9'-1.5"

NOTE: AVERAGE GROUND PLANE
TAKEN AT LOWEST POINTS WITHIN
6 FEET OF BUILDING

BUILDING MATERIALS LEGEND

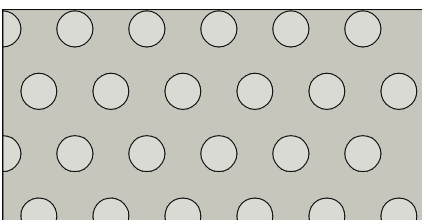
GLASS



GL01
VISION GLASS
TRANSPARENT

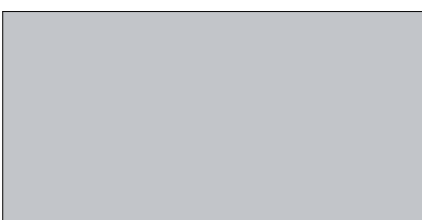


GL02
VISION GLASS
WITH GRAY PERFORATED FILM/METAL PANEL



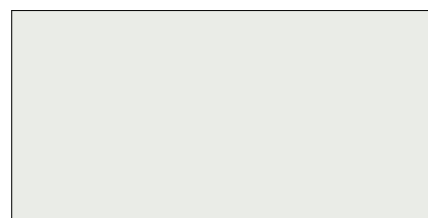
GL03
OPAQUE/SHADOW BOX
REFLECTIVE WHITE/GRAY FINISH

PRECAST CONCRETE



PC01
INTEGRALLY COLORED CONCRETE
LIGHT GRAY

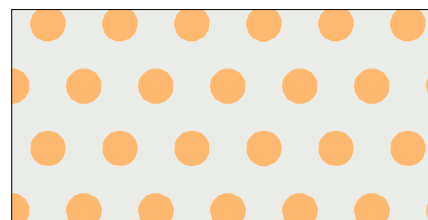
METAL PANELS



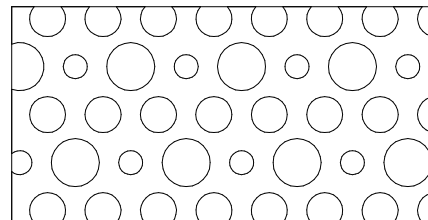
MP01
SOLID
COLOR: PURE WHITE



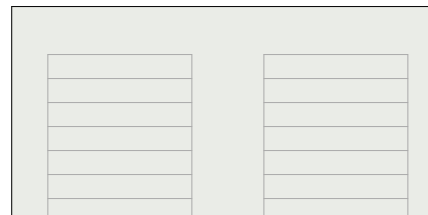
MP02
SOLID
COLOR: ORANGE



MP03
SOLID & PERFORATED
COLOR: PURE WHITE WITH ORANGE ACCENTS



MP04
PERFORATED SCREEN
WHITE/GRAY METAL FINISH



MP05
SOLID & LOUVER COMBINATION
COLOR: PURE WHITE



MP06
MESH/PERFORATED/LOUVERED SCREEN WALL
COLOR: LIGHT GRAY (SEMI-GLOSS)

ATTACHMENT 3

Parking Demand Analysis

MEMORANDUM

TO: Beth Chow, AICP, Monterey Park Interim Planning Manager

FROM: Jonathan Chambers, P.E.

DATE: May 22, 2024

RE: Parking Demand Analysis for the
1977 Saturn Street Data Center
Monterey Park, California

Ref: J2125

Gibson Transportation Consulting, Inc. analyzed the parking demand and supply for the proposed 1977 Saturn Street Data Center (Project) in Monterey Park, California (City). This memorandum summarizes our analysis.

PROJECT SUMMARY

The Project consists of a one-level, 218,400 square foot (sf) data center. The interior of the building, illustrated in Figure 1, contains seven data halls, each approximately 15,710 sf, separated by dedicated mechanical rooms. Nearly 24,000 sf of interior space is dedicated to electrical infrastructure, and only approximately 8,000 sf is dedicated to administrative office space. Adjacent to the building will be a 75,000 sf exterior yard with 12 or more four-megawatt power generators for backup power. A 24,000 sf electrical substation will also be located on the property.

As shown in Figure 2, the Project will provide a total of 68 vehicular parking spaces, including 36 spaces in a parking lot adjacent to the administrative office space and 32 spaces along the fence enclosing the generator yard. There would also be a loading dock with space for three trucks on the northeast corner of the building. Site access would be provided by driveways on Saturn Street on both the east and west ends of the site, similar to the existing configuration of the site, though primary access would be on the east end adjacent to the parking lot.

The Project will replace a vacant 205,628 sf office building with 847 surface parking spaces. The Project is located within the McCaslin Business Park, an Office-Professional (O-P) Zone. According to Section 21.14.040 of the City Municipal Code (Code), a “data processing facility” is a principal use permitted in this zone, though the Code does not include a specific parking ratio for this use.

Project Operations

The computer facilities located within the Project will be in operation 24 hours per day, seven days per week. It will be staffed at all times with security personnel and technicians and, during regular business hours, will also be staffed by administrative employees and building maintenance personnel.

Based on a detailed operations plan provided by the operator, the Project is proposed to have 26 full-time employees, including 18 on day shifts and eight on night shifts. There would not be any part-time employees. The operations plan is provided in the Attachment.

PROJECT PARKING

Section 21.14.110 of the Code specifies that uses within the O-P Zone shall comply with the Citywide off-street parking requirements defined in Section 21.22.120 of the Code. That Section identifies minimum off-street parking requirements for commercial developments. Table 21.22(C), Nonresidential Parking Standards, sets requirements for dozens of commercial land uses; however, it does not have parking requirements specific to data centers. For uses that are permitted, but do not have a stated parking requirement, Section 21.22.120(B) allows a “parking study” to be prepared “to determine the appropriate parking ratio *for any land use which is not assigned a specific parking ratio herein.*” (Emphasis added.)

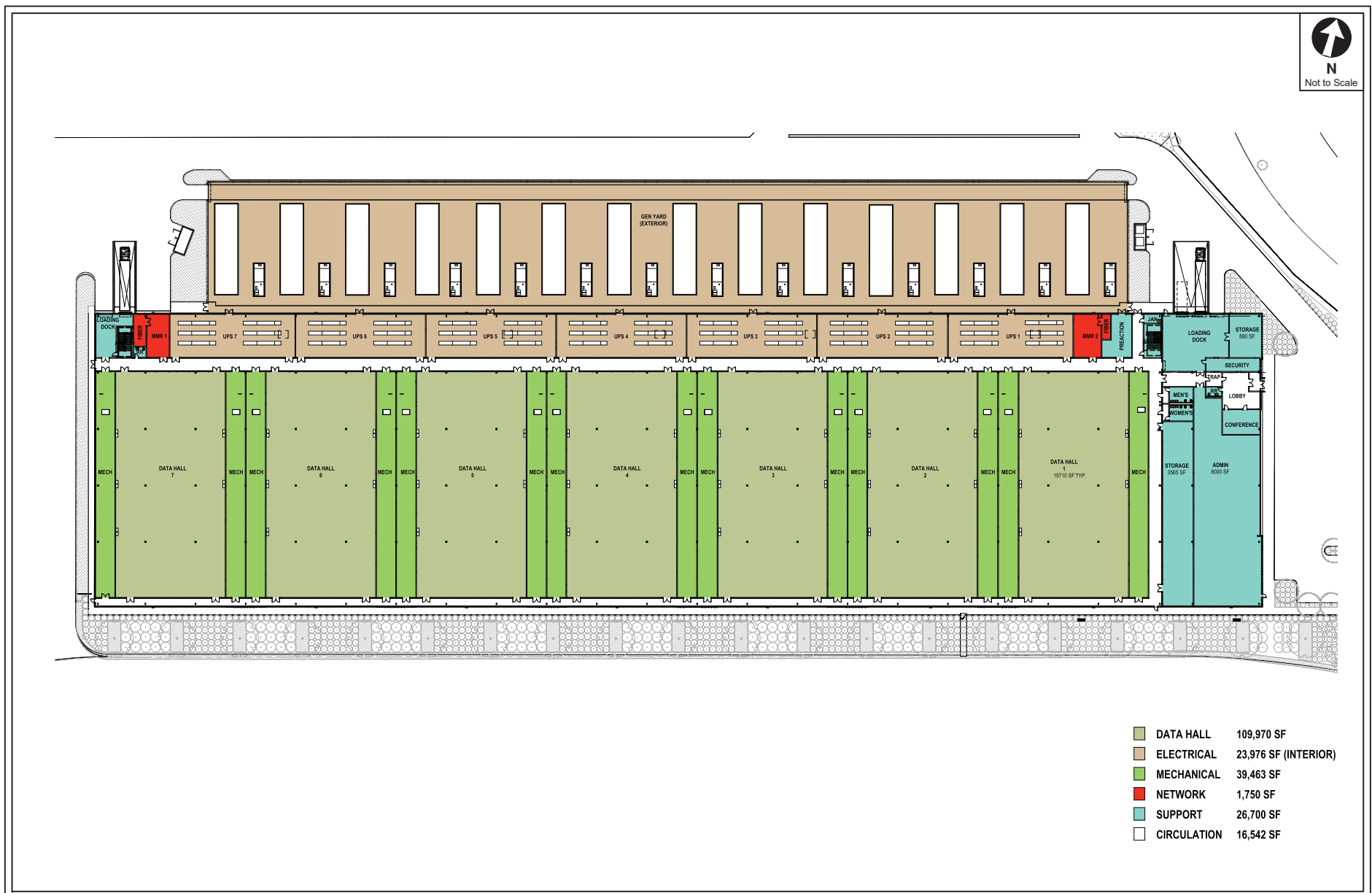
Here, the vast majority of the floor area would be used as a data center with seven data halls, each approximately 15,710 sf, separated by dedicated mechanical rooms. Approximately 8,000 sf of the Project would be dedicated to administrative office space. As such, for purposes of parking demand analysis, the Project is functionally comparable to a Public Utility Substation (which is the closest use in the Code that has a defined parking ratio) in that it provides physical infrastructure to support an internet-based service, but the total floor area does not correlate to the total number of users at the site. The parking ratio in the Code for a Public Utility Substation is based on the number of employees rather than the total floor area. Specifically, it is “one space per employee plus one space for each vehicle used in connection with the facility.” This type of ratio more accurately reflects actual parking demand than a ratio based on building square footage.

Given the similar uses, this type of ratio should be used as a basis to identify the parking demand for the data center use contemplated by the Project. The Project would have a maximum of 18 employees on-site during the day and eight at night, including administrative, operational, security, and maintenance employees. There would be no facility vehicles at the Project Site. Therefore, with 26 total employees and no facility vehicles, application of the Public Utility Substation parking requirement would require a total of 26 parking spaces, assuming each employee requires a parking space and accounting for shift changes where some employees may be at the site at the same time.

By way of comparison, the City of San Jose has a parking ratio specific to data centers. San Jose Municipal Code Section 20.09.060 requires one space per 5,000 sf of office/meeting/technician work space, plus one space for each 50,000 sf of floor area, or fraction thereof devoted to equipment space. The parking ratio is categorized as a “utility use” and is based primarily on the office space available in the data center, rather than the equipment space,

which is similar to the City's parking ratio for Public Utility Substations. If this ratio were applied to the Project, only 10 parking spaces would be required.

Based on our conservative assessment of the Project, the maximum number of parking spaces needed would be 26 based on the total number of employees, assuming they were all on site at the same time. The Project proposes to provide 68 spaces, which would clearly satisfy parking demand and exceed the number of parking spaces needed to accommodate all parking needs on-site, including the 26 employees and additional visitors and clients.



PROJECT LAYOUT

FIGURE
1



FIGURE
2

Attachment
Operations Plan

1977 SATURN STREET DATA CENTER PROJECT STAFFING PLAN

4/3 day work schedule / 12-hour shifts / Non-rotating

LA - Total Technical Positions	
Tech 1 - Night A	6PM/6AM
Tech 2 - Night A	6PM/6AM
Tech 3 - Night B	6PM/6AM
Tech 4 - Night B	6PM/6AM
Tech 5 - Day A	6AM/6PM
Tech 6 - Day A	6AM/6PM
Tech 7 - Day A	6AM/6PM
Tech 8 - Day B	6AM/6PM
Tech 9 - Day B	6AM/6PM
Tech 10 - Day B	6AM/6PM
Float Tech 11	9AM/6PM
Bldg Engineer	8AM/5PM

IT Ops Lead	8A/5P
IT Ops Tech	8A/5P
IT Ops Tech	8A/5P
IT Ops Tech	11A/7P

Facility Manager	9A/5P
Chief Engineer	9A/5P
Asst Chief Engineer	11A/7P
Facility Coordinator	9A/5P

Security Supervisor	7a/3P
Security 1st	7a/3P
Security 2nd	3P/11P
Security 3rd	11P/3A

Janitorial 8A/5P

Summary	FTE
Management - Day	3
Technical - Day	8
Technical - Night	5
IT - Day	3
IT - Night	1
Security - Day	2
Security - Night	2
Janitorial - Day	2
Total	26

Split by Shift	
Day	18
Night	8
Total	26

Work Hours (adjustable)	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat
Tech 1 - Night A	6P/6A	6P/6A	6P/6A	6P/6A	Off	Off	Off	6P/6A	6P/6A	6P/6A	Off	Off	Off	Off	6P/6A	6P/6A	6P/6A	6P/6A	Off	Off	Off	6P/6A	6P/6A	6P/6A	Off	Off	Off	Off
Tech 2 - Night A	6P/6A	6P/6A	6P/6A	6P/6A	Off	Off	Off	6P/6A	6P/6A	6P/6A	Off	Off	Off	Off	6P/6A	6P/6A	6P/6A	6P/6A	Off	Off	Off	6P/6A	6P/6A	6P/6A	Off	Off	Off	Off
Tech 3 - Night B	Off	Off	Off	Off	6P/6A	6P/6A	6P/6A	Off	Off	Off	6P/6A	6P/6A	6P/6A	6P/6A	Off	Off	Off	Off	6P/6A	6P/6A	6P/6A	Off	Off	Off	6P/6A	6P/6A	6P/6A	6P/6A
Tech 4 - Night B	Off	Off	Off	Off	6P/6A	6P/6A	6P/6A	Off	Off	Off	6P/6A	6P/6A	6P/6A	6P/6A	Off	Off	Off	Off	6P/6A	6P/6A	6P/6A	Off	Off	Off	6P/6A	6P/6A	6P/6A	6P/6A
Tech 5 - Day A	6A/6P	6A/6P	6A/6P	Off	Off	Off	Off	6A/6P	6A/6P	6A/6P	6A/6P	Off	Off	Off	6A/6P	6A/6P	6A/6P	Off	Off	Off	Off	6A/6P	6A/6P	6A/6P	6A/6P	Off	Off	Off
Tech 6 - Day A	6A/6P	6A/6P	6A/6P	Off	Off	Off	Off	6A/6P	6A/6P	6A/6P	6A/6P	Off	Off	Off	6A/6P	6A/6P	6A/6P	Off	Off	Off	Off	6A/6P	6A/6P	6A/6P	6A/6P	Off	Off	Off
Tech 7 - Day A	6A/6P	6A/6P	6A/6P	Off	Off	Off	Off	6A/6P	6A/6P	6A/6P	6A/6P	Off	Off	Off	6A/6P	6A/6P	6A/6P	Off	Off	Off	Off	6A/6P	6A/6P	6A/6P	6A/6P	Off	Off	Off
Tech 8 - Day B	Off	Off	Off	6A/6P	6A/6P	6A/6P	6A/6P	Off	Off	Off	Off	6A/6P	6A/6P	6A/6P	Off	Off	Off	6A/6P	6A/6P	6A/6P	6A/6P	Off	Off	Off	Off	6A/6P	6A/6P	6A/6P
Tech 9 - Day B	Off	Off	Off	6A/6P	6A/6P	6A/6P	6A/6P	Off	Off	Off	Off	6A/6P	6A/6P	6A/6P	Off	Off	Off	6A/6P	6A/6P	6A/6P	6A/6P	Off	Off	Off	Off	6A/6P	6A/6P	6A/6P
Tech 10 - Day B	Off	Off	Off	6A/6P	6A/6P	6A/6P	6A/6P	Off	Off	Off	Off	6A/6P	6A/6P	6A/6P	Off	Off	Off	6A/6P	6A/6P	6A/6P	6A/6P	Off	Off	Off	Off	6A/6P	6A/6P	6A/6P
Float Tech 11	Off	9A-6P	9A-6P	9A-6P	9A-6P	9A-6P	Off	Off	9A-6P	9A-6P	9A-6P	9A-6P	9A-6P	Off	Off	9A-6P	9A-6P	9A-6P	9A-6P	9A-6P	Off	Off	9A-6P	9A-6P	9A-6P	9A-6P	9A-6P	Off
Bldg Engineer	Off	8A/5P	8A/5P	8A/5P	8A/5P	8A/5P	Off	Off	8A/5P	8A/5P	8A/5P	8A/5P	8A/5P	Off	Off	8A/5P	8A/5P	8A/5P	8A/5P	8A/5P	Off	Off	8A/5P	8A/5P	8A/5P	8A/5P	8A/5P	Off
IT Ops Lead	Off	8A/5P	8A/5P	8A/5P	8A/5P	8A/5P	Off	Off	8A/5P	8A/5P	8A/5P	8A/5P	8A/5P	Off	Off	8A/5P	8A/5P	8A/5P	8A/5P	8A/5P	Off	Off	8A/5P	8A/5P	8A/5P	8A/5P	8A/5P	Off
IT Ops Tech	Off	8A/5P	8A/5P	8A/5P	8A/5P	8A/5P	Off	Off	8A/5P	8A/5P	8A/5P	8A/5P	8A/5P	Off	Off	8A/5P	8A/5P	8A/5P	8A/5P	8A/5P	Off	Off	8A/5P	8A/5P	8A/5P	8A/5P	8A/5P	Off
IT Ops Tech	Off	8A/5P	8A/5P	8A/5P	8A/5P	8A/5P	Off	Off	8A/5P	8A/5P	8A/5P	8A/5P	8A/5P	Off	Off	8A/5P	8A/5P	8A/5P	8A/5P	8A/5P	Off	Off	8A/5P	8A/5P	8A/5P	8A/5P	8A/5P	Off
IT Ops Tech	Off	11A/7P	11A/7P	11A/7P	11A/7P	11A/7P	Off	Off	11A/7P	11A/7P	11A/7P	11A/7P	11A/7P	Off	Off	11A/7P	11A/7P	11A/7P	11A/7P	11A/7P	Off	Off	11A/7P	11A/7P	11A/7P	11A/7P	11A/7P	Off
Facility Manager	Off	9A - 5P	9A - 5P	9A - 5P	9A - 5P	9A - 5P	Off	Off	9A - 5P	9A - 5P	9A - 5P	9A - 5P	9A - 5P	Off	Off	9A - 5P	9A - 5P	9A - 5P	9A - 5P	9A - 5P	Off	Off	9A - 5P	9A - 5P	9A - 5P	9A - 5P	9A - 5P	Off
Chief Engineer	Off	9A - 5P	9A - 5P	9A - 5P	9A - 5P	9A - 5P	Off	Off	9A - 5P	9A - 5P	9A - 5P	9A - 5P	9A - 5P	Off	Off	9A - 5P	9A - 5P	9A - 5P	9A - 5P	9A - 5P	Off	Off	9A - 5P	9A - 5P	9A - 5P	9A - 5P	9A - 5P	Off
Asst Chief Engineer	Off	11A-7P	11A-7P	11A-7P	11A-7P	11A-7P	Off	Off	11A-7P	11A-7P	11A-7P	11A-7P	11A-7P	Off	Off	11A-7P	11A-7P	11A-7P	11A-7P	11A-7P	Off	Off	11A-7P	11A-7P	11A-7P	11A-7P	11A-7P	Off
Facility Coordinator	Off	9A/5P	9A/5P	9A/5P	9A/5P	9A/5P	Off	Off	9A/5P	9A/5P	9A/5P	9A/5P	9A/5P	Off	Off	9A/5P	9A/5P	9A/5P	9A/5P	9A/5P	Off	Off	9A/5P	9A/5P	9A/5P	9A/5P	9A/5P	Off

ATTACHMENT 4

Letter of Support

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**Re: Letter of Support for the 1977 Saturn Data Center Project
Initial Study Mitigated Negative Declaration (SCH No.
2024101397)**

Dear Ms. Chow and Ms. Alvarez:

This firm represents the Coalition for Responsible Equitable Economic Development Los Angeles ("CREED LA") with regard to the above-referenced 1977 Saturn Data Center Project proposed by SDCF Monterey Park, LLC ("Applicant"). On December 2, 2024, CREED LA submitted comments to the City regarding the Initial Study / Mitigated Negative Declaration ("MND") prepared for the Project.

CREED LA is pleased to report that it has entered into a legally enforceable confidential environmental settlement agreement with the Applicant. CREED LA submitted comments regarding the potential air quality, public health, greenhouse gas, and noise impacts of the Project. The Applicant agreed to additional measures beyond the measures currently proposed in the MND to address environmental concerns raised by CREED LA.

In closing, please note that CREED LA's objections to the Project, and concerns regarding the MND are fully resolved, and we respectfully request that the City adopt the MND, approve the Project, and conclude the administrative review process as soon as possible.

Please let me know if you have any questions.

Sincerely,



Kelilah D. Federman