

AGENDA ITEM 2

February 25, 2026

The Honorable José Luis Solache
California State Assembly
1020 N St. Rm. 5110
Sacramento, CA 95814

RE: AB 1708 (Solache) HHAP Pathways for Cities Act.
Notice of SUPPORT *(As Introduced 2/4/2026)*

Dear Assembly Member Solache,

The City of Bell is pleased to support **AB 1708** (Solache), which would create a new pathway for cities with populations under 300,000 to access state homelessness funding.

Since 2019, the state's flagship homelessness grant program, the Homeless Housing, Assistance, and Prevention (HHAP) Grant program, has provided direct funding to cities with populations over 300,000, all 58 counties, and the 44 Continuums of Care (CoC) across California.

This structure has left most cities without a consistent pathway to access HHAP funding, despite investing significant General Fund resources to prevent and reduce homelessness in their communities. AB 1708 would address this by creating a new opportunity for the 469 California cities with populations under 300,000 to apply for HHAP funding through their CoC.

Specifically, AB 1708 would require CoCs, before allocating funding to other subrecipients in their region, to accept applications for 30 days only from cities with populations under 300,000. This measure would strike a reasonable balance between access and accountability, requiring interested cities to commit to regionally coordinated action plans and adhere to state housing and encampment policies.

AB 1708 would also require CoCs to prioritize applications from cities that have existing partnerships with non-profits, other cities, or have already leveraged state and local funding for existing projects in their communities. This would ensure that limited state resources are deployed efficiently and deliver measurable results in reducing homelessness.

- This funding would assist in establishing Homeless Tasks Force and Strike teams
- This funding would assist with purchasing bed at the Bell Shelter (Salvation Army)
- The City of Bell is currently spending approximately \$300,000 annually on Homeless related activities, services and programs

As the Governor and the Legislature consider future investments in the HHAP program, it is important to ensure the program is structured to maximize its reach and impact. Providing all cities with a pathway to participate in HHAP would strengthen regional collaboration and ensure state resources are deployed where they can most effectively serve unhoused Californians.

AGENDA ITEM 2

Local governments are best positioned to identify the programs and partnerships that will have the greatest impact in our communities. AB 1708 recognizes this, creating a clearly defined opportunity for all cities to compete for state resources, so that communities of all sizes can have a meaningful role in the state's homelessness response efforts.

For these reasons, the City of Bell is pleased to support **AB 1708 (Solache)**.

Sincerely,

Mayor Ali Saleh
Members of the Bell City Council

cc. Senator Lena Gonzalez
Assembly Member Blanca Pacheco
League Regional Public Affairs Manager
League of California Cities

DATE: February 25, 2026

TO: Mayor and Members of the City Council

FROM: Rickey S. Manbahal, Finance Director

APPROVED BY: 
Michael L. Antwine II, City Manager

SUBJECT: Appointment of two Councilmembers to the FY26-27 Budget Ad-Hoc Committee and Approval of the FY 2026-2027 Budget Calendar

RECOMMENDATION:

It is recommended that the City Council appoint two (2) Councilmembers to the Budget Ad-hoc Committee and approve the FY 2026-2027 Budget Calendar.

BACKGROUND:

Every year the City Council selects two (2) members to serve on the Budget Ad hoc Committee to review the upcoming budget. Before conducting its first fiscal year 2026-2027 budget study session, the current members of the Council Budget Ad Hoc committee are Mayor Saleh and Vice Mayor Arroyo.

The Budget Ad Hoc Committee (Committee) will provide a policy guidance to the City Council and staff by following these objectives:

- Review the City's existing revenue and expenditure patterns.
- Review the proposed FY26-27 budget, make recommendations as needed
- Provide recommendations for addressing future capital needs of the city.
- Bringing forth a plan to address the FY26-27 budget to the Council.

DISCUSSION:

The Ad Hoc Committee would consist of two (2) Councilmembers, the City Manager, Finance Director, Assistant to the City Manager, Accounting Manager and Management Analyst.

Staff is seeking Council direction to either re-appoint the existing councilmembers or appoint two (2) new members.

The proposed FY 26-27 budget calendar is as follows, with the proposed Community Budget Meeting locations at: Veterans Park, Bell Community Center, and Camp Little Bear.

**CITY OF BELL
2026-2027 BUDGET CALENDAR**

FEBRUARY 25

City Council approve FY26-27 Budget Calendar and Select Ad Hoc Budget Committee Members.

MARCH

The week of March 16

Memo to Departments on FY 26-27 Budget strategy and policy.

HR to update Springbrook Payroll Module. Updated data will be used in the ACB Program Preliminary Personnel Budgeting.

Department's operating budget expenditure requests will be posted in ACB Program. Approved New Personnel Request Form will be submitted to HR and Finance.

HR to provide estimated budget increase in salaries and benefits to Finance for entry in ACB Program.

The week of March 23

Finance to prepare estimated revenue for FY 26-27 and consolidate it with the preliminary budget expenditures received from departments.

Finance Director to discuss preliminary budget with City Manager.

APRIL

The week of March 30

Department heads to discuss staffing with CM and Finance Director.

Finance to prepare first draft of preliminary budget expenditure requests from departments.

Public Works to submit initial draft of CIP Budget estimates to Finance for CM Review

The week of April 13

City Manager and Finance Director review Preliminary Gen Fund operating budget request with Department Heads.

Finance to prepare first budget adjustments discussed during the initial review with CM, FD and Department Heads.

The week of April 13

Gen Fund & CIP Budget Study Session #1 and ADHOC Budget Committee

The weeks of April 20 & 27

Community Budget Meeting #1, Departmental Budget Review with CM & Finance Director and Online Community Budget Survey

MAY

The week of May 4

Finance to prepare budget adjustments discussed during study session with council.

The week of May 11	City Manager and Finance Director review Proposed Budget ADHOC Budget Committee.
Wednesday, May 13	Present the Preliminary General Fund & CIP Budget to Council (Public Hearing)
The week of May 18	Gen Fund & CIP Budget Study Session #2 Finance to prepare budget adjustments discussed during City Council budget presentation, and ADHOC Budget Committee. Proposed Budget for Submission to City Clerk (Public Hearing) or possible additional Budget Session/Workshop
The week of May 25 Hearing)	Preliminary General Fund & CIP Budget to Council (Public

JUNE

The week of June 1	Community Budget Meeting #2
June 10 Budget Adoption	Proposed FY 26-27 Budget presentation to Council -
June 24 Budget Adoption#2	Proposed FY 26-27 Budget presentation to Council -

STRATEGIC PLAN 2023-25:

This agenda item aligns with the City of Bell 2023-25 Strategic Plan:

Target 4: Fostering Financial Resilience

Goal 5: Update the City's finance-related policies, procedures and process

FISCAL IMPACT:

None

ATTACHMENT(S):

None

AGENDA ITEM 4

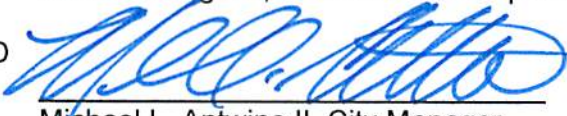
City of Bell Agenda Report

DATE: February 25, 2026

TO: Members of the City Council

FROM: Javier Ochiqui, Interim Community Development Director

PREPARED BY: Diana Farhat, Management Aide (City Manager's Office)
Martin Rodriguez, Economic Development Specialist

APPROVED BY: 
Michael L. Antwine II, City Manager

SUBJECT: Ramadan Night Market

RECOMMENDATION:

It is recommended that the Mayor and City Council receive and file this report.

BACKGROUND:

As part of the City's Economic Development strategic plan efforts and revitalization of Atlantic Avenue (Downtown) Corridor, the city proposes its first Ramadan Night Market which aims to stimulate the local economy by creating a meaningful gathering space for all communities alike. The Downtown Square site (formerly called Shoe City) is a strategic and key parcel within the City's downtown area that has significant potential for temporary uses that will stimulate community engagement and activation. Hosting the City's first Ramadan Night Market at this location will help transform the community and bring a positive energy, pedestrian traffic, and community presence to the space. Observed from February 18 through March 18, Ramadan is a meaningful time for reflection and community. This event will uplift the city and bring our community closer together.

DISCUSSION:

On January 10, 2026, city staff began researching potential operators to host the City's first Ramadan Night Market during the month of Ramadan. The city identified key expectations for the event, including affordability for residents, strong community turnout, and a celebration of local cultures. Staff conducted interviews with three (3) vendors to determine who would host the City's first Ramadan Night Market event.

The first vendor was SoCal Suhoor Fest, located in the City of Irvine, in which it was stated that events primarily operate in the Orange County area. The second interview was with Community Unidos Events, which did not have experience securing Halal vendors or culturally specific entertainment. The third company was Events by LAMM, a Muslim-women driven LLC who demonstrated the experience and resources needed to meet the City's vision.

Based on the criteria outlined above, staff determined that Events by LAMM is the most qualified operator to meet the City's expectations and event goals.

On January 25, 2026, city staff met with Events by LAMM to review event logistics, including city and operator responsibilities. With extensive experience and strong community connections, Events by LAMM is well-positioned to deliver a vibrant and culturally meaningful Ramadan Night Market for the City of Bell. Events by LAMM is a highly regarded market and event operator based in Orange County, with extensive experience producing successful community markets in the City of Irvine.

Over the past five years, the organization has built a strong reputation for hosting well-attended, professionally managed events supported by a wide network of vendors and sponsors. Their consistent success has demonstrated the ability to create sustainable, high-quality programs year after year.

The proposed Ramadan Night Market would be her first event in the Southeast Los Angeles (SELA) area, bringing a proven and successful event model to the City of Bell.

The Ramadan Night Market event is scheduled on Saturday, March 7, 2026, from 9:00 p.m. to 3:00 a.m. at 6400 Atlantic Avenue, Bell, CA 90201. The City Manager will be preparing and negotiating the specific contract terms.

FISCAL IMPACT:

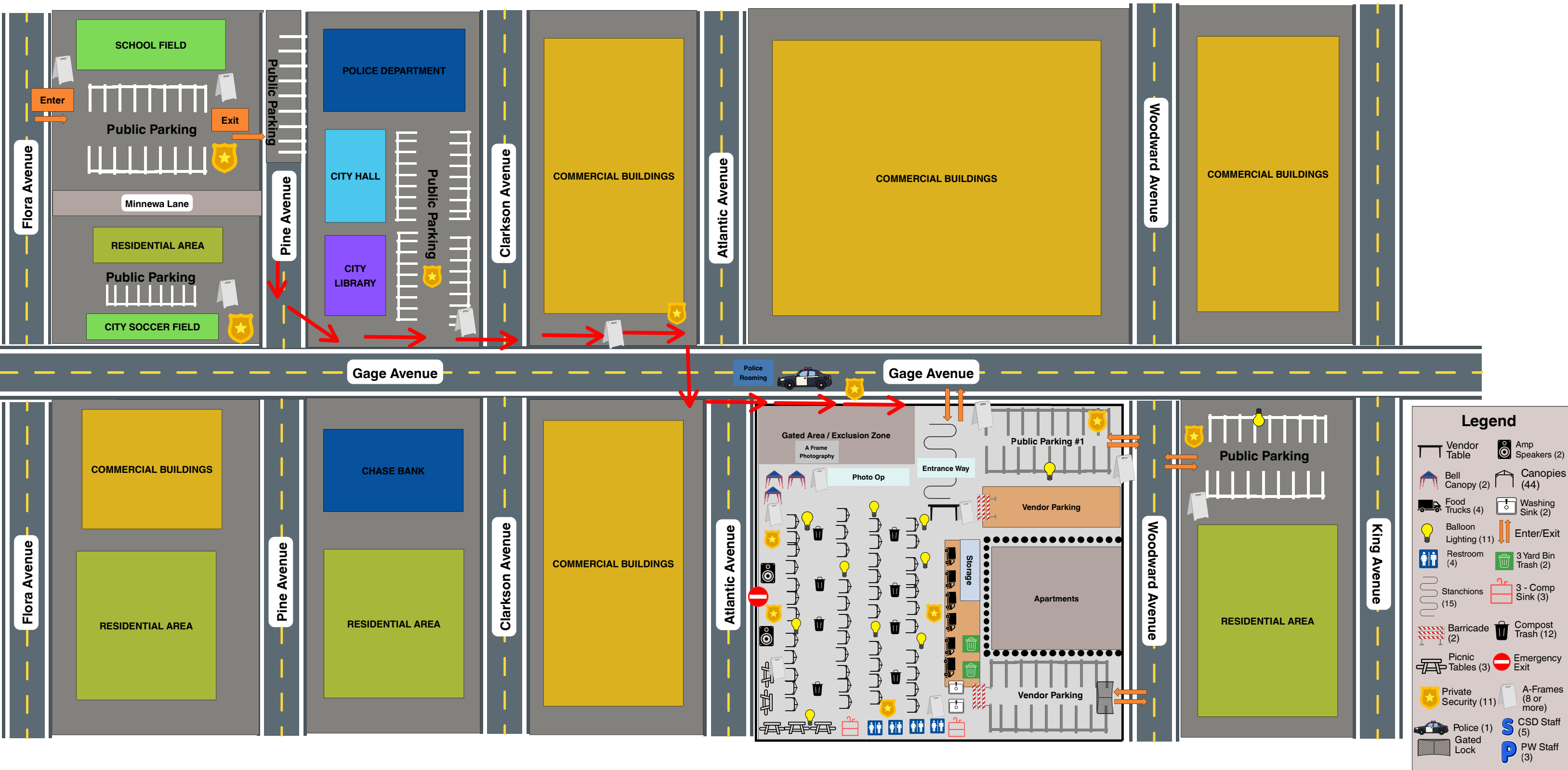
The event is estimated to cost approximately \$10,000 from the City's General Fund.

The cost includes, but not limited to event setup and teardown, safety measures, and overall programming of the event.

ATTACHMENT(S):

1. Site Plan

Ramadan Night Market - 6400 Atlantic Avenue, Bell, CA 90201



AGENDA ITEM 5

City of Bell Agenda Report

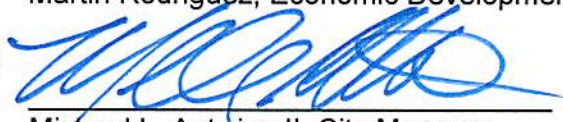
DATE: February 25, 2026

TO: Members of the City Council

FROM: Javier Ochiqui, Interim Community Development Director

Prepared by: Diana Farhat, Management Aide (City Manager's Office)
Martin Rodriguez, Economic Development Specialist

APPROVED
BY:


Michael L. Antwine II, City Manager

SUBJECT: Approve an Agreement with Angel City Market for Downtown Bell Market Operation Services

RECOMMENDATION:

It is recommended that the City Council approve a new Agreement with Angel City Market as the City's Market Operator for one-year with a one-year extension.

BACKGROUND:

The southeast corner of Atlantic Ave. and Gage Ave. has long been a key corridor for local business activation, making it a natural location to highlight a vibrant public space that supports small vendors and community engagement. The city aims to continue to revitalize the southeast corner of Atlantic Ave. and Gage Ave. by establishing a future market that brings the community together and offers meaningful activities.

DISCUSSION:

To further strengthen community engagement, the city reassessed its vision and expectations for the Bell Family Night Market. Over time, events with the current Market Operator, Raw Inspiration, experienced a decline in community participation. This was due to hosting the event every Saturday which created oversaturation, and vendor participation fell short of expectations for many event dates. As this impacted overall participation, the city realized there is a need for change. The city began developing a revised set of expectations to ensure future markets are more community-driven, engaging, and well-attended.

The previous farmer's market operator shared concerns that low vendor participation and scheduling conflicts as their main reasoning. As a result, the city chose to pursue alternative market operator options that better aligned with the City's goals and expectations.

Following discussions regarding proposed updates, including new dates, adjusted times, and an adjusted frequency of once-a-month events, it was determined that Raw Inspiration was unable to meet the City's revised expectations.

Over a period of several months staff met with several farmer market operators to interview and select the best fit for the City of Bell. Eventually, staff determined that Angel City Market could meet the City's expectations and vision for future market operations. The city plans to enhance the market experience by introducing a change in frequency to a once-a-month market featuring themed programming and live entertainment to boost attendance and community participation.

Angel City Market is an outdoor market organization centered on community engagement, positivity, and supporting small business growth. What began as a small front-yard pop-up has evolved into a large-scale outdoor market experience, hosting hundreds of vendors in cities such as Downtown Downey, Lakewood, and Montebello. Over the past five years, Angel City Market has built a strong track record of successful and sustainable market operations across multiple high-traffic cities, consistently delivering well-attended and community-focused events.

Hosted by Angel City Market, the new Farmer Market event will be from April 2026 through April 2027 and will take place once a month from 12:00 p.m. to 4:00 p.m. PST at 6400 Atlantic Avenue, Bell, CA 90201.

This revised schedule is intended to enhance attendance, increase community engagement, and maximize the overall value of each event. The city will initiate a trial period for a one-year beginning April 2026 through April 2027, with the option for City staff to negotiate an additional one-year.

The City's current vendor, Raw Inspiration, is no longer able to provide Farmer's Market Services at this location; as a result, staff researched and identified a new vendor to provide these services for the city.

STRATEGIC PLAN 2023-25:

This agenda item aligns with the City of Bell 2023-25 Strategic Plan:

Target 1: Energizing Economic Potential

Goal 1: Implement Improvements to Atlantic Avenue and Gage Avenue

Goal 3: Become Business Friendly

Target 2: Building Bridges Through Communication

Goal 4: Developing Branding and Image for the City of Bell

Target 3: Elevating Quality of Life

FISCAL IMPACT:

There will be limited fiscal impact on the General Fund. City staff will be assigned to assist with site preparation activities.

The vendor will collect fees from the vendors who participate to cover the cost of their costs for managing the event.

ATTACHMENT(S):

1. City of Bell Agreement
2. Map Layout

**CITY OF BELL
CONTRACT SERVICES AGREEMENT FOR
EVENT SERVICES**

THIS CONTRACT SERVICES AGREEMENT (herein "Agreement") is made and entered into this ____ day of February, 2026, by and between the CITY OF BELL, a charter city ("City") and ANGEL CITY MARKET, INC., a California corporation, with a principal address of 9720 Felton Ave., Inglewood, CA 90301 (herein "Consultant").

NOW, THEREFORE, the parties hereto agree as follows:

1. SERVICES OF CONSULTANT

1.1 Scope of Services. In compliance with all of the terms and conditions of this Agreement, the Consultant shall perform the work or services set forth in the "Scope of Services" attached hereto as Exhibit "A" and incorporated herein by reference. Consultant warrants that it has the experience and ability to perform all work and services required hereunder and that it shall diligently perform such work and services in a professional and satisfactory manner.

1.2 Compliance With Law. All work and services rendered hereunder shall be provided in accordance with all ordinances, resolutions, statutes, rules, and regulations of the City and any Federal, State or local governmental agency of competent jurisdiction.

1.3 California Labor Law. If the Scope of Services includes any "public work" or "maintenance work," as those terms are defined in California Labor Code section 1720 *et seq.* and California Code of Regulations, Title 8, Section 16000 *et seq.*, and if the total compensation is \$1,000 or more, Consultant shall pay prevailing wages for such work and comply with the requirements in California Labor Code section 1770 *et seq.* and 1810 *et seq.*, and all other applicable laws.

1.4 Licenses, Permits, Fees and Assessments. Consultant shall obtain at its sole cost and expense such licenses, permits, and approvals as may be required by law for the performance of the services required by the Agreement.

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

2. COMPENSATION

2.1 Contract Sum. For the services rendered pursuant to this Agreement, Consultant shall be compensated in accordance with the "Schedule of Compensation" attached hereto as Exhibit "C" and incorporated herein by this reference ("Contract Sum").

2.2 Invoices. Each month Consultant shall furnish to City an original invoice for all work performed and expenses incurred during the preceding month in a form approved by

City's Director of Finance. By submitting an invoice for payment under this Agreement, Consultant is certifying compliance with all provisions of the Agreement. The invoice shall contain all information specified in Exhibit "C", and shall detail charges for all necessary and actual expenses by the following categories: labor (by sub-category), travel, materials, equipment, supplies, and sub-contractor contracts. Sub-contractor charges shall also be detailed by such categories. Consultant shall not invoice City for any duplicate services performed by more than one person.

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

2.3 Additional Services. City shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is first given by the Contract Officer to the Consultant, incorporating therein any adjustment in (i) the Contract Sum for the actual cost of the extra work, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Consultant. Any increase in compensation of up to ten percent (10%) of the Contract Sum but not exceeding a total contract amount of Five Thousand Dollars (\$5,000) or in the time to perform of up to ninety (90) days may be approved by the Contract Officer. Any greater increases, taken either separately or cumulatively, must be approved by the City Council. No claim for an increase in the Contract Sum or time for performance shall be valid unless the procedures established in this Section are followed.

3. PERFORMANCE SCHEDULE

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

3.2 Schedule of Performance. Consultant shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within the time period established in the "Schedule of Performance" attached hereto as Exhibit "D" and incorporated herein by this reference. When requested by the Consultant, extensions to the time period specified in the Schedule of Performance may be approved in writing by the Contract Officer, but not exceeding thirty (30) days cumulatively.

3.3 Force Majeure. The time period(s) specified in the Schedule of Performance for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Consultant, including, but not restricted to, acts of God or of the public

enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the City, if the Consultant shall within ten (10) days of the commencement of such delay notify the Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Contract Officer such delay is justified. The Contract Officer's determination shall be final and conclusive upon the parties to this Agreement. In no event shall Consultant be entitled to recover damages against the City for any delay in the performance of this Agreement, however caused, Consultant's sole remedy being extension of the Agreement pursuant to this Section.

3.4 Term. Unless earlier terminated in accordance with Article 7 of this Agreement, this Agreement shall continue in full force and effect until completion of the services but not exceeding April 30, 2027, except as otherwise provided in the Schedule of Performance (Exhibit "D").

4. COORDINATION OF WORK

4.1 Representative of Consultant. Danny Rivas is hereby designated as the representative of Consultant authorized to act on its behalf with respect to the work and services specified herein and make all decisions in connection therewith. All personnel of Consultant and any authorized agents shall be under the exclusive direction of the representative of Consultant. Consultant shall utilize only competent personnel to perform services pursuant to this Agreement. Consultant shall make every reasonable effort to maintain the stability and continuity of Consultant's staff and subcontractors, and shall keep City informed of any changes.

4.2 Contract Officer. Michael L. Antwine II. is hereby designated as being the representative the City authorized to act in its behalf with respect to the work and services specified herein and to make all decisions in connection therewith ("Contract Officer").

4.3 Prohibition Against Subcontracting or Assignment. Consultant shall not contract with any entity to perform in whole or in part the work or services required hereunder without the express written approval of the City. Neither this Agreement nor any interest herein may be assigned or transferred, voluntarily or by operation of law, without the prior written approval of City. Any such prohibited assignment or transfer shall be void.

4.4 Independent Consultant. Neither the City nor any of its employees shall have any control over the manner, mode or means by which Consultant, its agents or employees, perform the services required herein, except as otherwise set forth. Consultant shall perform all services required herein as an independent contractor of City with only such obligations as are consistent with that role. Consultant shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City, or that it is a member of a joint enterprise with City.

5. INSURANCE AND INDEMNIFICATION

5.1 Insurance Coverages. Without limiting Consultant's indemnification of City, and prior to commencement of any services under this Agreement, Consultant shall obtain, provide and maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts described below and in a form satisfactory to City.

(a) General liability insurance. Consultant shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than \$2,000,000 per occurrence, \$4,000,000 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted.

(b) Automobile liability insurance. Consultant shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with Services to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than \$1,000,000 combined single limit for each accident.

(c) Professional liability (errors & omissions) insurance. Consultant shall maintain professional liability insurance that covers the Services to be performed in connection with this Agreement, in the minimum amount of \$1,000,000 per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this Agreement and Consultant agrees to maintain continuous coverage through a period no less than three (3) years after completion of the services required by this Agreement.

(d) Workers' compensation insurance. Consultant shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least \$1,000,000).

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

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

5.2 General Insurance Requirements.

(a) Proof of insurance. Consultant shall provide certificates of insurance to City as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers' compensation. Insurance certificates and endorsements must be approved by City's Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with City at all times during the term of this Agreement. City reserves the right to require complete, certified copies of all required insurance policies, at any time.

(b) Duration of coverage. Consultant shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the Services hereunder by Consultant, its agents, representatives, employees or subconsultants.

(c) Primary/noncontributing. Coverage provided by Consultant shall be primary and any insurance or self-insurance procured or maintained by City shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of City before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.

(d) City's rights of enforcement. In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by City will be promptly reimbursed by Consultant or City will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, City may cancel this Agreement.

(e) Acceptable insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance or that is on the List of Approved Surplus Line Insurers in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VI (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the City's Risk Manager.

(f) Waiver of subrogation. All insurance coverage maintained or procured pursuant to this agreement shall be endorsed to waive subrogation against City, its elected or appointed officers, agents, officials, employees and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against City, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

(g) Enforcement of contract provisions (non-estoppel). Consultant acknowledges and agrees that any actual or alleged failure on the part of the City to inform Consultant of non-compliance with any requirement imposes no additional obligations on the City nor does it waive any rights hereunder.

(h) Requirements not limiting. Requirements of specific coverage features or limits contained in this section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Consultant maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

(i) Notice of cancellation. Consultant agrees to oblige its insurance agent or broker and insurers to provide to City with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.

(j) Additional insured status. General liability policies shall provide or be endorsed to provide that City and its officers, officials, employees, and agents, and volunteers shall be additional insureds under such policies. This provision shall also apply to any excess/umbrella liability policies.

(k) Prohibition of undisclosed coverage limitations. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.

(l) Separation of insureds. A severability of interests provision must apply for all additional insureds ensuring that Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of liability. The policy(ies) shall not contain any cross-liability exclusions.

(m) Pass through clause. Consultant agrees to ensure that its subconsultants, subcontractors, and any other party involved with the project who is brought onto or involved in the project by Consultant, provide the same minimum insurance coverage and endorsements required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with consultants, subcontractors, and others engaged in the project will be submitted to City for review.

(n) Agency's right to revise specifications. The City reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Consultant, the City and Consultant may renegotiate Consultant's compensation.

(o) Self-insured retentions. Any self-insured retentions must be declared to and approved by City. City reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these specifications unless approved by City.

(p) Timely notice of claims. Consultant shall give City prompt and timely notice of claims made or suits instituted that arise out of or result from Consultant's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

(q) Additional insurance. Consultant shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the work.

5.3 Indemnification. To the full extent permitted by law, Consultant agrees to indemnify, defend and hold harmless the City, its officers, employees and agents ("Indemnified Parties") against, and will hold and save them and each of them harmless from, any and all actions, either judicial, administrative, arbitration or regulatory claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities whether actual or threatened (herein "claims or liabilities") that may be asserted or claimed by any person, firm or entity arising out of or in connection with the negligent performance of the work, operations or activities provided herein of Consultant, its officers, employees, agents, subcontractors, invitees, or any individual or entity for which Consultant is legally liable ("indemnitors"), or arising from Consultant's or indemnitors' reckless or willful misconduct, or arising from Consultant's or indemnitors' negligent performance of or failure to perform any term, provision, covenant or condition of this Agreement, except claims or liabilities occurring as a result of City's sole negligence or willful acts or omissions. The indemnity obligation shall be binding on successors and assigns of Consultant and shall survive termination of this Agreement.

6. RECORDS, REPORTS, AND RELEASE OF INFORMATION

6.1 Records. Consultant shall keep, and require subcontractors to keep, such ledgers, books of accounts, invoices, vouchers, canceled checks, reports, studies or other documents relating to the disbursements charged to City and services performed hereunder (the "books and records"), as shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services and shall keep such records for a period of three years following completion of the services hereunder. The Contract Officer shall have full and free access to such books and records at all times during normal business hours of City, including the right to inspect, copy, audit and make records and transcripts from such records.

6.2 Reports. Consultant shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement or as the Contract Officer shall require.

6.3 Confidentiality and Release of Information.

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

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

(c) If Consultant provides any information or work product in violation of this Agreement, then the City shall have the right to reimbursement and indemnity from Consultant for

any damages, costs and fees, including attorney's fees, caused by or incurred as a result of Consultant's conduct.

(d) Consultant shall promptly notify the City should Consultant be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed thereunder. The City retains the right, but has no obligation, to represent Consultant or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with the City and to provide the City with the opportunity to review any response to discovery requests provided by Consultant.

6.4 Ownership of Documents. All studies, surveys, data, notes, computer files, reports, records, drawings, specifications, maps, designs, photographs, documents and other materials (the "documents and materials") prepared by Consultant in the performance of this Agreement shall be the property of the City and shall be delivered to the City upon request of the Contract Officer or upon the termination of this Agreement, and Consultant shall have no claim for further employment or additional compensation as a result of the exercise by the City of its full rights of ownership use, reuse, or assignment of the documents and materials hereunder. Moreover, Consultant with respect to any documents and materials that may qualify as "works made for hire" as defined in 17 U.S.C. § 101, such documents and materials are hereby deemed "works made for hire" for the City.

7. ENFORCEMENT OF AGREEMENT AND TERMINATION

7.1 California Law. This Agreement shall be interpreted, construed and governed both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Los Angeles, State of California. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Central District of California, in the County of Los Angeles, State of California.

7.2 Disputes; Default. In the event that Consultant is in default under the terms of this Agreement, the City shall not have any obligation or duty to continue compensating Consultant for any work performed after the date of default. Instead, the City may give notice to Consultant of the default and the reasons for the default. The notice shall include the timeframe in which Consultant may cure the default. This timeframe is presumptively thirty (30) days, but may be extended, if circumstances warrant. During the period of time that Consultant is in default, the City shall hold all invoices and shall, when the default is cured, proceed with payment on the invoices. If Consultant does not cure the default, the City may take necessary steps to terminate this Agreement under this Article.

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

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

7.4 Termination Prior to Expiration of Term. This Section shall govern any termination of this Contract except as specifically provided in the following Section for termination for cause. The City reserves the right to terminate this Contract at any time, with or without cause, upon thirty (30) days' written notice to Consultant, except that where termination is due to the fault of the Consultant, the period of notice may be such shorter time as may be determined by the Contract Officer. In addition, the Consultant reserves the right to terminate this Contract at any time, with or without cause, upon sixty (60) days' written notice to City, except that where termination is due to the fault of the City, the period of notice may be such shorter time as the Consultant may determine. Upon receipt of any notice of termination, Consultant shall immediately cease all services hereunder except such as may be specifically approved by the Contract Officer. Except where the Consultant has initiated termination, the Consultant shall be entitled to compensation for all services rendered prior to the effective date of the notice of termination and for any services authorized by the Contract Officer thereafter in accordance with the Schedule of Compensation or such as may be approved by the Contract Officer. In the event the Consultant has initiated termination, the Consultant shall be entitled to compensation only for the reasonable value of the work product actually produced hereunder, but not exceeding the compensation provided therefore in the Schedule of Compensation Exhibit "C". In the event of termination without cause pursuant to this Section, the terminating party need not provide the non-terminating party with the opportunity to cure pursuant to Section 7.2.

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

8. MISCELLANEOUS

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

8.2 Non-liability of City Officers and Employees. No officer or employee of the City shall be personally liable to the Consultant, or any successor in interest, in the event of

any default or breach by the City or for any amount, which may become due to the Consultant or to its successor, or for breach of any obligation of the terms of this Agreement.

8.3 Notice. Any notice, demand, request, document, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail, in the case of the City, to the City Manager and to the attention of the Contract Officer (with her/his name and City title), City of Bell, 6330 Pine Avenue, Bell, California 90201, and in the case of the Consultant, to the person(s) at the address designated on the execution page of this Agreement. Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated at the time personally delivered or in seventy-two (72) hours from the time of mailing if mailed as provided in this Section.

8.4 Integration; Amendment. It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing.

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

8.6 Waiver. No delay or omission in the exercise of any right or remedy by non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. A party's consent to or approval of any act by the other party requiring the party's consent or approval shall not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

8.7 Attorneys' Fees. If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees, whether or not the matter proceeds to judgment.

8.8 Interpretation.

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

8.9 Counterparts.

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

8.10 Warranty & Representation of Non-Collusion. No official, officer, or employee of City has any financial interest, direct or indirect, in this Agreement, nor shall any official, officer, or employee of City participate in any decision relating to this Agreement which may affect his/her financial interest or the financial interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any State or municipal statute or regulation. The determination of "financial interest" shall be consistent with State law and shall not include interests found to be "remote" or "noninterests" pursuant to Government Code Sections 1091 or 1091.5. Consultant warrants and represents that it has not paid or given, and will not pay or give, to any third party including, but not limited to, any City official, officer, or employee, any money, consideration, or other thing of value as a result or consequence of obtaining or being awarded any agreement. Consultant further warrants and represents that (s)he/it has not engaged in any act(s), omission(s), or other conduct or collusion that would result in the payment of any money, consideration, or other thing of value to any third party including, but not limited to, any City official, officer, or employee, as a result of consequence of obtaining or being awarded any agreement. Consultant is aware of and understands that any such act(s), omission(s) or other conduct resulting in such payment of money, consideration, or other thing of value will render this Agreement void and of no force or effect.

Consultant's Authorized Initials _____

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

[Signatures On The Following Page]

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

CITY:


CITY OF BELL, a charter city

Michael L. Antwine II, City Manager

ATTEST:

Angela Bustamante, City Clerk

APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP



Danny Aleshire, City Attorney

CONSULTANT:

ANGEL CITY MARKET, INC., a California corporation

By: _____
Name:
Title:

By: _____
Name:
Title:

Address: _____

Two corporate officer signatures required when Consultant is a corporation, with one signature required from each of the following groups: 1) Chairman of the Board, President or any Vice President; and 2) Secretary, any Assistant Secretary, Chief Financial Officer or any Assistant Treasurer. CONSULTANT'S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO CONSULTANT'S BUSINESS ENTITY.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

**STATE OF CALIFORNIA
COUNTY OF LOS ANGELES**

On _____, 2026 before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER		DESCRIPTION OF ATTACHED DOCUMENT
<input type="checkbox"/>	INDIVIDUAL	
<input type="checkbox"/>	CORPORATE OFFICER	
<input type="checkbox"/>	PARTNER(S) <input type="checkbox"/> LIMITED <input type="checkbox"/> GENERAL	TITLE OR TYPE OF DOCUMENT
<input type="checkbox"/>	ATTORNEY-IN-FACT	
<input type="checkbox"/>	TRUSTEE(S)	NUMBER OF PAGES
<input type="checkbox"/>	GUARDIAN/CONSERVATOR	
<input type="checkbox"/>	OTHER _____	
SIGNER IS REPRESENTING: (NAME OF PERSON(S) OR ENTITY(IES)) _____ _____		DATE OF DOCUMENT _____
		SIGNER(S) OTHER THAN NAMED ABOVE _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this

**STATE OF CALIFORNIA
COUNTY OF LOS ANGELES**

On _____, 2026 before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form

CAPACITY CLAIMED BY SIGNER	DESCRIPTION OF ATTACHED DOCUMENT
<input type="checkbox"/> INDIVIDUAL	
<input type="checkbox"/> CORPORATE OFFICER	
<div><div><input type="checkbox"/> PARTNER(S)</div><div><input type="checkbox"/> LIMITED <input type="checkbox"/> GENERAL</div></div>	<div>TITLE OR TYPE OF DOCUMENT</div>
<input type="checkbox"/> ATTORNEY-IN-FACT	
<input type="checkbox"/> TRUSTEE(S)	<div>NUMBER OF PAGES</div>
<input type="checkbox"/> GUARDIAN/CONSERVATOR	
<input type="checkbox"/> OTHER _____	
<div>SIGNER IS REPRESENTING: (NAME OF PERSON(S) OR ENTITY(IES)) _____ _____</div>	<div>DATE OF DOCUMENT</div>
	<div>SIGNER(S) OTHER THAN NAMED ABOVE</div>

EXHIBIT "A"

SCOPE OF SERVICES

I. Consultant shall perform the following services:

- A. Consultant shall host community events, known as the Mercado Magico ("Event(s)") which shall include free and low-cost family-centric entertainment, food trucks, craft vendors, and local small businesses as follows:
 - a. **Date:** In accordance with the schedule set forth in Exhibit D, commencing on April 12, 2026.
 - i. The date and frequency of the Event may shift, subject to written approval by the Contract Officer.
 - b. **Time:** 10:00 a.m. – 6:00 p.m.
 - i. The Event hours are from 12:00 p.m. to 4:00 p.m. The total time includes two hours of event setup and two hours of event tear down time.
 - c. **Location:** 6400 Atlantic Avenue, Bell, CA 90201, in accordance with the Event Layout diagram set forth below
- B. Each Event will include the following items:
 - a. **Entertainment:** Providing free family- centric entertainment in the form of magic shows, petting zoo, bounce houses, face painting, bubble play, character meet and greets, and more for guests.
 - b. **Retail Vendors:** Display of approximately 88 total retail and craft vendors throughout the duration of the Agreement, depending on space availability.
 - c. **Food Vendors:** Host approximately 12 food trucks and 12 food booths, depending on space availability.
 - d. **Vendor Pricing:** Retail Booths (\$65-\$85 per 10x10), Food Booths (\$120 - \$150 per 10x10), and Food Trucks (\$125-\$175 per truck).
 - e. **Bell Vendor Program:** All Bell business owners receive a 50 percent discount and free vendor booths for all Bell community/city services.
- C. **Marketing:** Consultant will provide curated and strategic content creation, including video content and graphics dedicated to each Event. All branding content will be showcased on Consultant's social media platforms. Further branding development will

include social media influencers, foodies, and more as deemed appropriate by the City and Consultant.

D. Additional Terms:

- a. Consultant hereby agrees that City shall have the right to modify the hours of operations set forth above, including the option to postpone or cancel an Event in the case of inclement weather or other exigent circumstance. Moreover, the City may modify the hours if it determines that the Event is creating an adverse impact on neighboring properties in the area. Farmers shall possess California Department of Food and Agriculture permits. Food Vendors selling prepared or prepackaged foods, and other goods for sale, barter, or other lawful transaction to members of the general public shall have a Temporary Event Permit (TEP) issued by the Los Angeles Environmental Health Dept. All other artisans selling non-food items will be required to have a sellers permit.
- b. Consultant agrees to operate each Event at the direction of the City in accordance with the City's market rules and regulations, which may be amended with written notice to Consultant. Consultant agrees to conduct each Event according to the terms of this Agreement on the Property. Except as expressly provided in this Exhibit A, Consultant agrees that the City shall not be obligated to provide direct or indirect financial assistance for the development, maintenance or operation of the Event, and that Consultant shall be solely responsible for all costs and expenses related to the operation of the Event.

II. As part of the services, Consultant will prepare and deliver the following tangible work products to the City:

A. Vendor Coordination and Management:

- a. Coordination and management of all vendors including vendor communication, setup, and breakdown guidelines.

B. Logistics and Setup Coordination:

- a. Preparing and submitting applications for permits (i.e., County, Fire Dept., special events, Health Dept.), vendor compliance, and setup coordination with five to six staff.

C. Event Day Coordination:

- a. Oversee vendor setup and teardown. Liaising with health inspectors and addressing any issues.

D. Health Department:

- a. Provide three compartment sinks and portable restrooms sufficient to accommodate the expected Event attendees.

E. Marketing and Branding:

- a. Marketing flyers for the City to collaborate on social media.
- b. Event logos.
- c. Design a consistent marketing calendar events schedule.

III. In partnership with the Consultant, the City agrees to support each Event as follows:

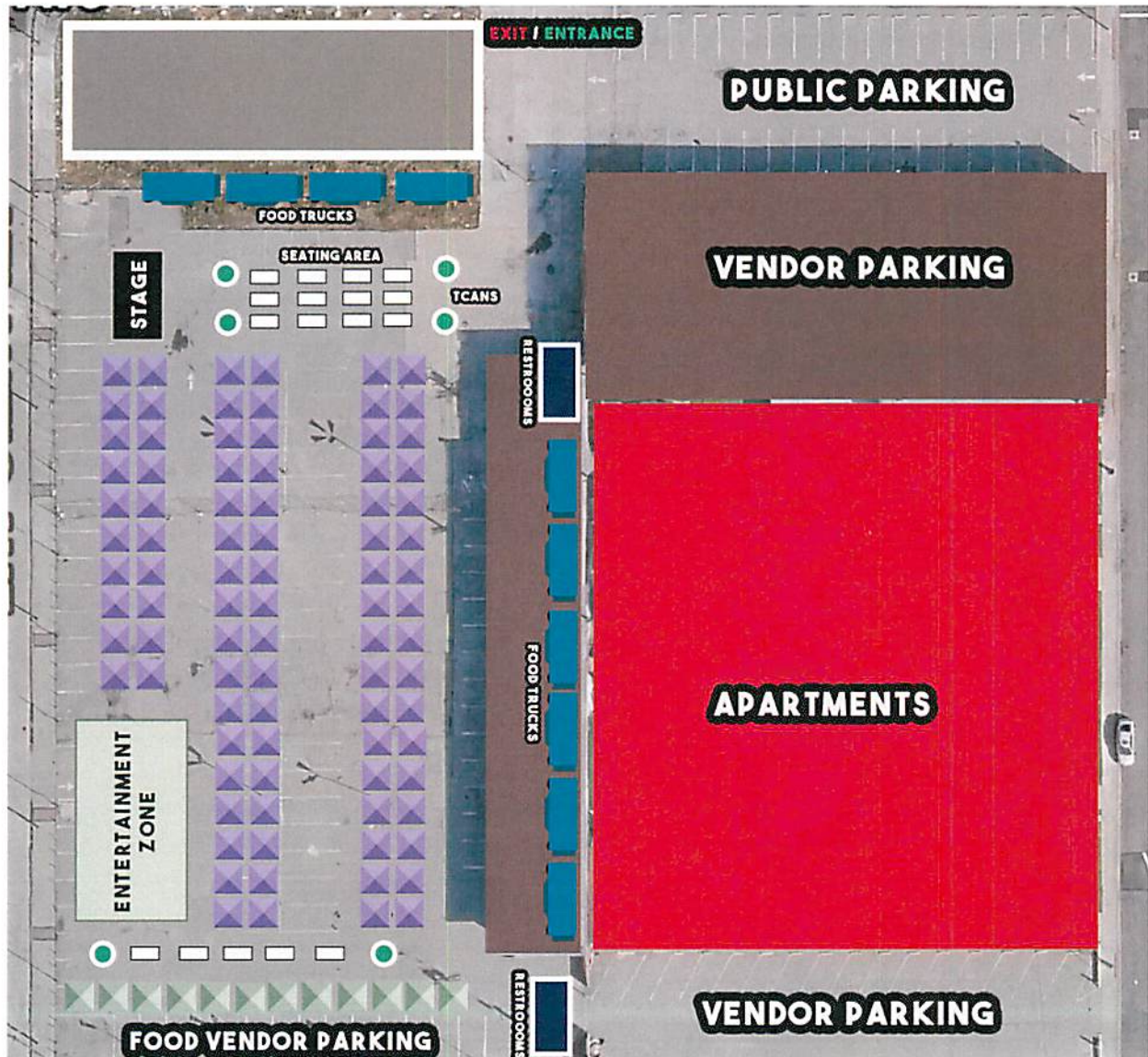
- A. Expediting permit processing for each Event;
- B. Provision of on-site public safety presence or coordinate on private security, as appropriate in the judgment and within the available resources of the City;
- C. Subject to the discretion and availability of City staff, assist in photography and videography within marketing promotions and on the day of the Event;
- D. City shall waive any fees otherwise required by Consultant for any City-issued permits for an Event.
- E. Subject to the discretion and availability of City staff, maintenance services that include:
 - a. Pre-Event trash clean-up;
 - b. Setting up trash bins prior to Event;
 - c. Trash pick-up and minor cleaning during the Event; and
 - d. Post-Event garbage removal.

IV. In addition to the requirements of Section 6.2, during performance of the services, Consultant will keep the City updated of the status of performance by delivering the following status reports:

- A. Monthly meeting check-ins regarding the Events.

V. All work product is subject to review and acceptance by the City, and must be revised by the Consultant without additional charge to the City until found satisfactory and accepted by City.

VI. Event Site Layout



VII. Consultant shall utilize the following personnel to accomplish the services:

- A. Consultant agrees to hire, employ or otherwise direct a Market Manager to coordinate, manage and operate each and every Event. Unless otherwise agreed to in writing by the Contract Officer, the Market Managers will be Danny Rivas and Kenia Rivas.
- B. Other personnel approved by the Contract Officer.

EXHIBIT "B"

SPECIAL REQUIREMENTS (Superseding Contract Boilerplate)

1. Section 2.2 is deleted in its entirety.

~~2.2 Invoices. Each month Consultant shall furnish to City an original invoice for all work performed and expenses incurred during the preceding month in a form approved by City's Director of Finance. By submitting an invoice for payment under this Agreement, Consultant is certifying compliance with all provisions of the Agreement. The invoice shall contain all information specified in Exhibit "C", and shall detail charges for all necessary and actual expenses by the following categories: labor (by sub-category), travel, materials, equipment, supplies, and sub-contractor contracts. Sub-contractor charges shall also be detailed by such categories. Consultant shall not invoice City for any duplicate services performed by more than one person.~~

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

2. The following terms shall be added to the end of Section 4.4 (Independent Consultant):

"Consultant shall have no power or authority by this Agreement to bind the City in any respect. Nothing in this Agreement shall be construed to be inconsistent with this relationship or status. All employees, agents, contractors or subcontractors hired or retained by Consultant, including but limited to the Market Manager and any vendor, are employees, agents, contractors or subcontractors of Consultant and not of the City. The City shall not be obligated in any way to pay any wage claims or other claims made against Consultant by any such employees, agents, contractors or subcontractors, or any other person resulting from performance of this Agreement."

EXHIBIT "C"

SCHEDULE OF COMPENSATION

- I. Consultant shall not receive any compensation from the City for its services, but will instead be entitled to the full share of all revenue generated during the Event as compensation for its services. This includes, but is not limited to, vendor fees.**
- II. Consultant shall be entitled charge and collect fees from vendors of the Events as follows:**
 - a. Vendor Fee: Retail Booths (\$65-\$85 per 10x10), Food Booths (\$120 - \$150 per 10x10), and Food Trucks (\$125-\$175 per truck)**
- III. The Contract Officer must approve any proposed changes to the fees in writing.**

EXHIBIT “D”

SCHEDULE OF PERFORMANCE

I. Consultant shall perform all services timely in accordance with the following schedule:

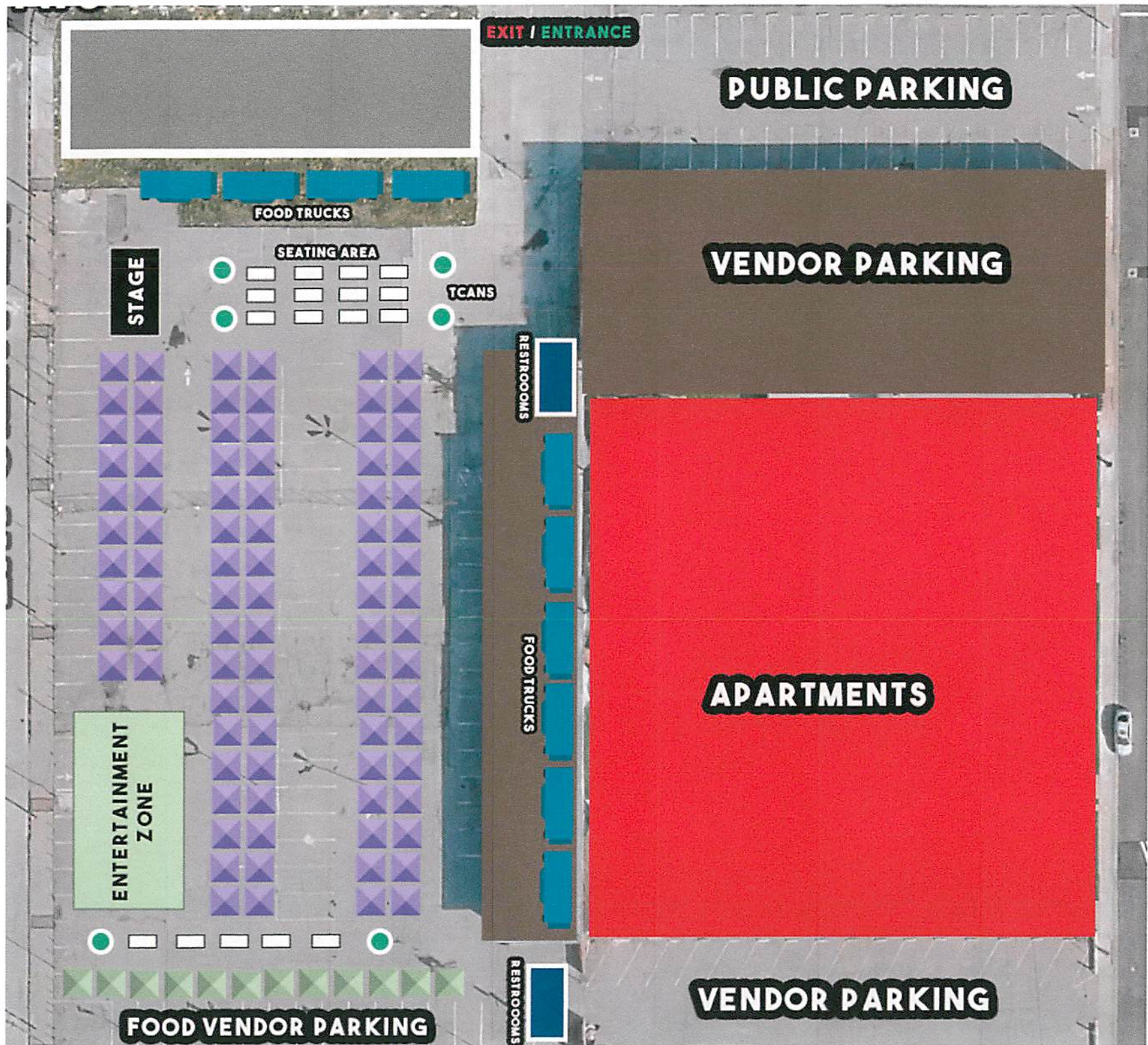
01135.0001 2086772.3	DATE	EVENT TIMES	THEME	
Angel City Market	01135.0001 2086772.3	12:00PM - 4:00PM	Spring Family Celebration	Live easter bunny for family photos
Angel City Market	5/31/2026	12:00PM - 4:00PM	Live Music Day	Live Music Performances, art station, etc.
City Hall & Angel City Market	6/20/2026	TBA	Open Streets (FIFA World Cup Kick Off)	Soccer-themed activities, carnival games, inflatables, etc.
Angel City Market	6/28/2026	12:00PM - 4:00PM	Día de La Familia / Family Day	Local mom groups, interactive play (face painting, inflatables, magic show, reptile shows, bubble shows).
Angel City Market	7/12/2026	12:00PM - 4:00PM	LA Baseball Day	Baseball themed activities, carnival games, inflatables, etc.
City Hall & Angel City Market	7/18/2026	TBA	Summer Movie Night	Food trucks; hamburgers, hotdogs, popcorn, cotton candy, coffee, infused drinks, etc.
Angel City Market	7/26/2026	12:00PM - 4:00PM	Summer Luau	Polynesian dancers, dance classes, arts and crafts, etc.
Angel City Market	8/9/2026	12:00PM - 4:00PM	Back to School Carnival	Carnival games, train rides, inflatables, giveaways, etc.
Angel City Market	8/23/2026	12:00PM - 4:00PM	National Dog Day	Pup cups, free puppy caricatures, puppy obstacle courses, and other inspired vendors
Angel City Market	10/18/2026	TBA	Día De Los Muertos Celebration	Live music, crafts, vendors, performances, etc.
Angel City Market	11/15/2026	12:00PM - 4:00PM	Disney Holiday Celebration	Holiday Disney characters, activities, crafts, etc.
Angel City Market	11/29/2026	12:00PM - 4:00PM	Market before Christmas	Nightmare before Xmas characters, activities, crafts, etc.
City Hall & Angel City Market	12/13/2026	12:00PM - 4:00PM	Winter Wonderland Snow Day	Live frosty the snowman photos, activities, vendors, etc.

- i. The frequency of the Event may shift to weekly, subject to written approval by the Contract Officer.

Time: 10:00 a.m. – 6:00 p.m.

- i. The Event hours are from 12:00 p.m. to 4:00 p.m. The total time includes two hours of event setup and two hours of event tear down time.

II. The Contract Officer may approve extensions for performance of the services in accordance with Section 3.2



AGENDA ITEM 6

City of Bell Agenda Report

DATE: February 25, 2026

TO: Mayor and Members of the City Council

FROM: Rickey Manbahal, Finance Director
Gina Skibar, Deputy Director of Human Resources & Risk Management

APPROVED BY: 
Michael L. Antwine II, City Manager

SUBJECT: Approve of a Global Master Services Agreement and Addendum with ADP, LLC for Payroll Processing, Human Resources Information System (HRIS), Compliance Reporting, and Related Services; and Discontinuation of the Springbrook HR/Payroll Module

RECOMMENDATION:

It is recommended that the City Council:

1. Approve the Global Master Services Agreement and Addendum with ADP, LLC to provide payroll processing, HRIS, compliance reporting, timekeeping, and related services.
2. Authorize the City Manager to execute the agreement, and all related documents.
3. Authorize the discontinuation of the Springbrook HR/Payroll module due to system obsolescence and future compliance limitations.

BACKGROUND:

On September 4, 2013, the City of Bell entered into an agreement with Springbrook Holding Company LLC for licensed software products and support services to replace the City's financial system. The City has utilized the Springbrook system for over twenty (20) years and currently supports payroll and limited human resources functions.

While Springbrook continues to function for basic payroll processing, it no longer provides the modern integrations, automation, and compliance updates required to efficiently support evolving federal, state, and CalPERS reporting requirements. The system relies heavily on manual processes, increasing the potential for payroll errors, compliance exposure, and operational inefficiencies. Continued reliance on the system presents long-term governance and business continuity risks.

From a risk management perspective, payroll and HR systems must support accurate wage calculations, labor distribution tracking, leave management, tax reporting, audit documentation, and secure data controls. As labor regulations and reporting requirements continue to evolve, the City must ensure its systems can adapt without disruption.

DISCUSSION:

To ensure due diligence and fiscal responsibility, staff evaluated multiple payroll providers including ADP. Below is a summary of the companies reviewed:

Tyler Technologies – Munis

Tyler Munis is a comprehensive municipal Enterprise Resource Planning (ERP) system that includes payroll functionality. While Munis is designed for public agencies and offers strong municipal integration, implementation costs, required full ERP conversion, and long-term licensing expenses significantly exceeded the City's current budget allocation for payroll modernization. Transitioning to Munis would require replacement of the City's broader financial system rather than a payroll-only upgrade, making it financially impractical at this time.

Gusto Payroll

Gusto Payroll provided a competitive quote; however, the platform is primarily designed for private-sector employers and does not support complex municipal wage structures, multi-fund labor distribution, CalPERS reporting exports, detailed audit tracking, and other public sector compliance requirements necessary for City operations. Additionally, integration capabilities with the City's existing financial systems were limited.

Staff performed reference checks with several agencies, including the Central Basin Water District, City of Torrance, City of Compton and City of Ontario and discussed their overall experience with ADP. Each agency responded positively and recommended ADP as a good option for the City of Bell.

Per staff discussion and feedback obtained, the agency indicated that using ADP provided opportunities to utilize their personnel resources in a more efficient manner within that organization. They also recommend that a staff member familiar with payroll/human resources should be a primary liaison with ADP. In order to utilize ADP services, staff and the City Attorney's Office negotiated a Global Master Services Agreement and Addendum that will govern these services.

Following the review of pricing, technical compatibility, compliance functionality, and long-term sustainability, ADP was determined to be the most compatible solution that:

- Meets municipal payroll and compliance requirements
- Integrates with the City's existing financial infrastructure
- Provides automated tax updates and audit-ready/compliance reporting
- Supports scalable HR and timekeeping functions
- Remains within the approved budget framework

FISCAL IMPACT:

The cost for Springbrook is included in the FY25-26 Budget. The Springbrook annual renewal and migration is currently budgeted at \$172,000.

The renewal of Springbrook that was paid through October 2026 totals \$100,007.38. Combined with the ADP Solutions on-time implementation fee of \$17,500.00 and the ADP Solutions annual fee of \$52,815.72, the total cost is \$170,323, resulting in a net savings \$1,676.90 for FY 25-26.

STRATEGIC PLAN 2023-25: (NEW)

This agenda item aligns with the City of Bell 2023-25 Strategic Plan:

Target 4: Fostering Financial Resilience

Goal 5: Update the City's finance-related policies, procedures and process

ATTACHMENT(S):

1. ADP Global Master Services Agreement/Sales Proposal
2. ADP Addendum

Company Information

City Of Bell
6330 Pine Ave
Bell, CA 90201-1221
United States

Executive Contact

Gina Skibar
Deputy Director of HR and Risk
Management
askibar@cityofbell.org
9493717995

INVESTMENT SUMMARY

Employees

176

Implementation

\$17,750.00

Total Annual

\$44,242.92

Expiration

1/20/2026

Marketplace Integrations Estimated Cost: \$8,572.80 annual

** The Implementation Costs and Total Annual Investment listed out on this Investment Summary are estimates based on the services, frequencies, recurring rates and pay counts outlined on the sales order and are shown for illustrative purposes only. These numbers are not binding amounts and shall not become incorporated into or made a part of any sales order or services agreement governing the services contemplated therein.

“

Easy to onboard new staff and very user-friendly for new and current staff to navigate and use. The App makes it even easier to have all your information in one easy spot. Making employees more responsible for their own information - saves time on HR and payroll departments to make simple changes employees can manage on their own.”

—Teresa Stivala, SHRM-CP

VP of Human Resources, In Flight, Inc.

ADP Sales Associate

Emily Bahr
MA-UMDM
emily_bahr@adp.com





GLOBAL MASTER SERVICES AGREEMENT

Effective Date: _____, 20__

As between:

ADP, INC.
(Referred to in this agreement as "ADP")
One ADP Boulevard
Roseland, NJ 07068

-and-

City Of Bell
(Referred to in this agreement as "Client")
6330 Pine Ave
Bell, CA 90201-1221

ADP and Client agree that ADP shall provide Client with the following services in accordance with the terms set forth in this Global Master Services Agreement and the applicable Sales Order (as defined herein):

- ADP Payroll Services – delivered via ADP Workforce Now
- ADP Compliance on Demand
- ADP DataCloud
- ADP Document Cloud
- ADP Marketplace
- ADP Time & Attendance Services
- ADP Workforce Now IT Management, Powered by Electric
- Benefit Services – delivered via ADP Workforce Now
- Employment Verification Services
- ESS & MSS Technology
- Essential ACA Services
- Human Resources Administration Services – delivered via ADP Workforce Now

ADP, INC.

City Of Bell

Signature of Authorized Representative

Emily Bahr

Name - Please Print

UpMarket District Manager

Title

Signature of Authorized Representative

Name - Please Print

Title

Notwithstanding any Investment Summary that may precede this Global Master Services Agreement and the page numbering below, this signature page is the first page of the Global Master Services Agreement and the Investment Summary that precedes it is for illustration purposes only and shall not become part of the Global Master Services Agreement.

Appendices

- Sales Order

Global Master Terms and Conditions

1 Definitions

- 1.1 ADP HCM Services.** Only those Services, as defined below, that have been purchased by Client (as listed on the cover page, a Sales Order or otherwise) will be applicable.
- 1.1.1 ADP Compliance on Demand.** A workforce management solution that provides clients with access to information and best practice guidance. ADP Compliance on Demand may include access to (1) a self-service library of human resources compliance information, (2) an online community to collaborate with other clients, (3) Tier 1 human resources professionals available to support and assist clients with their workforce management administration requirements, and (4) Tier 2 compliance experts who are available for up to a total of four (4) contacts per year.
 - 1.1.2 ADP Connect.** Solution that enables Users to (i) view Client news, broadcasts and surveys through a feed set up by Client, (ii) receive notifications, and (iii) receive and award recognitions, points and rewards that may be purchased through a third-party online store.
 - 1.1.3 ADP Data Cloud.** Provide tools to analyze and understand data.
 - 1.1.3.1 Analytics.** Enables an employer to gain insight from data for key Human Capital Management (HCM) metrics.
 - 1.1.4 ADP Document Cloud.** Integrated solution to support maintenance and retrieval of employee-specific documents via cloud-based technology.
 - 1.1.5 ADP Marketplace.** Enable Client to build applications and/or purchase available applications via online store. Provide access to certain Client data stored in ADP systems via industry-standard Application Programming Interfaces (APIs).
 - 1.1.6 ADP Payroll Services.** Administration and processing of payroll including performing gross-to-net calculations and generating and/or transmitting of payment instructions, and also including:
 - 1.1.6.1 ADP Employment Tax Services.** Coordination of payroll-related tax and/or regulatory agency deposits, filings and reconciliations on behalf of employers.
 - 1.1.6.2 ADP Wage Garnishment Payment Services.** Garnishment payment processing and disbursement of payments to appropriate Payees as directed by Client.
 - 1.1.6.3 ADP Wage Payment Services.** Payment of wages, commissions, consulting fees, or similar compensation or work-related expenses in the employment context to employees and independent contractors via direct deposit, check or payroll debit cards, in each case only to the extent applicable.
 - 1.1.6.4 Print and Online Statement Services.** Print and distribution of payroll checks, pay statements, and/or year-end statements, as well as online posting of pay statements and/or year-end statements.
 - 1.1.6.5 State Unemployment Insurance (SUI) Management Services.** ADP becomes the unemployment insurance address of record. ADP requests the state to send unemployment insurance claims, charges, tax rates and related information to ADP and Client receives a quarterly summary of all claims.
 - 1.1.7 ADP Time & Attendance Services.** Support of time-related services, including time data collection, employee scheduling, timecard reviews and approvals, and consistent application of time-related policies.
 - 1.1.8 ADP Workforce Now.** ADP's web-based portal which provides a single point of access to ADP online solutions and employee-facing websites and resources related to payroll, HR, benefits, talent, and time and attendance.
 - 1.1.9 Benefit Services.** Technology to facilitate the administration of employee benefits, including applying eligibility rules, facilitating online enrollment and changes and calculating payroll deductions within a unified system, as well as providing data to carriers through ADP carrier connection services.
 - 1.1.10 ESS & MSS Technology.** Employee self-service (ESS) and Manager self-service (MSS) functionality provides all Client Users (practitioners, managers and employees) 24x7 online access to ADP Application Programs.
 - 1.1.11 Essential ACA Services.** A technology and software solution to assist Client in managing compliance needs related to the Affordable Care Act (ACA), including eligibility calculations and affordability determinations, preparation and electronic filing of Forms 1094-C and 1095-C, access to evidence of benefit offering information and benefit offering audit reports.
 - 1.1.12 Human Resources Administration Services.** Administration of human resource functions using a unified system to process and audit employee lifecycle events, provide compliance tracking and reporting, including new hire reporting, and automate notification and approval processes via self-service/direct access, and also including:
 - 1.1.12.1 WFN EI-9 Services.** Electronic I-9 administration and onboarding services to help facilitate and manage I-9 and related employment eligibility verification processes.
 - 1.1.12.2 ADP Workforce Now IT Management, Powered by Electric.** Access to a solution provided by Electric AI, Inc. that enables Client practitioners to, among other things, procure and manage hardware for Client employees and independent contractors.

1.2 General.

- 1.2.1 "ADP" has the meaning set forth on the cover page.
- 1.2.2 "ADP Application Programs" means the computer software programs and related Documentation, including any updates, modifications or enhancements thereto, that are either delivered or made accessible to Client through a hosted environment by ADP in connection with the Services.
- 1.2.3 "ADPCheck" means checks printed and distributed by ADP to Payees pursuant to Client's direction.
- 1.2.4 "ADPCheck Services" refers to ADP's payment of Client's Payees for Permitted Payments through ADPCheck.
- 1.2.5 "ADP Direct Deposit Services" means ADP's full service direct deposit services which includes ADP's payment of Client's Payees who have elected to receive Permitted Payments by direct deposit into an account at a financial institution of such Payee's selection.
- 1.2.6 "Affiliate" means, with respect to any entity, any other entity that controls, is controlled by or under control with such first entity. For purposes of this Agreement, "control" (or variants of it) means the ability, whether directly or indirectly, to direct the management and corporate policies and actions of an entity by means of ownership, contract or otherwise. Client's Affiliates do not include third parties for whom Client is a service provider or provides outsourcing services.
- 1.2.7 "Agreement" means this Global Master Services Agreement, consisting of the signature pages, the Global Master Terms and Conditions, all exhibits, annexes, appendices, addenda and schedules, and each Amendment, if any.
- 1.2.8 "Amendment" means a written amendment to this Agreement modifying, supplementing or amending the terms and conditions of this Agreement.
- 1.2.9 "API" means application programming interface.
- 1.2.10 "Biometric Data" includes the information collected by timeclocks and software that use finger and/or hand scan technology, which potentially may include Biometric Identifiers and Biometric Information.
- 1.2.11 "Biometric Identifier" means a retina or iris scan, fingerprint, voiceprint, or scan of hand or face geometry.
- 1.2.12 "Biometric Information" means any information, regardless of how it is captured, converted, stored, or shared, based on an individual's biometric identifier used to identify an individual.
- 1.2.13 "Biometric Services" means services provided by ADP to Client via the use of timeclocks and software in connection with ADP's provision of Time & Attendance Services, to the extent such timeclocks or software collect, store or use Biometric Data.
- 1.2.14 "Biometric User" means Client's employees or independent contractors who use Biometric Services to record their attendance, hours worked or other work-related data.
- 1.2.15 "Business Day" means any day, except a Saturday, Sunday or a day on which ADP's bank is not open for business in the applicable jurisdiction where services are provided by ADP.
- 1.2.16 "Cardholder" means the Payees of Client who receive a Pay Card.
- 1.2.17 "Client" has the meaning set forth on the cover page.
- 1.2.18 "Client ACA Liaison" means the Client's designated person who shall serve as ADP's principal contact for Essential ACA Services.
- 1.2.19 "Client Content" means all information and materials provided by Client, its agents or employees, regardless of form.
- 1.2.20 "Client Group" means Client and Client's Affiliates listed in the Sales Order who are authorized to receive the Services.
- 1.2.21 "Client Infringement Event" means (i) any change or enhancement in, or use of, the Services by Client or a third party on Client's behalf other than at the direction of, or as approved by, ADP or (ii) Client's failure to use the most current release or version of any computer software programs included in the ADP Application Programs or any corrections or enhancements provided by ADP thereto (to the extent ADP requires Client to use the most current release or version of any computer software programs, the implementation of such shall be at no charge to Client).
- 1.2.22 "Confidential Information" means all trade secrets, processes, proprietary data and documentation and any pricing and product information, Personal Data, the terms of this Agreement, and any other information that is confidential or proprietary provided by the disclosing party to the receiving party for use in connection with the Services or this Agreement, but does not include information that (i) the receiving party already knows prior to its disclosure by the disclosing party, (ii) becomes generally available to the public, except as a result of disclosure by the receiving party in violation of this Agreement or (iii) becomes known to the receiving party on a non-confidential basis from a source other than the disclosing party.

- 1.2.23 **"Data Security Breach"** means a security breach as defined by applicable law or any incident that compromises the confidentiality, integrity, or availability of Personal Data.
- 1.2.24 **"DHS"** means the U.S. Department of Homeland Security.
- 1.2.25 **"Documentation"** means all manuals, tutorials and related materials that may be provided or made available to Client by ADP in connection with the Services.
- 1.2.26 **"Early Termination Fee"** has the meaning set forth in Section 12.4.
- 1.2.27 **"Effective Date"** has the meaning set forth on the cover page.
- 1.2.28 **"ERISA"** means Employee Retirement Income Security Act of 1974, as amended.
- 1.2.29 **"E-Verify"** means the DHS's employment eligibility verification program which allows participating employers to electronically verify the employment eligibility of each newly hired employee and/or employee assigned to a covered federal contract.
- 1.2.30 **"Form I-9"** means the employment eligibility verification form issued by the DHS.
- 1.2.31 **"FCRA"** means the Fair Credit Reporting Act, 15 U.S.C. § 1681 et seq.
- 1.2.32 **"Global Master Terms and Conditions"** means the terms and conditions contained in the main body of this document following the signature pages.
- 1.2.33 **"Go-Live Date"** means the date of commencement of the first live processing of any given Service.
- 1.2.34 **"I-9 Handbook"** means the current USCIS Handbook for Employers: Instructions for Completing Form I-9 (M-274).
- 1.2.35 **"Identity Verification Documents"** means the documents that meet the federal requirements for verifying a Payee's identity and eligibility to work in the U.S. (e.g., (i) a passport, (ii) a U.S. issued driver's license or picture identification card issued by a state or U.S. federal agency and social security card, or (iii) a U.S. issued driver's license and birth certificate).
- 1.2.36 **"Implementation Services"** means the Services to be performed in order to commence ongoing Services.
- 1.2.37 **"Improvements"** has the meaning set forth in Section 5.4.
- 1.2.38 **"Indemnatee"** has the meaning set forth in Section 6.3.
- 1.2.39 **"Indemnitor"** has the meaning set forth in Section 6.3.
- 1.2.40 **"Initial Term"** means the period beginning as of the Effective Date and ending three (3) years after the date of Client's first monthly invoice for Services.
- 1.2.41 **"Intellectual Property Rights"** means all rights, title and interest to or in patent, copyright, trademark, service mark, trade secret, business or trade name, know-how and rights of a similar or corresponding character.
- 1.2.42 **"Internal Business Purposes"** means the usage of the Services, including the ADP Application Programs, exclusively by the Client Group for its own internal business purposes, without the right to provide service bureau or other data processing services, or otherwise share or distribute the Services.
- 1.2.43 **"Issuing Bank"** means the financial institution selected by ADP that issues the Pay Card.
- 1.2.44 **"NACHA"** means the National Automated Clearing House Association.
- 1.2.45 **"Objectionable Content"** means any message, post, or other content that is (i) inappropriate or otherwise objectionable, (ii) potentially violates the privacy or publicity rights of a third-party, or (iii) advertises any other site or business content.
- 1.2.46 **"Payee"** means any intended recipient of payments under the Payment Services and may include Client's employees, taxing authorities, governmental agencies, suppliers, benefit carriers and/or other third parties; provided that in the case of ADP Wage Payment Services, Payee shall be limited to Client's employees and independent contractors.
- 1.2.47 **"Payment Services"** means Services that involve electronic or check payments being made by ADP to third parties on Client's behalf and at its direction.
- 1.2.48 **"Pay Card"** means the pre-paid card issued to Client's Payees for Permitted Payments.
- 1.2.49 **"Pay Card Services"** refers to ADP's payment of Client's Payees through a Pay Card issued by the Issuing Bank.
- 1.2.50 **"Permitted Payment"** means the legal payment of wages, commissions, consulting fees or similar compensation or work-related expenses in the employment context.

- 1.2.51 **"Personal Data"** means any information relating to an identified or identifiable natural person. An identifiable person is one who can be identified, directly or indirectly, in particular by reference to an identification number or to one or more factors specific to such person's physical, physiological, mental, economic, cultural or social identity.
- 1.2.52 **"Plan"** means Client's plan, including a group health plan, as identified by Client for the applicable Services.
- 1.2.53 **"Plan Administrator"** means the appropriate plan administrator as defined in Section 3(16)(A) of ERISA and Section 414(g) of the Internal Revenue Code of 1986, as amended.
- 1.2.54 **"Regulation E"** means the Federal Reserve Board, Regulation E (12 CFR 1005).
- 1.2.55 **"Sales Order(s)"** means the document(s) between the parties that lists the specific Services purchased by Client Group from ADP.
- 1.2.56 **"Services"** means the services listed on the cover page of this Agreement (including Implementation Services related thereto and ADP Application Programs), and such other services as the parties may agree to be performed from time to time.
- 1.2.57 **"SOC 1 Reports"** has the meaning set forth in Section 9.1.
- 1.2.58 **"Strategic Carrier Partner"** means a carrier that participates in ADP's strategic carrier partner program.
- 1.2.59 **"Technology Credit"** means funds paid by a Strategic Carrier Partner and applied by ADP to Client's invoice for benefit administration fees.
- 1.2.60 **"Term"** means the Initial Term together with any other renewal periods thereafter.
- 1.2.61 **"Termination Event"** means with respect to any party, the occurrence of any of the following: (i) under the applicable bankruptcy laws or similar law regarding insolvency or relief for debtors, (A) a trustee, receiver, custodian or similar officer is appointed for a party's business or property, (B) a party seeks to liquidate, wind-up, dissolve, reorganize or otherwise obtain relief from its creditors, or (C) an involuntary proceeding is commenced against a party and the proceeding is not stayed, discharged or dismissed within thirty (30) days of its commencement, or (ii) a party's Standard and Poor's issuer credit rating falls to or below BB.
- 1.2.62 **"Time & Attendance Hardware"** means timeclocks and other time collection devices provided to Client by ADP in connection with the ADP Time & Attendance Services.
- 1.2.63 **"Unauthorized Third Party"** means any commercial third party or business that seeks to access or accesses ADP Application Programs using the account credentials (e.g., username and password) of a User even if such User has provided consent.
- 1.2.64 **"USCIS"** means U.S. Citizenship and Immigration Services.
- 1.2.65 **"User"** means any single natural person who, subject to the terms of this Agreement, is an employee or independent contractor of Client authorized by Client to use, access or receive the Services.
- 1.2.66 **"Verification Agent"** means ADP and its subcontractors through which Employment Verification Services are performed.
- 1.2.67 **"Verification Data"** means employment, job and income information and Personal Data.
- 1.2.68 **"Verifiers"** means commercial, private, non-profit and governmental entities and their agents.

2 Provision and Use of Services

- 2.1 **Provision of Services.** ADP, or one of its Affiliates, will provide the Services to Client Group in accordance with the terms of this Agreement. ADP will provide the Services in a good, diligent and professional manner in accordance with industry standards, utilizing personnel with a level of skill commensurate with the Services to be performed. ADP's performance of the Services (including any applicable implementation activities) is dependent upon the timely completion of Client's responsibilities and obligations under this Agreement.
- 2.2 **Cooperation.** Client will cooperate with ADP as reasonably necessary to implement and provide the Services. Client will, in a timely manner, execute and deliver all necessary documents, forms, or instruments (such as, to the extent applicable, reporting agent authorization, client account agreement, pre-authorized debit terms, limited powers of attorney, anti-money laundering/"Know Your Client" forms), provide ADP with all reasonable and necessary Client Content in the format requested by ADP, and otherwise assist ADP as required.
- 2.3 **Use of Services.** Client will use the Services in accordance with the terms of this Agreement and solely for its own Internal Business Purposes. Client will be responsible for the use of the Services by the Client Group and the Users in accordance with the terms of this Agreement. Client understands and agrees that only Users are permitted to access and use ADP Application Programs (and that access by Unauthorized Third Parties is not permitted) and will reasonably cooperate with ADP to limit access to such persons. Client is responsible for the accuracy and completeness of the Client Content provided to ADP. ADP Workforce Now is designed for the United States and Canada and enables the processing of HR data for global human capital management needs. Client may, at its discretion, enable ADP Workforce Now functionality in other jurisdictions, except when prohibited by applicable law. ADP makes no

representation or warranty that such global use comports with any local laws, regulations or directives outside the United States and Canada. Furthermore, if Client during the implementation process or as part of the ongoing Services configures the ADP Application Programs to process additional data elements beyond those data elements that are required by ADP to perform the Services, Client will remain solely responsible for such configurations, including the processing of Personal Data pursuant to applicable law.

- 2.4 **Errors.** Client will promptly review all documents and reports produced by ADP and provided or made available to Client in connection with the Services and promptly notify ADP of any error, omission, or discrepancy with Client's records. ADP will promptly correct such error, omission or discrepancy and, if such error, omission or discrepancy was caused by ADP, then such correction will be done at no additional charge to Client.
- 2.5 **Records.** Unless expressly included as a part of the Services, and without prejudice to ADP's obligation to retain the data necessary for the provision of the Services, ADP does not serve as Client's record keeper and Client will be responsible for retaining copies of all documentation received from or provided to ADP in connection with the Services to the extent required by law or Client's internal policies.
- 2.6 **Third Party Services Available through or Integrated with the Services.** At times, ADP may make available to Client through the Services, or integrate the Services with, the services of a third party, either through a link, integration, or otherwise. ADP reserves the right to terminate such links, services or integrations at any time for any reason. If Client uses any third party services that are integrated with or linked to the Services which require the transmission, use, sharing, access or exchange of Client Content or any other payroll or other data or information provided to ADP or the third party by Client, Client is expressly agreeing to the transmission, use, sharing, access and exchange of such data between ADP and the third party. Client's use of any third party services will be governed by any terms Client agrees to with the third party and in the event of any conflict between the terms of this Agreement and any third party terms, the terms of this Agreement will apply to the provision of the Services by ADP to Client.

3 Compliance

- 3.1 **Applicable Laws.** Each party will comply with laws and regulations that affect its business generally, including any applicable anti-bribery, export control, computer fraud and data protection laws.
- 3.2 **Design of the Services.** ADP will design the Services, including the functions and processes applicable to ADP's performance of the Services, to assist the Client in complying with its legal and regulatory requirements applicable to the Services, and ADP will be responsible for the accuracy of such design. Client and not ADP will be responsible for (i) how it uses the Services to comply with its legal and regulatory requirements and (ii) the consequences of any instructions that it gives to ADP, including as part of the implementation of the Services, provided ADP follows such instructions. Services do not include any legal, financial, regulatory, benefits, accounting or tax advice.
- 3.3 **Online Statements.** If Client instructs ADP to provide online pay statements, Forms W2, Forms 1099, or Forms 1095-C without physical copies thereof, Client will be exclusively responsible for determining if and to what extent Client's use of online pay statements, Forms W2, Forms 1099, or Forms 1095-C satisfies Client's obligations under applicable laws and the consequences resulting from such determinations.
- 3.4 **Pay Card Services.** Notwithstanding anything to the contrary in Section 3.2, ADP shall be responsible for compliance with requirements of Regulation E applicable to financial institutions with respect to prepaid card accounts, provided Client will fulfill the compliance responsibilities of Regulation E that Client controls, including: (a) Client will distribute to its Payees all documentation (including without limitation, Pay Card fee schedule and Cardholder Terms and Conditions) that ADP makes available to Client for distribution purposes, and (b) Client will not mandate or unduly influence that any Payee receive Permitted Payments only on the Pay Card; in lieu of such mandate, Client will provide to Payees other legally permissible options for payment of Permitted Payments. Client agrees that it will not rely solely on its use of the Pay Card Services in complying with any laws and governmental regulations and that it will comply with the financial industry rules and compliance standards imposed by various card/payment networks or associations (e.g., related to such things as card security and fraudulent or impermissible use of Pay Cards).
- 3.5 **Data Privacy Appendix.** ADP's Data Privacy Appendix, located at <https://contracts.adp.com/#data-privacy>, is incorporated by reference into this Agreement.

4 Confidentiality

- 4.1 **General.** All Confidential Information disclosed under this Agreement will remain the exclusive and confidential property of the disclosing party. The receiving party will not disclose to any third party the Confidential Information of the disclosing party and will use at least the same degree of care, discretion and diligence in protecting the Confidential Information of the disclosing party as it uses with respect to its own confidential information. The receiving party will limit access to Confidential Information to its employees and independent contractors with a need to know the Confidential Information and will instruct those employees and independent contractors to keep such information confidential. ADP may disclose Client's Confidential Information on a need to know basis to (i) ADP's subcontractors who are performing the Services, provided that ADP shall remain liable for any unauthorized disclosure of Client's Confidential Information by those subcontractors, (ii) employees of ADP's Affiliates, provided such employees are instructed to keep the information confidential as set forth in this Agreement and (iii) social security agencies, tax authorities and similar third parties, to the extent strictly necessary to perform the Services. ADP may use Client's and its employees' and other Services recipients' information in an aggregated, anonymized form, such that neither Client nor such person may be identified, and Client will have no ownership interest in such aggregated, anonymized data. Client authorizes ADP to release employee-related data, and such other data as required to perform the Services, to third party vendors of Client as designated by Client from time to time. Notwithstanding the foregoing, the receiving party may disclose Confidential Information (x) to the extent necessary to comply with any law, rule, regulation or ruling applicable to it, (y) as appropriate to respond to any summons or subpoena or in connection with any litigation and (z) to the extent necessary to enforce its rights under this Agreement.

- 4.2 **Return or Destruction.** Upon the request of the disclosing party or upon the expiration or earlier termination of this Agreement, and to the extent feasible, the receiving party will return or destroy all Confidential Information of the disclosing party in the possession of the receiving party, provided that each party may maintain a copy if required to meet its legal or regulatory obligations and may maintain archival copies stored in accordance with regular computer back-up operations. To the extent that any portion of Confidential Information of a disclosing party remains in the possession of the receiving party following expiration or earlier termination of this Agreement, such Confidential Information shall remain subject to the generally applicable statutory requirements and the confidentiality protections contained in Section 4.1.

5 Intellectual Property

- 5.1 **Client IP Rights.** Except for the rights expressly granted to ADP in this Agreement, all rights, title and interests in and to Client Content, including all Intellectual Property Rights inherent therein and pertaining thereto, are owned exclusively by Client or its licensors. Client hereby grants to ADP for the Term a non-exclusive, worldwide, non-transferable, royalty-free license to use, edit, modify, adapt, translate, exhibit, publish, reproduce, copy and display the Client Content for the sole purpose of performing the Services; provided Client has the right to pre-approve the use by ADP of any Client trademarks or service marks.
- 5.2 **ADP IP Rights.** Except for the rights expressly granted to Client in this Agreement, all rights, title and interest in and to the Services, including all Intellectual Property Rights inherent therein and pertaining thereto, are owned exclusively by ADP or its licensors. ADP grants to Client for the Term a personal, non-exclusive, non-transferable, royalty-free license to use and access the ADP Application Programs solely for the Internal Business Purposes in the United States and Canada and solely up to the maximum number of Users (if any) indicated in the Sales Order. The ADP Application Programs do not include any Client-specific customizations unless otherwise agreed in writing by the parties. Client will not obscure, alter or remove any copyright, trademark, service mark or proprietary rights notices on any materials provided by ADP in connection with the Services, and will not copy, recompile, disassemble, reverse engineer, or make or distribute any other form of, or any derivative work from, such ADP materials.
- 5.3 **Ownership of Reports.** Client will retain ownership of the content of reports and other materials that include Client Content produced and delivered by ADP as a part of the Services, provided that ADP will be the owner of the format of such reports. To the extent any such reports or other materials incorporate any ADP proprietary information, ADP (i) retains sole ownership of such proprietary information and (ii) provides the Client a fully paid up, irrevocable, perpetual, royalty-free license to access and use same for its Internal Business Purposes without the right to create derivative works (other than derivative works to be used solely for its Internal Business Purposes) or to further distribute any of the foregoing rights outside the Client Group.
- 5.4 **Improvements.** ADP will make available to Client, at no additional cost, software improvements, enhancements, or updates to any ADP Application Programs that are included in the Services (collectively "Improvements") if and as they are made generally available by ADP at no additional cost to ADP's other clients using the same ADP Application Programs as Client and receiving the same Services as Client. All Improvements provided under this Section 5.4 shall be considered part of the ADP Application Programs. If Client fails to implement Improvements provided or made available to Client by ADP, ADP shall be relieved of any responsibility for errors or degradation in the Services and shall have no obligation to provide support for the ADP Application Programs.
- 5.5 **Third Party Software.** Notwithstanding Sections 5.1 through 5.4, ADP Time & Attendance Services shall be subject to the additional licensing or access terms set forth <https://www.adp.com/WorkforceManagerTerms>.

6 Indemnities

- 6.1 **ADP Indemnity.** Subject to the remainder of this Section 6.1, and Sections 6.3 and 7, ADP will defend Client against any third party claims and will indemnify and hold Client harmless from any resulting damage awards or settlement amounts in any cause of action to the extent such cause of action is based on a claim alleging that the Services or ADP Application Programs, as provided by ADP and used in accordance with the terms of this Agreement, infringe upon any Intellectual Property Rights of a third party in the United States. The foregoing infringement indemnity will not apply and ADP will not be liable for any damages assessed in any cause of action to the extent resulting from a Client Infringement Event or ADP's use of Client Content as contemplated by this Agreement. If any Service is held or believed to infringe on any third-party's Intellectual Property Rights, ADP may, in its sole discretion, (i) modify the Service to be non-infringing, (ii) obtain a license to continue using such Service, or (iii) if neither (i) nor (ii) are practical, terminate this Agreement as to the infringing Service and return to Client any unearned fees prepaid by Client to ADP.
- 6.2 **Client Indemnity.** Subject to Sections 6.3 and 7, Client will defend ADP against any third party claims and will indemnify and hold ADP harmless from any resulting damage awards or settlement amounts in any cause of action to the extent such cause of action is based on the occurrence of a Client Infringement Event or ADP's use of Client Content as contemplated by this Agreement.
- 6.3 **Indemnity Conditions.** The indemnities set forth in this Agreement are conditioned on the following: (i) the party claiming indemnification (the "Indemnitee") shall promptly notify the indemnifying party (the "Indemnitor") of any matters in respect of which it seeks to be indemnified, and shall give the Indemnitor full cooperation and opportunity to control the response thereto and the defense thereof, including without limitation any settlement thereof, (ii) the Indemnitor shall have no obligation for any claim under this Agreement if the Indemnitee makes any admission, settlement or other communication regarding such claim without the prior written consent of the Indemnitor, which consent shall not be unreasonably withheld, and (iii) the Indemnitee's failure to promptly give notice to the Indemnitor shall affect the Indemnitor's obligation to indemnify the Indemnitee only to the extent the Indemnitor's rights are materially prejudiced by such failure. The Indemnitee may participate, at its own expense, in such defense and in any settlement discussions directly or through counsel of its choice.

7 Limit on Liability

- 7.1 **Ordinary Cap.** Notwithstanding anything to the contrary in this Agreement and subject to the remainder of this Section 7, neither party's aggregate liability in any calendar year shall exceed an amount equal to six (6) times the average ongoing monthly Services fees paid or payable to ADP by Client during such calendar year for all Services (the "Ordinary Cap").

- 7.2 Extraordinary Cap.** As an exception to Section 7.1, if damages arise from a breach of Section 4 (Confidentiality), Section 9.3 (Data Security) or Section 9.4 (Unauthorized Third Party Access), the Ordinary Cap will be increased by an additional six (6) times the average ongoing monthly Services fees paid or payable to ADP by Client during such calendar year for all Services (the "Extraordinary Cap"). For the avoidance of doubt, in no case shall either party's aggregate liability in any calendar year under this Agreement exceed an amount equal to twelve (12) times the average monthly ongoing Services fees paid or payable to ADP by Client during such calendar year for all Services.
- 7.3 Matters not Subject to the Cap.** The foregoing limits on liability shall not apply to the following:
- 7.3.1** Client's funding obligations in connection with the Payment Services;
 - 7.3.2** Loss or misdirection of Client funds in possession or control of ADP due to ADP's error or omission;
 - 7.3.3** In connection with the ADP Employment Tax Services, (i) interest charges imposed by an applicable tax authority on Client for the failure by ADP to pay funds to the extent and for the period that such funds were held by ADP and (ii) all tax penalties resulting from ADP's error or omission in the performance of such Service. The provisions of this Section 7.3.3 shall only apply if (x) Client permits ADP to act on Client's behalf in any communications and negotiations with the applicable taxing authority that is seeking to impose any such penalties or interest and (y) Client assists ADP as reasonably required by ADP;
 - 7.3.4** Either party's gross negligence, or willful, criminal or fraudulent misconduct;
 - 7.3.5** The infringement indemnity set forth in Section 6.1 and 6.2;
 - 7.3.6** Client's biometrics indemnity set forth in Section 14;
 - 7.3.7** Client's obligations to pay the fees for Services; and
 - 7.3.8** ADP's obligations to provide credit monitoring as set forth in Section 10.2.
- 7.4 Mitigation of Damages.** ADP and Client will each use reasonable efforts to mitigate any potential damages or other adverse consequences arising from or related to the Services.
- 7.5 No Consequential Damages.** NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT AND ONLY TO THE EXTENT PERMITTED BY APPLICABLE LAW, NONE OF ADP, CLIENT OR ANY ISSUING BANK WILL BE RESPONSIBLE FOR SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR OTHER SIMILAR DAMAGES (INCLUDING DAMAGES FOR LOSS OF BUSINESS OR PROFITS, BUSINESS INTERRUPTIONS OR HARM TO REPUTATION) THAT ANY OTHER PARTY OR ITS RESPECTIVE AFFILIATES MAY INCUR OR EXPERIENCE IN CONNECTION WITH THIS AGREEMENT OR THE SERVICES, HOWEVER CAUSED AND UNDER WHATEVER THEORY OF LIABILITY, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. The foregoing exclusion shall not apply to claims for consequential damages arising from (i) ADP's or Client's gross negligence or willful, criminal or fraudulent misconduct, (ii) Client or Client's Users sharing or allowing access to a User's password, User ID, or other form of user authentication, or (iii) ADP's or Client's breach or breaches of Section 4.1 or Section 9.3 under this Agreement; provided however, that any consequential damages recovered by Client or ADP in a calendar year for claims pursuant to Sections 7.5(ii) and 7.5(iii) will be subject to the Extraordinary Cap set forth in Section 7.2 above.

8 Warranties and Disclaimer

- 8.1 Warranties.** Each party warrants that (i) it has full corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby and (ii) this Agreement has been duly and validly executed and delivered and constitutes the valid and binding agreement of the parties, enforceable in accordance with its terms.
- 8.2 DISCLAIMER.** EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, ALL SERVICES, ADP APPLICATION PROGRAMS AND EQUIPMENT PROVIDED BY ADP OR ITS SUPPLIERS ARE PROVIDED "AS IS" AND ADP AND ITS LICENSORS AND SUPPLIERS EXPRESSLY DISCLAIM ANY WARRANTY, EITHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, NON-INTERRUPTION OF USE, AND FREEDOM FROM PROGRAM ERRORS, VIRUSES OR ANY OTHER MALICIOUS CODE, WITH RESPECT TO THE SERVICES, THE ADP APPLICATION PROGRAMS, ANY CUSTOM PROGRAMS CREATED BY ADP OR ANY THIRD-PARTY SOFTWARE DELIVERED BY ADP AND RESULTS OBTAINED THROUGH THE USE THEREOF.

9 Security and Controls

- 9.1 Service Organization Control Reports.** Following completion of implementation of any applicable Services, ADP will, at Client's request and at no charge, provide Client with copies of any routine Service Organization Control 1 reports ("SOC 1 Reports") (or any successor reports thereto) that are both directly related to those Services provided hereunder for Client and already released to ADP by the public accounting firm producing the report. SOC 1 Reports are ADP Confidential Information and Client will not distribute or allow any third party (other than its independent auditors) to use any such report without the prior written consent of ADP. Client will instruct its independent auditors or other approved third parties to keep such report confidential and Client will remain liable for any unauthorized disclosure of such report by its independent auditors or other approved third parties.
- 9.2 Business Continuity; Disaster Recovery.** ADP maintains a commercially reasonable business continuity and disaster recovery plan and will follow such plan.

9.3 Data Security. ADP has an established information security program containing appropriate administrative, technical and physical measures to protect Client data (including Personal Data) against accidental unlawful or unauthorized destruction, alteration, unauthorized disclosure or access consistent with applicable laws. In the event ADP suspects any unauthorized access to, or use of, the Services and ADP Application Programs, ADP may suspend access to the Services to the extent ADP deems necessary to preserve the security of ADP, Client or User data.

9.4 Unauthorized Third Party Access. Client and its Users are responsible for maintaining the security and confidentiality of any password, User ID, or other form of user authentication involved in obtaining access to ADP Application Programs, and Client and its Users shall not disclose any confidential account access credentials or related information to Unauthorized Third Parties.

10 Data Security Breach

10.1 Notification. If ADP becomes aware of a Data Security Breach of Client's Personal Data, ADP will take appropriate actions to contain, investigate and mitigate the Data Security Breach. ADP shall notify Client without undue delay after becoming aware that a Data Security Breach has occurred, unless otherwise required or instructed by law enforcement or regulatory authority. ADP will share information in its possession with Client for Client to determine any regulatory reporting obligations required by applicable law.

10.2 Other ADP Obligations. In the event that a Data Security Breach is the result of the failure of ADP to comply with the terms of this Agreement, ADP shall, to the extent legally required or otherwise necessary to notify the individuals of potential harm, bear the actual, reasonable costs of notifying affected individuals. ADP and Client shall mutually agree on the content and timing of any such notifications, in good faith and as needed to meet applicable legal requirements. In addition, where notifications are required, and where such monitoring is practicable and customary, ADP shall also bear the cost of one year of credit monitoring to affected individuals in the applicable jurisdictions.

11 Payment Terms

11.1 Fees and Fee Adjustments. Client shall pay to ADP the fees and other charges for the Services as set forth in the Sales Order. The recurring Services fees (excluding delivery, tax and banking (including reverse wire), jurisdiction, year-end and maintenance fees) will remain fixed during the first two years of the Initial Term. During the third year of the Initial Term, ADP will increase such recurring Services fees by 2%. After the Initial Term, ADP may modify such fees on an annual basis upon thirty (30) days' prior written notice to Client. The fees presented in any Sales Order were calculated based upon particular assumptions relative to Client requirements (including funding requirements), specifications, volumes and quantities as reflected in the applicable Sales Order and related documentation, and if Client's actual requirements vary from what is stated, ADP may adjust the fees based on such changes. The fees do not include any customizations to any Service.

11.2 Additional Services and Charges. Any Services provided to Client but not included in a Sales Order will be provided subject to the terms of this Agreement and charged at the applicable rates as they occur; and those services will be considered to be "Services" for purposes of this Agreement. Additional charges may be assessed to Client in relation to the performance of the Services in certain circumstances, including without limitation, late funding, an insufficient funds notification and emergency payment requests from Client.

11.3 Fees for Implementation Services. Implementation fees are due and payable by Client upon the Go-Live Date for such Services. However, if (i) this Agreement or any Service is terminated after Implementation Services have started but before the applicable Go-Live Date or (ii) Client fails to reasonably cooperate with ADP in connection with the Implementation Services such that ADP is unable to complete such Implementation Services, then ADP may terminate this Agreement or any Service upon written notice to Client and, in each case, thirty percent (30%) of the total non-discounted implementation fees set forth in the Sales Order shall be immediately due and payable by Client.

11.4 Invoicing. ADP will notify Client of all applicable Services fees payable by Client by way of invoice or other method (i.e. ADP's on-line reporting tool). Client will pay the amount on each invoice or such other similar document in full pursuant to the agreed upon method of payment set forth in the Sales Order. All amounts not paid when due are subject to a late payment charge of one and one-half percent (1.5%) per month (not to exceed the maximum allowed by applicable law) of the past due amount from the due date until the date paid.

11.5 Currency. Client shall pay the fees in US dollars.

11.6 Taxes. Unless Client provides ADP a valid tax exemption or direct pay certificate, Client will pay directly, or will pay to ADP, an amount equal to all applicable taxes or similar fees levied or based on the Agreement or the Services, exclusive of taxes based on ADP's net income.

11.7 Postage, Shipping, Travel and Out-of-Pocket Expenses. ADP will invoice Client for postage charges, delivery charges, other third party charges, reasonable preapproved travel expenses, and travel-related out-of-pocket expenses, as necessary to provide the Services.

11.8 Funding Requirements and Disbursement Disclosures. With respect to Payment Services to be deducted by ACH or Pre-Authorized Debit, Client must have sufficient good funds for payment of the payroll obligations, tax filing obligations, wage garnishment deduction obligations, service fees (as applicable), expenses, and any other applicable charges, to be direct debited from Client's designated account no later than one (1) Business Day prior to the pay date for the applicable payroll (in the case of payroll processing services), or as otherwise agreed by the parties. For reverse wire clients, funds must be available (a) by 6:00 a.m. Pacific time on the Business Day immediately before the associated payroll check date (in the case of the ADP Employment Tax Services) and (b) by 6:00 a.m. Pacific time two (2) Business Days prior to the associated payroll check date for all other Payment Services. In consideration for the additional costs incurred by ADP in providing wire transfer service, Client agrees to pay a reasonable fee for each wire transfer. Notwithstanding the foregoing, ADP reserves the right to modify the aforementioned deadlines at any time and will communicate any such modifications to Client.

- 11.9 Change Control.** In the event either party requests a change in the scope of Services (including implementation services) or any rework is required by ADP as a result of a delay by Client in implementation of any Services (each a "Change Control Item"), the parties shall address such change request, if possible via ADP's change control process. Change Control Items and the cost associated with such changes (if any) to the Services shall be mutually agreed to by the parties and shall be defined in a statement of work agreed to by the parties, with the exceptions of Change Control Items that are required to be made by law or regulation applicable to the Services or to the duration of implementation services, which ADP will notify Client of prior to making the change.

12 Term; Termination; Suspension

- 12.1 Term; Termination for Convenience.** This Agreement is effective for the Initial Term and will automatically continue to be in effect thereafter until terminated by either party in accordance with the terms hereof. At any time after the Effective Date and subject to the Early Termination Fee set forth below, either party may terminate this Agreement or any Service upon ninety (90) days' prior written notice to the other party (except as otherwise set forth in this Section 12).
- 12.2 Termination for Cause.** Either party may terminate this Agreement for the other's material breach of this Agreement if such breach is not cured within sixty (60) days following notice thereof or in the event either party is the subject of a Termination Event. In addition, ADP may terminate this Agreement in the event Client fails to timely pay fees for Services performed within ten (10) days following notice that such fees are past due. ADP may also terminate this Agreement or the Services immediately on written notice to Client if the provision of Service to Client causes or will cause ADP or its Affiliates to be in violation of any laws, rules or regulations applicable to it including any sanction laws applicable to ADP or any Affiliate.
- 12.3 Suspension.** Without limiting the foregoing, the parties agree that Payment Services involve credit risk to ADP. Payment Services may be suspended by ADP (A) immediately following notice to Client (i) that Client has failed to remit sufficient, good and available funds within the deadline and via the method of delivery agreed upon as it relates to the applicable Payment Services, or (ii) if Client breaches any rules promulgated by the NACHA (or other similar local regulator) as it relates to ADP conducting ACH (or similar electronic payment) transactions on behalf of Client, and (B) with 24 hour notice if: (i) a bank notifies ADP that it is no longer willing to originate debits from Client's account(s) or credits for Client's behalf for any reason or (ii) the authorization to debit Client's account is terminated or ADP reasonably believes that there is or has been fraudulent activity on the account. If the Payment Services are terminated or suspended pursuant to Sections 12.2 or 12.3, Client acknowledges that ADP shall be entitled to allocate any funds in ADP's possession that have been previously remitted or otherwise made available by Client to ADP relative to the Payment Services in such priorities as ADP may determine appropriate, including reimbursing ADP for payments made by ADP on Client's behalf to a third party. If the Payment Services are terminated by ADP, Client understands that it will (x) immediately become solely responsible for all of Client's third party payment obligations covered by the Payment Services then or thereafter due (including, without limitation, for ADP Employment Tax Services, any and all penalties and interest accruing after the date of such termination, other than penalties and interest for which ADP is responsible under Section 7.3.3), and (y) reimburse ADP for all payments properly made by ADP on behalf of Client to any Payee, which has not been paid or reimbursed by Client. If the Payment Services remains suspended for 30 days, the affected Payment Service shall be deemed terminated on the 31st day following suspension.
- 12.4 Early Termination Fee.** In order for ADP to recoup certain costs associated with the Services provided under the Agreement in the event of an early termination prior to the expiration of the Initial Term, if Client terminates the Agreement for convenience pursuant to Section 12.1 or ADP terminates Agreement pursuant to Section 12.2 or 12.3, Client shall reimburse ADP for ADP's costs which shall be three (3) times the average monthly fee for the Services (the "Early Termination Fee"). If monthly fees for Services have not been payable at the time of termination, the average monthly fees shall be equal to the estimated monthly fees that would have been payable under the Agreement.
- 12.5 Additional Termination Provisions.**
- 12.5.1 Additional Termination Provisions for Pay Card Services.** In addition to any other terms and conditions of the Agreement, ADP may terminate the Pay Card Services as follows: (i) the Pay Card Services (or any feature thereof) in any designated jurisdiction may be terminated on 60 days' notice to Client if ADP or the Issuing Bank believes that any changes in any card network rules or NACHA rules, or changes to, or interpretations of, applicable law by any federal, state or local governmental authority, or any formal or informal order, instruction or directive communicated to ADP or the Issuing Bank by such authority make it commercially impractical to continue to provide the Pay Card Services (or any feature thereof) in such jurisdiction; or (ii) the Issuing Bank cancels the Pay Cards issued on behalf of Client (e.g., due to Client's non-compliance with its obligations) or advises ADP that it is no longer willing to service the Pay Card, provided that in such later instance ADP shall take commercially reasonable steps to engage a successor Issuing Bank, and provided further that ADP shall not be liable for any delay in providing the Pay Card Services during such search for a successor Issuing Bank.
- 12.5.2 Additional Termination Provisions for ADP Employment Tax Services.** If the ADP Employment Tax Services in the United States are terminated, Client's access to ADP websites containing Client's data will expire 90 days from the effective date of the termination, and Client will be responsible for downloading all relevant data, including Statements of Deposit (SODs) prior to the expiration of such access.
- 12.5.3 Additional Termination Provisions for Employment Verification Services.** ADP may, in its sole discretion, terminate the Employment Verification Services at any time upon 90 days prior written notice to Client should a Verification Agent notify ADP that it is no longer willing to provide the Employment Verification Services and ADP, after taking commercially reasonable steps, cannot engage a successor Verification Agent.
- 12.5.4 Additional Termination Provisions for ADP Time & Attendance Services.** If ADP determines that Client has failed to comply with any potentially applicable laws and regulations applicable to the Biometric Services, ADP may, in its sole discretion and upon notice to Client, immediately suspend or terminate the Biometric Services.

- 12.5.5 Additional Termination Provisions for Essential ACA Services.** If ADP reasonably determines that it can no longer provide all or any portion of Essential ACA Services due to changes in applicable law or application of existing law, ADP may, in its sole discretion and upon notice to Client, immediately terminate the applicable portion of Essential ACA Services.
- 12.5.6 Additional Termination Provision for ADP Workforce Now IT Management, Powered by Electric.** Client's access to ADP Workforce Now IT Management, Powered by Electric may terminate if (i) Human Resources Administration Services are terminated, (ii) the agreement between ADP and Electric AI, Inc. terminates or otherwise expires or (iii) the agreement between Client and Electric AI, Inc. terminates or otherwise expires.
- 12.5.7 Additional Suspension for ADP Compliance on Demand.** ADP may, in its sole discretion, immediately suspend access to ADP Compliance on Demand without prior notice to Client in the event Client posts or otherwise distributes any content online that is (i) inappropriate or otherwise objectionable, (ii) potentially violates the privacy or publicity right of a third party, or (iii) advertises any other site or business. In the event Client continues to post or distribute such content after access to ADP Compliance on Demand is restored, ADP shall have the right to terminate ADP Compliance on Demand.
- 12.5.8 Additional Suspension Provision for ADP Connect Services.** ADP may, in its sole discretion, immediately suspend access to ADP Connect Services without prior notice to Client in the event Client or Client's Users post or otherwise distribute any Objectionable Content. In the event Client or Client's Users continue to post or distribute such content after access to the ADP Connect Services is restored, ADP shall have the right to terminate ADP Connect Services.

13 Post Termination

- 13.1 Scope.** At any time prior to the termination of Client's access to the ADP Application Programs, Client may download Client's information or reports available to it in conjunction with all of the Services provided to Client by ADP. Under no circumstances will ADP be required to provide any third party with access to the ADP Application Programs, ADP's intellectual property or any Confidential Information of ADP.
- 13.2 Past Due Amounts.** If ADP has terminated this Agreement due to Client's failure to pay fees, ADP's obligations in Section 13.1 will be subject to Client's payment of all past due amounts and ADP may require Client to prepay for any services.

14 Additional Terms

- 14.1 ADP Employment Tax Services.** The following additional terms and conditions apply to the ADP Employment Tax Services:
- 14.1.1 Important Tax Information (IRS Disclosure) for U.S. Only.** Notwithstanding Client's engagement of ADP to provide the ADP Employment Tax Services in the United States, please be aware that Client remains responsible for the timely filing of payroll tax returns and the timely payment of payroll taxes for its employees. The Internal Revenue Service recommends that employers enroll in the U.S. Treasury Department's Electronic Federal Tax Payment System (EFTPS) to monitor their accounts and ensure that timely tax payments are being made for them, and that online enrollment in EFTPS is available at www.eftps.gov; an enrollment form may also be obtained by calling (800) 555-4477; that state tax authorities generally offer similar means to verify tax payments; and that Client may contact appropriate state offices directly for details.
- 14.2 Benefit Services.** The following additional terms and conditions apply to the Benefit Services:
- 14.2.1 Benefits Liaison.** Client shall designate in writing to ADP one or more contacts for the Benefit Services to serve as the Client Benefits Liaison, and such Client Benefits Liaison shall have the authority to (i) provide information, instructions and direction on behalf of the Client, each Plan Administrator and, if applicable, each "fiduciary" (as defined in Section 3(21) of ERISA) of each separate Plan, and (ii) grant or provide approvals (other than Amendments) required or permitted under the Agreement in connection with the Benefit Services.
- 14.2.2 Compliance of Benefit Plans.** Client shall furnish to ADP all necessary information and data for each Plan. Client shall be responsible for the final preparation, approval and submission of Plans and related amendments to applicable governmental authorities. Client is responsible for, and shall take measures required under state and federal law to assure the qualification and compliance of the Plans with such laws.
- 14.2.3 Disclaimer.** NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN OR IN THE SCOPE OF SERVICES, CLIENT EXPRESSLY ACKNOWLEDGES THAT ADP IS NOT THE "ADMINISTRATOR" OR "PLAN ADMINISTRATOR" AS DEFINED IN SECTION 3(16)(A) OF ERISA AND SECTION 414(g) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, RESPECTIVELY, NOR IS ADP A "FIDUCIARY" WITHIN THE MEANING OF ERISA SECTION 3(21), NOR IS ADP A "HEALTH CARE CLEARINGHOUSE" WITHIN THE MEANING OF SECTION 1171 OF THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996, AS AMENDED ("HIPAA") AND CLIENT SHALL NOT REQUEST OR OTHERWISE REQUIRE ADP TO ACT AS SUCH. FURTHER, ADP DOES NOT PROVIDE CLAIMS PROCESSING OR ANY OTHER COVERED FUNCTION WHICH WOULD CAUSE ADP TO BE CONSIDERED A BUSINESS ASSOCIATE AS DEFINED AT 45 CFR §160.103. ALL ENROLLMENT INFORMATION AND RELATED DATA COLLECTED BY ADP IS ON BEHALF OF CLIENT AND NOT ANY EMPLOYER-SPONSORED BENEFIT PLAN. ALL OTHER INFORMATION COLLECTED BY ADP FOR PROVIDING BENEFITS SERVICES IS CONSIDERED EMPLOYMENT RECORDS AND EXPLICITLY EXCLUDED FROM THE DEFINITION OF PROTECTED HEALTH INFORMATION AS STATED AT 45 CFR §160.103, AND IS NOT PROTECTED BY HIPAA'S PRIVACY RULE. SEE ALSO IDENTIFIABLE HEALTH INFORMATION: FINAL RULE, 67 FED. REG. 53,182, 53,192 (Aug. 14, 2002). ADP SHALL NOT EXERCISE ANY DISCRETIONARY AUTHORITY OR DISCRETIONARY CONTROL REGARDING MANAGEMENT OF ANY PLAN OR MANAGEMENT OR DISPOSITION OF ANY PLAN ASSETS. ADP SHALL NOT RENDER INVESTMENT ADVICE FOR A FEE OR OTHER COMPENSATION, DIRECT OR INDIRECT, WITH RESPECT TO ANY MONIES OR OTHER PROPERTY OF ANY PLAN, NOR DOES ADP HAVE ANY AUTHORITY OR RESPONSIBILITY TO DO SO. ADP

HAS NO DISCRETIONARY AUTHORITY OR DISCRETIONARY RESPONSIBILITY IN THE ADMINISTRATION OF THE PLAN(S).

14.2.4 Carrier Connections. ADP will, at Client's request, and for an additional charge as set forth on the Sales Order, provide Client with the following Carrier Connections services:

14.2.4.1 ADP will electronically transmit employee data, including employee benefits enrollment data, to Client's carriers or other third parties authorized by Client, and Client authorizes ADP to provide such transmission on Client's behalf. Commencement of carrier connection service is subject to Client completing the configuration setup of Client Content and the format for such transmission to the designated carriers.

14.2.4.2 ADP's ability to transmit Client Content data is subject to the provision by Client's designated carriers of a current functional interface between ADP's systems and the designated carriers' systems. ADP will not be obligated to transmit Client's data to designated carriers if at any time Client's designated carriers fail to provide the proper interface as described above. Client is responsible for promptly reviewing all records of carrier transmissions and other reports prepared by ADP for validity and accuracy according to Client's records, and Client will notify ADP of any discrepancies promptly after receipt thereof. In the event of an error or omission in carrier connection services caused by ADP, ADP will correct such error or omission, provided that Client promptly advises ADP of such error or omission.

14.2.5 Additional Third-Party Terms. During the Term of this Agreement, the Client's use of, and access to, the Benefit Services may be subject to additional terms of service which shall be included within the Benefit Services. Prior to enabling such Services, Client shall ensure that its Users of Benefit Services click through and accept such additional terms of service.

14.2.6 Technology Credit Program. ADP has a Technology Credit Program to accept technology credits from Strategic Carrier Partners and apply those funds to Client invoices for ADP benefits administration services, subject to the following additional terms:

14.2.6.1 As between Client and ADP, Client is solely responsible for (i) Client's acceptance of the Technology Credit; and directing ADP to apply such Technology Credit to offset Client's benefits administration Services fees; (ii) the determination whether the Technology Credit is a Plan Asset and the consequences resulting from such determination; and (iii) any compliance obligations that may arise under ERISA or other applicable laws as a result of Client's acceptance of the Technology Credit.

14.2.6.2 If Client elects to accept a Technology Credit, Client will instruct ADP how to apply such Technology Credit. ADP will verify all information provided by Client regarding the Technology Credit with the applicable Strategic Carrier Partner. Per Client direction, ADP will apply the Technology Credit to Client's invoice for benefits administration services fees no earlier than sixty (60) days following ADP's receipt of the Technology Credit from the Strategic Carrier Partner.

14.2.6.3 Client shall remain responsible for payment of the fees for the Services in accordance with the Agreement if the Strategic Carrier Partner fails to remit sufficient, good and available funds to ADP.

14.2.6.4 To the extent Client adds a Strategic Carrier Partner's benefits plan to Client's ADP Workforce Now benefits module, Client consents to ADP working with such carrier with respect to the Services, including sharing with such carrier that Client offers a benefits plan provided by such carrier.

14.3 WFN EI-9 Services. The following additional terms and conditions apply to the WFN EI-9 Services.

14.3.1 Use of Services. Client shall, and cause the members of the Client Group, receiving the WFN EI-9 Services to do the following:

14.3.1.1 Review the USCIS Form I-9, which is the employment eligibility verification form issued by the DHS, including instructions in the form and the guidelines in the current I-9 Handbook, each of which is available on the USCIS website, currently located at <http://www.uscis.gov/i-9central>. Client certifies that it has reviewed the current USCIS Form I-9 and the I-9 Handbook and that it agrees to comply with the applicable policy and procedures set forth therein, and any future new or amended policies or procedures, as required by law. Client will ensure availability of the most recent version of the USCIS Form I-9 and the I-9 Handbook to all employees authorized to complete the USCIS Form I-9 on behalf of Client and/or its Affiliates.

14.3.1.2 Client is responsible for reviewing reports available to Client on the WFN EI-9 Services and for resolving (or causing the applicable employee to take action to resolve) missing or incomplete Forms I-9. This includes communicating with the employee in question and the submission or resubmission of the missing or incomplete Form I-9.

14.3.1.3 ADP executed a Memorandum of Understanding with the DHS as the E-Verify employer agent. E-Verify is the DHS's employment eligibility verification program which allows participating employers to electronically verify the employment eligibility of each newly hired employee and/or employee assigned to a covered federal contract. The following is required as it relates to the use of E-Verify through ADP and will apply only to the extent Client is using E-Verify through ADP

14.3.1.3.1 Notify ADP of (i) the location(s) where Client elects to enroll; and (ii) whether the employer is a federal contractor or a federal, state or local government organization.

- 14.3.1.3.2 Execute a Memorandum of Understanding with the DHS and ADP (as its E-Verify employer agent), and comply with the terms and conditions set forth therein.
 - 14.3.1.3.3 Review and comply with the policy and procedures contained in the E-Verify User Manual for Employers, and any superseding policy and procedures, available to Client on the WFN EI-9 Service.
 - 14.3.1.3.4 To the extent the Client elects to have more than one company location participate in E-Verify, ensure all authorized users in each location have complied with all requirements of this Section.
 - 14.3.1.3.5 Ensure all of Client's authorized users (i) complete the mandated E-Verify training course and any applicable update courses administered by ADP and (ii) pass a knowledge test with the required score.
 - 14.3.1.3.6 Immediately notify ADP of any updates/changes to its E-Verify employer status (e.g., Client becomes a federal contractor or Client ceases being a federal contractor).
- 14.3.2 **Form I-9 Retention.** During the term of the Agreement, ADP will store electronic copies of Forms I-9 in the WFN EI-9 Services for a minimum of three years from the employee's hire date or until one year after the employee ceases to be employed by Client (or the applicable Affiliate), whichever is later (or as otherwise required by changes to federal regulations that come into effect hereafter). Upon termination or expiration of the Agreement, ADP shall use commercially reasonable methods to transfer all electronically stored Forms I-9 to Client in accordance with ADP's current security policies. Upon termination of the WFN EI-9 Services, Client shall be solely responsible for storage of copies of Forms I-9.
- 14.4 **Payment Services.** The following additional terms and conditions apply to the Payment Services:
 - 14.4.1 **Client Credentialing.** Client understands and acknowledges that the implementation and ongoing provision of Payment Services are conditioned upon Client passing (and continuing to pass) a credentialing process that ADP may deem necessary in connection with the provision of Payment Services.
 - 14.4.2 **Additional Requirements.** Payment Services may be subject to the rules and standards of any applicable clearing house, payment and/or card networks or associations. Client and ADP each agree to comply with all such rules and standards applicable to it with respect to the Payment Services.
 - 14.4.3 **Funding Obligations.** Client acknowledges that ADP is not a lender. As such, as a condition to receiving services, Client will remit or otherwise make available to ADP sufficient, good and available funds within the agreed-to deadline and via the agreed-to method of delivery to satisfy all of Client's third-party payment obligations covered by the Agreement. ADP will apply such funds to satisfy such third-party payment obligations. ADP will not be required to provide Payment Services if ADP has not received all funds required to satisfy Client's third-party payment obligations. Client will immediately notify ADP if it knows or should know that it will not have sufficient funds to satisfy the amounts required in connection with the Payment Services. If Client has a material adverse change in its condition, ADP may modify the funding method or deadline by which funds must be made available to ADP for payment to Payees. Client agrees to pay to ADP upon demand any amounts that have been paid by ADP to satisfy Client's third party payment obligations prior to receiving such amounts from Client.
 - 14.4.4 **Investment Proceeds; Commingling of Client Funds.** IF ADP RECEIVES CLIENT'S FUNDS IN ADVANCE OF THE TIME ADP IS REQUIRED TO PAY SUCH FUNDS TO THIRD PARTIES, ALL AMOUNTS EARNED ON SUCH FUNDS, IF ANY, WHILE HELD BY ADP WILL BE FOR THE SOLE ACCOUNT OF ADP. ADP may commingle Client's funds with similar funds from other clients and with similar ADP and ADP-administered funds. ADP utilizes a funds control system that maintains general ledger entries by client and/or by jurisdiction.
 - 14.4.5 **Recovery of Funds; Stop Payment Requests.** Client agrees to cooperate with ADP and any other third parties to recover funds erroneously issued or transferred to any Payee or credited to any Payee's account. If Client desires to stop payment on any check or to recall or reverse any electronic payment, Client will provide ADP with a stop payment request in the form required by ADP. Client acknowledges that ADP's placement of a stop order request is not a guarantee that such stop payment will occur.
- 14.5 **ADP Wage Payment Services.** The following additional terms and conditions apply to ADP Wage Payment Services:
 - 14.5.1 **ADPCheck; Direct Deposit.** Client agrees not to distribute any ADPChecks to Payees in a manner that would allow Payees to access the associated funds before pay date. Prior to the first credit to the account of any employee or other individual under ADP Direct Deposit Services, Client shall obtain and retain a signed authorization from such employee or individual authorizing the initiation of credits to such party's account and debits of such account to recover funds credited to such account in error.
 - 14.5.2 **Pay Card Services.** To the extent received, Client will be responsible for securing all welcome kits to prevent unauthorized access or use.
 - 14.5.2.1 **Cardholder Set-Up.** Client will set-up (or cause ADP to set-up) each Payee as a Cardholder using data and procedures required by the Issuing Bank or ADP. Client shall provide the appropriate card kit to Payees (i.e. payroll card kit for employees paid wages, commissions, or similar compensation and non-employee card kits for independent contractors). Further, Client shall obtain all necessary consents of each Payee (including those switching from another paycard program) included in submitted set-up data that is required under applicable law and rules, including NACHA, for Payee to (i) receive payments from Client on its Pay Card and (ii) participate in the Pay Card Services, and Client is responsible for reviewing and confirming that all enrollment information

supplied to ADP is accurate and complete. Prior to set-up of any Payee on the Cardholder database and distribution of a Pay Card to the Payee, Client will verify the Identity Verification Documents. Client shall obtain from the Payee and provide to ADP the following information: (a) name; (b) residential address (a P.O. Box is not acceptable); (c) date of birth; (d) social security number; and (e) personal telephone number. Client agrees to provide any additional information as may be required by ADP or the Issuing Bank. Client will not provide a Pay Card to individuals outside the United States without the express written consent of ADP. Client further agrees that ADP or Issuing Bank (directly or through a subcontractor) may seek identity information and legal documentation directly from the Payee to verify the identity of any Payee and that a Payee may be denied Pay Card Services for several reasons, including failure to validate the personal information of the Payee. For each Cardholder, Client will make and preserve either of the following: (1) a copy of the Identity Verification Documents; or (2) a description of the Identity Verification Documents, noting the date reviewed, type of document, and if applicable, the document's identification number, place of issuance and issuance and expiration date, provided Client will preserve a copy of all Identity Verification Documents for Payees who are form 1099 independent contractors. Client shall retain such documentation during the time that such Payee is a Cardholder until the earlier of (x) five years from termination of Client's obligation to make payments to such Payee or (y) five years from termination of such Payee's Pay Card account; provided, however, that in the event a longer retention period is required for the Issuing Bank or ADP to meet its legal obligations, as a result of a change in applicable law or official interpretations thereof, ADP shall provide notice of such longer retention period and Client shall retain such documentation for such longer retention period.

- 14.5.2.2 Enrolling Employees for Cards.** Prior to providing Payee's information to ADP to issue a permanent Pay Card or Client enrolling a Payee for an instant issue Pay Card, Client shall provide each Payee with the notice required under the USA Patriot Act which reads as follows: **"IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW PREPAID CARD ACCOUNT.** To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open a prepaid card account, we may require your name, address, date of birth, social security number, tax identification number and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents." The USA Patriot Act notice may be updated from time to time by ADP or the Issuing Bank. Prior to or in conjunction with distributing a Pay Card to any Payee, if applicable, Client shall remove the account routing information from the card kit. Client shall not, disclose or make available any such account routing (ABA/DDA) number to any Payee and shall always direct Payees to the Cardholder services telephone number to obtain such account routing (ABA/DDA) number. Payees must accept the Cardholder Terms and Conditions, and the Pay Card may be cancelled by ADP or the Issuing Bank at any time in accordance with the Cardholder Terms and Conditions. Client will provide Cardholders with any other information and materials regarding the Pay Card Services provided to it from time to time as determined by ADP. The amounts to be loaded to each Cardholder's Pay Card will be provided to ADP by Client through one of ADP's standard pay transmission methods available to Client or another means agreed to by ADP and Client.
- 14.5.2.3 Pay Card Status, Services and Communications.** Client is responsible for ensuring that Cardholders are paid via an alternate pay method in such instances where a Cardholder's Pay Card has not been activated, has terminated, cancelled or is in inactive status and even if a Payee has consented to receive their Permitted Payments by the Pay Card. Client will direct Cardholders to ADP's Cardholder services with respect to any Card inquiries, to resolve all disputes regarding their Pay Card and to report any lost or stolen Pay Cards, provided Client will resolve disputes by Cardholders regarding amounts credited or debited to the Pay Cards at the request of Client (e.g., credits as a result of payroll). Client understands that it is not entitled to access or review any Cardholder transaction information and that it has no right to draw back any amounts funded to the Pay Card other than due to an error. Notwithstanding the foregoing, in limited circumstances (e.g., where necessary to investigate or prevent fraud) and consistent with the applicable Cardholder privacy notice, ADP may provide certain Cardholder transaction information to Client. Cardholders may receive notices, mailings and other communications related to the Card and Card features (e.g., secondary cards, card portability, reward programs, etc.) from or on behalf of ADP or the Issuing Bank.
- 14.5.2.4 Issuing Bank.** All Pay Cards issued to Cardholders are the property of the Issuing Bank and are subject to cancellation by the Issuing Bank at any time in accordance with the Issuing Bank's Cardholder Terms and Conditions. The Pay Card Services may be modified as required by the Issuing Bank and as ADP may deem appropriate to assist ADP or the Issuing Bank in complying with its obligations, including legal and regulatory obligations.
- 14.5.2.5 Cardholder Fees.** Client acknowledges that separate fees as set forth on the fee schedule provided in the card kit prior to activation of the Pay Card will be applied to the Pay Card and are the responsibility of the Cardholder. Such Cardholder fees are subject to change in accordance with the Cardholder Terms and Conditions applicable to the Pay Cards.
- 14.5.2.6 Information Requests.** Client agrees that upon prior notice from ADP or the Issuing Bank, ADP, the Issuing Bank and any regulatory authorities with jurisdiction over the Issuing Bank or ADP shall have the right to inspect Client's books and records related to Client's use of the Pay Card Services and Client's performance of its obligations with respect thereto.
- 14.5.2.7 Third Party Beneficiary.** Notwithstanding anything to the contrary in the Global Master Terms and Conditions, Client agrees that the Issuing Bank (and its respective successors and assigns) is a third party beneficiary of this Agreement, but solely as it relates to the Pay Card Services, and is entitled to enforce each of the applicable provisions against Client as well as the limit on liability provisions of Section 7 of the Global Master Terms and Conditions, including in equity and in law, as if it or they were a party hereto.

14.6 ADP Time & Attendance Services. The following additional terms and conditions apply to the ADP Time & Attendance Services:

14.6.1 Time & Attendance Hardware.

14.6.1.1 If Client procures Time & Attendance Hardware, Client shall provide and maintain an installation environment (including all power, wiring and cabling required for installation) as specified in the manufacturer's product documentation and other written instructions provided to Client by ADP.

14.6.1.2 Regarding Time & Attendance Hardware provided on a subscription basis only, Client shall not make any alterations or attach any devices thereto that are not provided by ADP, nor shall Client remove same from the place of original installation without ADP's prior consent. All right and title in the Time & Attendance Hardware procured on a subscription basis is, and at all times shall remain, that of ADP and a separate item of personal property of ADP, notwithstanding its attachment to other items or real property, and promptly upon termination of the ADP Time & Attendance Services, for any reason whatsoever, Client shall, at its expense, return such Time & Attendance Hardware in good condition, in accordance with ADP's instructions, normal wear and tear excepted.

14.6.2 Biometric Services. Biometric Services are optional. In certain jurisdictions, there are laws and regulations that govern the collection, use, and retention of biometric information, which potentially may apply to Client's use of Biometric Services. To the extent Client elects to use Biometric Services, Client agrees to comply with all such potentially applicable laws and regulations in accordance with this section. In the event Client is unwilling to comply with laws and regulations potentially applicable to Biometric Services, Client will be able to continue to use ADP Time & Attendance Services without Biometric Services. The following terms and conditions apply to Biometric Services to the extent Biometric Services are part of the scope of Services:

14.6.2.1 Requirements for Receipt of Biometric Services. Before any Client or Biometric User is permitted to use any Biometric Services in a jurisdiction where laws and regulations potentially govern such use, Client will comply with the following requirements, in addition to any other requirements imposed by potentially applicable law (to the extent there is a conflict between the requirements below and the requirements of potentially applicable law, Client will comply with potentially applicable law):

14.6.2.1.1 Client Biometric Information Policy. Client will implement, distribute and make available to the public, a written policy establishing Client's policy with respect to the use of Biometric Data. Such policy will include:

14.6.2.1.1.1 a retention schedule and guidelines for permanently destroying Biometric Data;

14.6.2.1.1.2 a commitment to destroy Biometric Data when the initial purpose for collecting or obtaining such Biometric Data has been satisfied or within 3 years of the individual's last interaction with Client, whichever occurs first; and

14.6.2.1.1.3 any additional requirements as required by potentially applicable law.

14.6.2.1.2 Biometric User Notice and Consent. Client will provide notice to and procure and retain appropriate consents or releases from Biometric Users in the manner and to extent the same are required by potentially applicable law, including:

14.6.2.1.2.1 notifying Biometric Users in writing that Client, its vendors, and/or the licensor of Client's time and attendance software are collecting, capturing, or otherwise obtaining Biometric Users' Biometric Data, and that Client is providing such Biometric Data to its vendors and the licensor of Client's time and attendance software; such notice will specify the purpose and length of time for which Biometric User's Biometric Data is being collected, stored, and used;

14.6.2.1.2.2 obtaining a written release or consent from Biometric Users (or their legally authorized representative) authorizing Client, its vendors, and licensor of Client's time and attendance software to collect, store, and use the individual's Biometric Data for the specific purpose disclosed by Client, and authorizing Client to provide such Biometric Data to its vendors and the licensor of Client's time and attendance software; and

14.6.2.1.2.3 if requested by ADP, providing to ADP copies of the required consents or releases collected and retained by Client, and/or certifying to ADP that such consents or releases have been obtained.

14.6.2.1.3 Retention and Purging of Biometric Data. Client will work with ADP to ensure that Biometric Data is retained and purged in accordance with potentially applicable law. To the extent necessary for the purging or deletion of such Biometric Data, Client agrees to provide timely notification to ADP of the termination of the employment, or the satisfaction of the purpose for which Biometric Data was collected with respect to any given Biometric User. ADP is not responsible for Client's failure to provide timely notification of the termination of the employment, or the satisfaction of the purpose for which Biometric Data was collected with respect to any given Biometric User.

14.6.2.1.4 Storage of Biometric Data in Timeclocks. Client agrees that it shall use a reasonable standard of care consistent with potentially applicable law to store, transmit and protect from disclosure any

Biometric Data. Such storage, transmission, and protection from disclosure shall be performed in a manner that is the same as or more protective than the manner in which Client stores, transmits and protects from disclosure other confidential and sensitive information, including personal information that can be used to uniquely identify an individual or an individual's account or property, such as genetic markers, genetic testing information, account numbers, PINs, driver's license numbers and social security numbers.

14.6.2.2 Biometrics Indemnity. Subject to Sections 6.3 and 7, Client will defend ADP against any third party claims (including claims made by or on behalf of Biometric Users) and will indemnify and hold ADP harmless from resulting damage awards or settlement amounts in any cause of action to the extent such cause of action is based on any performance or breach of Client's obligations in connection with the Biometric Services, including any failure by Client to obtain consent from Biometric Users in connection with the use of the Biometric Services.

14.6.2.3 Third Party Beneficiary. Notwithstanding anything to the contrary in the Agreement, Client agrees that any licensor(s) of any applicable Biometrics Services (and their respective successors and assigns) are third party beneficiaries of this Agreement as it relates to Biometrics Services.

14.7 Tax Registration Services. ADP shall provide tax registration services as further described in this Section (the "Tax Registration Services") in accordance with and subject to the terms of this Agreement. The Tax Registration Services provided hereunder relate solely to ADP obtaining jurisdiction account numbers for employment tax as requested by Client. In receiving the Tax Registration Services hereunder, Client acknowledges the following:

14.7.1 Client understands that ADP will not perform Tax Registration Services in connection with the following events: (i) mergers and acquisitions; (ii) name, address or entity (corporate form) changes; (iii) applications to a state's Secretary of State; and (iv) closing of accounts with a state taxing agency.

14.7.2 As a third-party service provider, ADP's Services hereunder are consultative in nature. ADP is not representing Client in any dealings before any tax agencies. ADP's provision of the Tax Registration Services should not be construed as legal, tax, or accounting advice. Client should consult its legal, tax, or accounting advisors for such advice.

14.7.3 All submissions to the taxing jurisdiction will be (i) reviewed by Client prior to submission, when provided and (ii) signed by Client where necessary or Client will instruct ADP to affix electronically the Client signature provided by Client. By signing the documents or requesting that ADP affix Client's electronic signature, Client is confirming that (i) Client has reviewed the documents and/or data being submitted to the taxing jurisdiction and (ii) the information contained therein is complete and accurate.

14.7.4 By utilizing the Tax Registration Services, Client authorizes ADP to act on its behalf in obtaining jurisdiction employment tax account numbers including, but not limited to, affixing the electronic signature provided by Client to registration forms and other documentation, submitting forms to tax agencies and directly communicating with such agencies as necessary.

14.7.5 Client understands that ADP's Services are based solely on the information provided by Client and/or otherwise available for ADP in connection with the Services about Client's business established within a particular jurisdiction and other written correspondence that is in reply to ADP's questions regarding the registration process or otherwise provided by Client. Client authorizes ADP to rely upon such in providing the Tax Registration Services. ADP is not responsible for Tax Registration Services provided hereunder based on any inaccurate information supplied by Client or the failure by Client to provide ADP with information relating to the registration process.

14.7.6 Client understands that, for reasons beyond ADP's reasonable control, ADP may not be successful in securing an employment tax account number for Client in any particular jurisdiction.

14.7.7 ADP is not responsible for any penalties or interest incurred by Client as a result of ADP's failure to timely receive Client's identification numbers.

14.8 State Unemployment Insurance (SUI) Management Services. The following additional terms and conditions apply to the SUI Management Services:

14.8.1 Provision and Transfer of Information. Client will provide ADP with accurate, complete and timely information necessary for ADP to perform the SUI Management Services, including without limitations, the claimants' names, relevant dates, wage and separation information, state-specific required information, and other documentation to support responses to unemployment compensation agencies. Client will transfer this information via (i) on-line connection between ADP and Client's computer system or (ii) inbound data transmissions from Client to ADP, using mutually acceptable communications protocols and delivery methods. Client will promptly notify ADP in writing if Client wishes to modify the communication protocol or delivery method.

14.8.2 Definition of Claim; Claim Cap. For purposes of the SUI Management Services provided under this Agreement and billed to Client, a "claim" shall be defined as a claim notice generated by a state agency as a result of an individual filing for unemployment insurance benefits. In addition, Client acknowledges and agrees that (i) claim notices are typically generated for each state unemployment tax ID number under which an employee had worked and earned wages; (ii) state unemployment agencies generally issue multiple claim notices per individual as identified by a Social Security Number during the benefit eligibility period upon receiving a request for unemployment benefits; and (iii) all such claim notices require review ADP (e.g., including but not limited to, last employer claims, base period employer claims, periodic qualification claims, additional benefit claims, renewed claims and extended benefit claims). Client further acknowledges and agrees that an applicable claim cap applies to the fees for SUI Management Services and that the claim cap shall be stated on the Sales Order, and will be based on all claim notices processed by ADP as a result of an individual filing for

unemployment benefits. The number of claims counted for billing purposes will be reported to Client by ADP as "Claims Processed" via on-line reports.

14.9 ADP Wage Garnishment Payment Services. The following additional terms and conditions apply to the ADP Wage Garnishment Payment Services:

14.9.1 Description of Services. ADP will act solely in the capacity of a third party service provider of payment processing.

14.9.2 Client's Use of Services. Client agrees not to distribute any ADP Checks to Payees in a manner that would allow Payees to access the associated funds before pay date.

14.10 Employment Verification Services; Employee Authorized Disclosure. The following additional terms and conditions apply to the Employment Verification Services and Employee Authorized Disclosure:

14.10.1 Employment Verification Services. Client authorizes Verification Agents to disclose, on Client's behalf, Verification Data to Verifiers, who wish to obtain or verify any of Client's employees' (former employees', and if included in Client's payroll data, independent contractors' and former independent contractors') Verification Data. Verification Data will be disclosed to Verifiers who certify they are entitled to receive such data (as described below) pursuant to FCRA, and, in the case of income information requests, who additionally certify they have a record of the individual's consent to such disclosure or who utilize a salary key ("Employment Verification Services"). In accordance with FCRA, Verification Data may be provided to Verifiers where (i) the individual has applied for a benefit (such as credit, other employment or social services assistance); (ii) the individual has obtained a benefit and the Verifier is seeking to (a) determine whether the individual is qualified to continue to receive the benefit; and/or (b) collect a debt or enforce other obligations undertaken by the individual in connection with the benefit; or (iii) the Verifier is otherwise entitled under FCRA to obtain the Verification Data. In certifying they have a record of the individual's consent, Verifiers generally rely on the individual's signature on the original application as authorization for the Verifier to access the individual's income data at the time of the application and throughout the life of the obligation. Client understands that Verifiers are charged for commercial verifications processed through ADP or its Verification Agents.

14.10.1.1 Data Quality. If requested by ADP, Client agrees to work with ADP during implementation to produce a test file and validate Verification Data using validation reports made available by ADP or its Verification Agents. If Client uses ADP's hosted payroll processing services, ADP will update its system with the applicable Verification Data available in ADP's payroll processing system.

14.10.1.2 Notice to Furnishers of Information: Obligations of Furnishers of Information ("Notice to Furnishers"). Client certifies that it has read the Notice to Furnishers provided to Client at the following URL: <https://www.consumerfinance.gov/rules-policy/regulations/1022/m/1#ImageM2>. Client understands its obligations as a data furnisher set forth in such notice and under FCRA which include duties regarding data accuracy and investigation of disputes, and certifies it will comply with all such obligations. Client further understands that if it does not comply with such obligations, ADP may correct incorrect Verification Data on behalf of Client or terminate the Employment Verification Services upon 90 days prior written notice to Client.

14.10.1.3 Archival Copies. Notwithstanding anything to the contrary in the Global Master Terms and Conditions, Client agrees that, after the termination of the Employment Verification Services, ADP and its Verification Agents may maintain archival copies of the Verification Data as needed to show the discharge and fulfillment of obligations to Client's current and former employees and independent contractors and the provisions of Section 4 will continue to apply during the time that ADP and its Verification Agents maintain any such archival copies.

14.10.2 Employee Authorized Disclosure. ADP may disclose or use Personal Data of a Client's current or former employee or independent contractor where such individual requests and consents to such use or disclosure for the individual's personal benefit (e.g., to verify an individual's identity in connection with a bank account application) ("Employee Authorized Disclosure").

14.10.3 Continuation of Services. Client understands and agrees that Verification Data and/or Personal Data provided by Client or its vendors in connection with the Services may be used, subject to the terms and conditions of this Section, to provide Employment Verification Services and, at the individual's request, Employee Authorized Disclosures after this Agreement expires or is terminated.

14.11 Essential ACA Services. The following terms shall apply to Essential ACA Services.

14.11.1 Client must use ADP Workforce Now payroll, HR and benefits services in order to purchase and implement Essential ACA. For the avoidance of doubt, all Forms filed by ADP with the IRS on behalf of Client will be filed electronically; any Forms sent to Client for its employees by ADP shall be sent in paper form, and, if Client has ADP's iPay functionality, ADP will also make Forms accessible to Client employees electronically. It will then be Client's responsibility to distribute the Forms directly to its employees.

14.11.2 Client ACA Liaison. Client shall designate in writing to ADP the name of one person who shall serve as the Client ACA Liaison for Essential ACA), and such Client ACA Liaison shall have the authority to (i) provide information, instructions and direction on behalf of Client, and (ii) grant or provide approvals (other than Amendments) required or permitted under the Agreement in connection with Essential ACA. Client shall designate an alternate Client ACA Liaison in the event the principal Client ACA Liaison is not available.

14.11.3 Disclaimer. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN OR IN THE SCOPE OF SERVICES, CLIENT EXPRESSLY ACKNOWLEDGES THAT ADP IS NOT THE "ADMINISTRATOR" OR "PLAN

ADMINISTRATOR" AS DEFINED IN SECTION 3(16)(A) OF ERISA AND SECTION 414(g) OF THE CODE, RESPECTIVELY, NOR IS ADP A "FIDUCIARY" WITHIN THE MEANING OF ERISA SECTION 3(21). ADP SHALL NOT EXERCISE ANY DISCRETIONARY AUTHORITY OR DISCRETIONARY CONTROL RESPECTING MANAGEMENT OF ANY BENEFIT PLANS SPONSORED OR OFFERED BY CLIENT. ADP HAS NO DISCRETIONARY AUTHORITY OR DISCRETIONARY RESPONSIBILITY IN THE ADMINISTRATION OF THE CLIENT'S BENEFIT PLAN(S). ADP EXPRESSLY DISCLAIMS ANY WARRANTY, EITHER EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, NON-INTERRUPTION OF USE, AND FREEDOM FROM PROGRAM ERRORS WITH RESPECT TO ESSENTIAL ACA, THE ADP APPLICATION PROGRAMS OR ANY THIRD-PARTY SOFTWARE DELIVERED BY ADP.

14.11.4 Important Tax Information (IRS Disclosure): Notwithstanding Client's engagement of ADP to provide Essential ACA, please be aware that Client remains responsible for the timely filing of all required reports and filings, and the timely payment of Client penalty obligations. The Internal Revenue Service recommends that employers enroll in the U.S. Treasury Department's Electronic Federal Tax Payment System (EFTPS) to monitor their accounts and ensure that timely tax payments are being made for them, and that online enrollment in EFTPS is available at www.eftps.gov; an enrollment form may also be obtained by calling (800) 555-4477.

14.11.5 Additional Requirements. Client further understands that Essential ACA may be modified as ADP may deem appropriate to assist ADP in complying with its obligations.

14.12 ADP Marketplace and Use of ADP APIs.

14.12.1 Disclaimer. ADP may provide Client with access to the ADP Marketplace. Client acknowledges that any third party application or service purchased by Client through the ADP Marketplace is provided by a third party and not ADP and ADP makes no endorsements, representations or warranties (including any representations or warranties regarding compliance with laws) regarding such application or service. Client will enter into a relationship directly with the third party provider of such application or service. Any application or service purchased through the ADP Marketplace will be governed exclusively by the terms and conditions agreed to by Client and the third party provider and not by this Agreement. ADP will not provide any advice, service or support with respect to any third party application or service purchased on the ADP Marketplace.

14.12.2 Transmitting Information to Third Parties. In the event that Client elects to use an API to provide any Client Content or employee or plan participant information to any third party, Client represents that it has acquired any consents or provided any notices required to transfer such content or information and that such transfer does not violate any applicable international, federal, state, or local laws and/or regulations. ADP shall not be responsible for any services or data provided by any such third party.

14.12.3 Use of the ADP APIs. Client will use the ADP APIs to access Client's information only. Client may not use any robot, spider, or other automated process to scrape, crawl, or index the ADP Marketplace and will integrate Client's application with the ADP Marketplace only through documented APIs expressly made available by ADP. Client also agrees that Client will not (a) use the ADP Marketplace or any ADP API to transmit spam or other unsolicited email; (b) take any action that may impose an unreasonable or disproportionately large load on the ADP infrastructure, as determined by ADP; or (c) use the ADP APIs or the ADP Marketplace in any way that threatens the integrity, performance or reliability of the ADP Marketplace, Services or ADP infrastructure. ADP may limit the number of requests that Client can make to the ADP API gateway to protect ADP's system or to enforce reasonable limits on Client's use of the ADP APIs. Specific throttling limits may be imposed and modified from time to time by ADP.

14.13 ESS & MSS Technology. The following additional terms and conditions apply to the ESS & MSS Technology.

14.13.1 Client acknowledges that Client's employees or participants may input information into the self-service portions of the ADP Application Programs. ADP shall have no responsibility to verify, nor does ADP review the accuracy or completeness of the information provided by Client's employees or participants to ADP using any self-service features. ADP shall be entitled to rely upon such information in the performance of the Services under this Agreement as if such information was provided to ADP by Client directly.

14.14 ADP Compliance on Demand. The following additional terms and conditions apply to ADP Compliance on Demand:

14.14.1 Compliance Assistance. Client may have access to certain human resources or compliance professionals who may, in ADP's sole discretion, provide reasonable guidance or best practice recommendations to Client which Client may choose to follow. Client assumes all responsibility and risk arising from its use and reliance upon such recommendations. ADP may require Client to include its legal counsel in communications with such professionals. The ADP Compliance on Demand Services are not a substitute for advice of an attorney. Client agrees that ADP is not a law firm, does not provide legal advice or representation, and that no attorney-client relationship between ADP and Client exists or will be formed as part of the Services. ADP may discontinue access to human resources and compliance professionals in its discretion.

14.15 ADP Connect Services. The following additional terms and conditions apply to ADP Connect Services:

14.15.1 Additional Third-Party Terms. During the Term of this Agreement, Client's use and access to ADP Connect may be subject to additional terms of services which will be included within ADP Connect. Prior to enabling ADP Connect or certain functionality therein, Client shall ensure that its Users of ADP Connect click through and accept such additional terms of service.

15 Miscellaneous

- 15.1 Amendment.** This Agreement may not be modified, supplemented or amended, except by a writing signed by the authorized representatives of ADP and Client.
- 15.2 Assignment.** Neither this Agreement, nor any of the rights or obligations under this Agreement, may be assigned by any party without the prior written consent of the other party, such consent not to be unreasonably withheld. However, Client may assign any or all of its rights and obligations to any other Client Group member and ADP may assign any or all of its rights and obligations to any Affiliate of ADP, provided that any such assignment shall not release the assigning party from its obligations under this Agreement. This Agreement is binding upon and inures to the benefit of the parties hereto and their respective successors and permitted assigns.
- 15.3 Subcontracting.** Notwithstanding Section 15.2, ADP reserves the right to subcontract any or all of the Services, provided that ADP remains fully responsible under this Agreement for the performance of any such subcontractor. For the avoidance of doubt, third parties used by ADP to provide delivery or courier services, including the postal service in any country or any third party courier service, and banking institutions, are not considered subcontractors of ADP.
- 15.4 Entire Agreement.** This Agreement constitutes the entire agreement and understanding between ADP and Client with respect to its subject matter and merges and supersedes all prior discussions, agreements and understandings of every kind and nature between the parties. No party will be bound by any representation, warranty, covenant, term or condition other than as expressly stated in this Agreement. Except where the parties expressly state otherwise in a relevant exhibit, annex, appendix or schedule, in case of conflict or inconsistency between these Global Master Terms and Conditions and any such exhibit, annex, appendix or schedule, the Global Master Terms and Conditions will prevail and control. Purchase orders or statements of work submitted to ADP by Client will be for Client's internal administrative purposes only and the terms and conditions contained in any purchase order or statements of work will have no force and effect and will not amend or modify this Agreement.
- 15.5 No Third Party Beneficiaries.** Except as expressly provided herein or in an applicable exhibit, annex, appendix or schedule, nothing in this Agreement creates, or will be deemed to create, third party beneficiaries of or under this Agreement. Client agrees that ADP's obligations in this Agreement are to Client only, and ADP has no obligation to any third party (including, without limitation, Client's personnel, directors, officers, employees, Users and any administrative authorities).
- 15.6 Force Majeure.** Any party to this Agreement will be excused from performance of its obligations under this Agreement, except for Client's obligation to pay the fees to ADP pursuant to Section 11, for any period of time that the party is prevented from performing its obligations under this Agreement due to an act of God, war, earthquake, civil disobedience, court order, labor disputes or disturbances, governmental regulations, communication or utility failures or other cause beyond the party's reasonable control. Such non-performance will not constitute grounds for breach.
- 15.7 Waiver.** The failure by any party to this Agreement to insist upon strict performance of any provision of this Agreement will not constitute a waiver of that provision. The waiver of any provision of this Agreement shall only be effective if made in writing signed by the authorized representatives of ADP and Client and shall not operate or be construed to waive any future omission or breach of, or compliance with, any other provision of this Agreement.
- 15.8 Headings.** The headings used in this Agreement are for reference only and do not define, limit, or otherwise affect the meaning of any provisions hereof.
- 15.9 Severability.** If any provision of this Agreement is finally determined to be invalid, illegal or unenforceable by a court of competent jurisdiction, the validity, legality or enforceability of the remainder of this Agreement will not in any way be affected or impaired and such court shall have the authority to modify such invalid, illegal or unenforceable provision to the extent necessary to render such provision valid, legal or enforceable, preserving the intent of the parties to the furthest extent permissible.
- 15.10 Relationship of the Parties.** The performance by ADP of its duties and obligations under this Agreement will be that of an independent contractor and nothing contained in this Agreement will create, construe or imply an agency, joint venture, partnership or fiduciary relationship of any kind between ADP and Client. None of ADP's employees, agents or subcontractors will be considered employees, agents or subcontractors of Client. Unless expressly stated in this Agreement, none of ADP, its employees, agents or its subcontractors may enter into contracts on behalf of, bind, or otherwise obligate Client in any manner whatsoever.
- 15.11 Governing Law.** This Agreement is governed by the laws of the State of New York without giving effect to its conflict of law provisions.
- 15.12 Communications to U.S. Based Employees.** Client agrees that ADP may use Client's U.S.-based employee and/or participant name, email and mailing address to provide information about products and/or services offered by ADP directly such employees and/or participants. Client may elect for ADP to cease such communications upon 30 days' prior written notice. In addition, each communication sent by ADP will comply with applicable laws and will enable the recipient to opt-out of receiving additional similar communications from ADP.
- 15.13 Jurisdiction.** Any disputes that may arise between ADP and Client regarding the performance or interpretation of this Agreement shall be subject to the exclusive jurisdiction of the state and federal courts of New York, New York. The parties hereby irrevocably consent to the exclusive jurisdiction of the state and federal courts of New York, New York and waive any claim that any proceedings brought in such courts have been brought in an inconvenient forum. **THE PARTIES HEREBY IRREVOCABLY WAIVE THEIR RIGHT TO TRIAL BY JURY.**
- 15.14 Counterparts.** This Agreement may be signed in two or more counterparts by original, .pdf (or similar format for scanned copies of documents) or facsimile signature, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
- 15.15 Notices.** All notices required to be sent or given under this Agreement will be sent in writing and will be deemed duly given and effective (i) immediately if delivered in person, or (ii) upon confirmation of signature recording delivery, if sent via an internationally recognized overnight courier service with signature notification requested to Client at the address indicated on the signature page

hereof or to ADP at 99 Jefferson Road, Parsippany, New Jersey 07054, Attention: Legal Department or to any other address a party may identify in writing from time to time. A copy (which shall not constitute notice) of all such notices shall be sent to ADP at One ADP Boulevard, MS 425, Roseland, New Jersey 07068, Attention: General Counsel and to Client at the address indicated on the signature page hereof.

- 15.16 Survival.** Those provisions which by their content are intended to, or by their nature would, survive the performance, termination, or expiration of this Agreement, shall survive termination or expiration of this Agreement.




Gina Skibar
Deputy Director of HR and
Risk Management
City Of Bell
6330 Pine Ave
Bell, CA 90201-1221
United States


Sales Order

February 19 2026 | Quote #02-2025-692540

Recurring Fees and Considerations

Number of Employees: 176 on City Of Bell

 Per Processing	Count	Min	Base	Rate	Bi-Weekly
Workforce Now Payroll Solutions	176		\$62.00	\$5.32	\$998.32
▪ Essential Plus Payroll					
▪ Enhanced HR					
▪ HCM Analytics					
▪ Benefits Administration					
▪ Health & Welfare Carrier Connections					
Employment and Income Verification	176				\$0.00

 Monthly Processing	Count	Min	Base	Rate	Monthly
Workforce Manager Time and Attendance					
Hourly Employees	152			\$7.02	\$1,067.04
Salaried Employees	24			\$4.69	\$112.56
▪ Compliance on Demand					
Accruals and Leave	176			\$0.87	\$153.12
Advanced Scheduling	85			\$1.35	\$114.75
Additional Jurisdiction (if applicable)	2+				\$11.00/month
Estimated quantity of Wisely Pay Cards needed:	1				No Charge, included with Payroll processing
Wisely Now check for terms / off cycle payments					\$8.00 per transaction
Wisely Now check void and/or stop payments					\$10.00 per transaction
International Employees Rate (if applicable)					\$3.10/month
Courier Delivery (if applicable)					\$20.00 per delivery

 Annual Processing	Count	Min	Base	Rate
Year End Forms, W2s or 1099s	176			\$5.21

Other Considerations

Hardware and Other Fees	Count	Rate	Total
▪ Standard Connections - Vision Service Plan (VSP)	1	\$500.00	\$500.00
▪ Standard Connections - Delta Dental	1	\$500.00	\$500.00

Implementation	Total
▪ Implementation for Workforce Now Payroll Solutions	\$3,875.00
▪ Implementation for ADP Workforce Manager	\$5,375.00
▪ Implementation for Accruals and Leave	\$2,500.00
▪ Implementation for Advanced Scheduling	\$5,000.00

 Total Setup	\$69,800.00
Discount Value	(\$52,050.00)
Total Net Setup	\$17,750.00

Important Project and Billing Information

Billing for Payroll Processing Services, HCM and any module bundled into the single per employee per processing fee for payroll, is billed immediately following the client's first payroll processing. The billing count is based on the number of pays submitted during each processing period, therefore total billing may fluctuate.

Billing for Workforce Manager will begin on the date Workforce Manager is available for use by the CLIENT in a production environment. The billing count is based on all non-terminated lives in the Time Module, including managers/supervisors that need to approve time cards. Billing for add-on modules will include counts based on those lives specifically added and maintained by the practitioner.

Workforce Manager can only be used for tracking time for US associates only. Clients are prohibited from leveraging this solution to track time for anyone located outside the US.

Unemployment Claims in excess of the 10% claims cap will be billed at \$36.00 per claim. The fee for optional hearing representation is \$155.00 per appearance. Attorney representation required in certain states and is subject to change (currently: AZ, DE, KY, MO, NC, SC, SD, and WV). Representation fee not to exceed actual attorney fees. Optional service available through non-ADP affiliated attorneys. Attorneys will be retained on behalf of client for limited purpose of representing Client at the hearing. No referral fee applies. No attorney-client relationship exists or will be formed between ADP and Client.

Client intends to use Direct Deposit and Paycard and be fully paperless for Employee Pay Statements using ADP Self Service and/or ADP Mobile App to view all Pay and W2 information. By doing so, ADP will not charge a delivery fee unless something is in fact delivered.

Other

ADP's Fees for Service will be debited directly out of client's bank account of their choosing seven (7) days from invoice date. ADP will send all invoices to gskibar@cityofbell.org

Expiration Date: 1/20/2026

Summary

Estimated Annual Net Investment:	\$44,242.92	Total Net Implementation:	\$17,750.00
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The ADP Services Listed on this Sales Order are provided at the prices set forth herein and in accordance with the ADP Master Services Agreement (or other similar agreement governing ADP's services), which shall include any appendix, exhibit, addendum, schedule or other similar document attached thereto or accompanying this Sales Order. By signing below you are acknowledging and agreeing to such terms and conditions and to the listed prices.

ADP, Inc.

Client: City Of Bell

Signature: _____

Signature: _____

Name: Emily Bahr

Name: _____

Title: UpMarket District Manager

Title: _____

Date: 02/19/2026

Date: _____

Included Services

Essential Plus Payroll

- Tax Filing Service
- Payment Services
- Employee Discount Program
- New Hire Reporting
- General Ledger Solution
- Conversational Virtual Assistant
- Wisely Pay Card Services

Enhanced HR

- Employee Development Tracking
- Paid Time Off Accruals Engine
- Multiple Languages & Currencies
- Country Specific Workflows & Processes
- Country Specific Formatting & Custom Fields
- Secure Online Document Storage with Role Based Security, Search & Audit Functionality
- Communication Broadcasts

HCM Analytics

- Pre-Configured Key Performance
- Executive Dashboard

Benefits Administration

- Multiple Benefit Plan Types
- Flexible Rate Structures (Age Banded & Salary Tiers)
- ACA Measurement Dashboard
- Evidence of Benefit Offering Screens
- Annual 1094-C Filing

IT Management Core

- Buy, ship, manage and reassign employee hardware

Health & Welfare Carrier Connections

- Integration with insurance carriers for enrollment and eligibility
- Real-time API integration with strategic carrier partners

Workforce Manager Time and Attendance

- Multiple Time Collection Methods
- PTO Management & Reporting
- Request & Approval Workflows
- WFM Manager and Employee Self Service Training
- 100% mobile for supervisors and employees

Compliance on Demand

- Federal, state and local regulatory content
- Proactive legislative alerts from ADP

Employment and Income Verification

- Commercial Employment and Income Verifications
- Social Services Verifications
- Workers Compensation Verifications

- Employee and Manager Self Service
- Access to Mobile Apps
- Wage Garnishment Processing
- Group Term Life Auto Calculation
- Intelligent Insights for Employee Issue Resolution
- Online Reports and Pay Statements

- New Hire Onboarding / I-9 Workflow
- Compliance Reporting
- Organization Charting
- Policy Acknowledgement
- Total Rewards Statements
- Employee Feedback and Sentiment Surveys
- ADP Connect News Feed and Recognition Tools

- Ability to Customize Additional KPIs
- Pay Equity Storyboard

- Dependent & Beneficiary Tracking
- Notifications & Approvals
- Invoice Auditing
- Annual 1095-C Forms
- Employee Open Enrollment with Personalized Decision Support

- Easily retrieve laptops when offboarding employees

- Pass changes tied to new hires, life events, open enrollment and terminations
- EDI integration for enrollment and eligibility with more than 700 carrier partners

- Rule Based Calculations
- Web Native
- Attestation Toolkit

- An ADP client community discussion forum
- Access to ADP compliance experts

- Client access to Electronic Reports and Tools
- Immigration Verifications

Thank you for your consideration

**ADDENDUM
to
GLOBAL MASTER SERVICES AGREEMENT
between
ADP, Inc. and City Of Bell**

This addendum ("**Addendum**"), made and effective as of the date of the last signature hereto between ADP, Inc. ("**ADP**") and City Of Bell ("**Client**"), contains changes, modifications, revisions and additions to the ADP Global Master Services Agreement dated of even date herewith between ADP and Client (as amended herein, the "**Agreement**").

In consideration of the mutual covenants contained in the Agreement and in this Addendum, and for other good and valuable consideration, notwithstanding anything to the contrary in the Agreement, ADP and Client agree as follows:

1. Section 1.2 (General) of the Global Master Terms and Conditions of the Agreement is amended by adding the following new definition to the end of the Section and all references to "gross negligence" within the Agreement shall be replaced with the defined term "Gross Negligence":

"Gross Negligence" shall be defined as: (1) willful, wanton, careless or reckless conduct, misconduct, failures, omissions, or disregard of the duty of care towards others of a risk known or so obvious that the actor must be taken to have been aware of it, and with an intent to injure or so great as to make it highly probable that harm would follow and/or (2) failure to use even the slightest amount of care, or conduct so reckless, as to demonstrate a substantial lack of concern for the safety of others. For the avoidance of doubt, Gross Negligence must be more than any mere mistake resulting from inexperience, excitement, or confusion, and more than mere thoughtlessness or inadvertence or simple inattention."

2. Section 5.4 (Improvements) of the Global Master Terms and Conditions of the Agreement is amended by revising the last sentence to read the following: "If Client fails to implement Improvements provided or made available to Client by ADP, ADP shall be relieved of any responsibility for errors or degradation in the Services that are related to such Improvement(s) and ADP's obligation to provide support for the ADP Application Programs may be limited as it relates to the Services to the extent related to the unimplemented Improvement."
3. Section 7.1 (Ordinary Cap) of the Global Master Terms and Conditions of the Agreement is amended by revising the section to read the following: "Notwithstanding anything to the contrary in this Agreement and subject to the remainder of this Section 7, neither party's aggregate liability in any calendar year shall exceed an amount equal to twelve (12) times the average ongoing monthly Services fees paid or payable to ADP by Client during such calendar year for all Services (the "**Ordinary Cap**")."
4. Section 7.2 (Extraordinary Cap) of the Global Master Terms and Conditions of the Agreement is amended by revising the section to read the following: "As an exception to Section 7.1, if damages arise from a breach of Section 4 (Confidentiality), Section 9.3 (Data Security) or Section 9.4 (Unauthorized Third Party Access), the Ordinary Cap will be increased by an additional twelve (12) times the average ongoing monthly Services fees paid or payable to ADP by Client during such calendar year for all Services (the "**Extraordinary Cap**"). For the avoidance of doubt, in no case shall either party's aggregate liability in any calendar year under this Agreement exceed an amount equal to twenty-four (24) times the average monthly ongoing Services fees paid or payable to ADP by Client during such calendar year for all Services."
5. Section 9.3 (Data Security) of the Global Master Terms and Conditions of the Agreement is amended by adding the following to the end of the section: "ADP will, as soon as possible, notify Client of such suspension and the reason therefore."
6. Section 11.8 (Funding Requirements and Disbursement Disclosures) of the Global Master Terms and Conditions of the Agreement is amended by revising the last sentence to read the following: "Notwithstanding the foregoing, ADP reserves the right to modify the aforementioned deadlines at any time and will communicate any such modifications to Client at least thirty (30) days in advance of such modification taking effect."
7. Section 15.6 (Force Majeure) of the Global Master Terms and Conditions of the Agreement is amended by adding the following to the end of the section: "For purposes of clarity, if because of a Force Majeure event, Client cannot

pay ADP's fees for Services provided prior to or during a Force Majeure event, Client's payment obligation is not excused but is postponed until the Force Majeure event has ended."

8. Section 15.11 (Governing Law) of the Global Master Terms and Conditions of the Agreement is amended by replacing "New York" with "California".
9. Section 15.13 (Jurisdiction) of the Global Master Terms and Conditions of the Agreement is amended by revising the section to read the following: "Any disputes that may arise between ADP and Client regarding the performance or interpretation of this Agreement shall be subject to the exclusive jurisdiction of the state and federal courts of the non-moving party. The parties hereby irrevocably consent to the exclusive jurisdiction of the state and federal courts of the non-moving party and waive any claim that any proceedings brought in such courts have been brought in an inconvenient forum."

All other terms and conditions of the Agreement remain in full force and effect. In the event of any conflict between the terms and conditions of this Addendum and the terms and conditions of the Agreement, this Addendum shall prevail. The terms defined in the Agreement and used in this Addendum shall have the same respective meanings as set forth in the Agreement, unless clearly otherwise defined in this Addendum. This Addendum may be executed in multiple original copies, identically worded, and each such executed copy constitutes an original. Electronic signatures in connection with the electronic signature delivery system utilized by ADP and signatures transferred in .pdf or a similar format for scanned copies of documents are original signatures for all purposes of this Addendum and the Agreement.

IN WITNESS WHEREOF, this Addendum to the Agreement is hereby executed by an authorized representative of each party hereto as of the last date below.

ADP, Inc.

City Of Bell

[ADP Signature]

[Client Signature]

[ADP Name]

[Client Name]

[ADP Title]

[Client Title]

[ADP Date]

[Client Date]

AGENDA ITEM 7

City of Bell Agenda Report

DATE: February 25, 2026

TO: Mayor and Members of the City Council

FROM: Rita Montalvo, P.E., Public Works Director

APPROVED BY: 
Michael L. Antwine II, City Manager

SUBJECT: Pritchard Field Improvement Project Phase 2 – Award of Construction Contract Update

RECOMMENDATION:

It is recommended that the City Council receive and file this report.

BACKGROUND:

In 2021, the City secured funding through the 2018 Parks Bond Act (Prop 68) in the amount of \$4,499,388 for the development of a new park at Pritchard Field site, located at 7010 Walker Avenue.

The overall project includes construction of a new park facility with amenities such as playground equipment with rubberized safety surfacing, outdoor fitness equipment, shade structures, a prefabricated restroom/office building, picnic tables, benches, trash receptacles, park and pedestrian lighting, concrete and decomposed granite walkways, an entry monument structure, perimeter fencing, irrigation systems, landscaping, tree planting, and related improvements necessary for completion of the project.

In March 2024, the City was notified by Congressman Garcia's office that it had been awarded \$1.1 million through the Community Project Funding Program administered by the U.S. Department of Housing and Urban Development (HUD) for the Pritchard Field Improvement Project.

In order to receive federal funding, the City must complete several regulatory requirements, including compliance with the National Environmental Policy Act (NEPA) and execution of a funding agreement with HUD. To avoid delays associated with federal approvals, staff recommended dividing construction into two (2) phases.

Phase 1 consisted of improvements in the northern portion of Pritchard Field, including installation of playground equipment with rubberized safety surfacing, outdoor fitness equipment, shade structures, a prefabricated restroom/office building, picnic tables, benches, trash receptacles, concrete and decomposed granite walkways, pedestrian lighting, irrigation, landscaping, and related improvements.

On July 24, 2024, the City Council awarded a construction contract in the amount of \$2,634,589.50 to Kasa Construction, Inc. for Phase 1 of the project. A Notice to Proceed was issued on September 16, 2024. Construction began on September 23, 2024, and was completed on July 31, 2025.

On August 27, 2025, the City Council approved completion of Phase 1 and authorized issuance of a Notice of Completion to KASA Construction, Inc. in the amount of \$2,672,463.75.

Phase 2 includes construction of improvements in the southern portion of Pritchard Field, including a Dog Park, Parking lot, picnic shelters, installation of irrigation and landscaping, construction of the Entry Monument (Park Name Sign), and Public Right-of-way improvements such as: driveway approaches, curb and gutter, and sidewalk.

DISCUSSION:

The City issued a Notice Inviting Bids for Phase 2 on December 2 & 9, 2025. Bids were opened on January 8, 2026. There were nine (9) bids that were received, with bid amounts ranging from \$1,288,888.00 to \$1,892,450.00. A summary of the bids is listed below:

	Contractor	Bid Amount
1	Shiraz Construction	\$1,288,888.00
2	FS Contractor, Inc	\$1,295,662.50
3	Western State Builders, Inc	\$1,380,882.25
4	ARC Construction, Inc	\$1,466,247.20
5	Oppenheimer National	\$1,588,923.70
6	KASA Construction, Inc	\$1,657,678.50
7	Axiom Group	\$1,771,478.19
8	Addison Miller, Inc	\$1,892,450.00
9	Ramirez Company	Not provided

Staff are currently reviewing each bid submitted for compliance with the City's RFP process and Public Contract code requirements; such as documentation, evaluations, and preparing project documents necessary for contract award.

At this time, the City cannot award the construction contract until HUD issues an Authorization to Use Grant Funds (AUGF). To obtain this authorization, the City must complete an Environmental Assessment (EA) in accordance with NEPA and HUD requirements under 24 CFR Part 58. This has been very complicated and a different process as the City has experienced delays and impediments with HUD as it relates to the release of funding and approval of the environmental reports and financial grant award forms needed to receive authorization to proceed. To assist with coordination with HUD, staff has hired a consultant to assist the city in this process, for which we anticipate will be completed within the next two months.

The City is currently working with Transtech Engineering for Project Management and Construction Management services, and CSG Consultants for the preparation of the required Environmental Assessment. Once the Environmental Assessment (EA) is completed, it must be submitted to HUD for review, posted on the City website, made available at City Hall, published

in the adjusted newspaper, and subject to a 15-day public comment period. If no public comments are received, or once any comments are addressed, HUD will conduct its review, which may take approximately 15 additional days. Upon HUD approval and issuance of the AUGF, the City may proceed with awarding the construction contract.

The Environmental Assessment is anticipated to be completed in early March. Following the required public review and HUD approval process, staff anticipate bringing the construction contract award to the City Council in April 2026, with construction expected to commence in by the end of April 2026.

Phase 1 Opening:

With Phase 1 construction completed, staff is in the process of preparing the park to be opened to the public by April 2026. There are several key items required for the opening of Phase 1, for which staff is in the process of completing within the next 30 to 45 days.

These items include, but not limited to:

- Assigning a new Community Services Department staff member to oversee park operations
- Landscape and Maintenance Improvements to Irrigation system
- Purchase and Installation new Security Cameras at key locations within the park
- Installation of Temporary fencing to secure Phase 2 during construction
- Installation of IT equipment in the office building
- Temporary lighting improvements as needed
- Installation of new Temporary fencing around the perimeter of the park (non-operating hours)
- Create a temporary parking lot on City-owned property for visitor access

These measures will support a safe and orderly opening of Phase 1 and Phase 2 improvements are being constructed.

FISCAL IMPACT:

There is no impact to the General Fund. The project is funded through:

- \$4,499,388 from the 2018 Parks Bond Act (Prop 68)
- \$1.1 million HUD funds

ATTACHMENT:

Attachment A – Pritchard Field Park (PH1 & PH2)

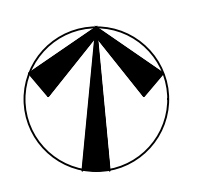


PHASE 1
AREA

PHASE 2
AREA

- CONSTRUCTION NOTES**
1. QUANTITIES ARE GIVEN FOR ESTIMATING PURPOSES ONLY. CONTRACTOR WILL BE RESPONSIBLE FOR INSTALLING MATERIAL IN ALL AREAS AS DESIGNATED ON PLAN.
 2. ALL PRODUCTS SHALL BE INSTALLED PER MANUFACTURE'S RECOMMENDATION.
 3. AUTOCAD FILES WILL BE PROVIDED TO CONTRACTOR PRIOR TO CONSTRUCTION FOR USE IN SURVEYING OF DEMOLITION AND IMPROVEMENTS.
 4. ALL AREAS DAMAGED OUTSIDE OF THE LIMIT OF WORK DURING CONSTRUCTION WILL BE REPAIRED BY THE CONTRACTOR, AT NO ADDITIONAL COST TO THE CITY.

PLAN CROSS REFERENCE:
FOR CORRESPONDING IRRIGATION PLANS, REFER TO SHEET IP-1
FOR CORRESPONDING PLANTING PLANS, REFER TO SHEET PP-1



REVISIONS				 6840 INDIANA AVE SUITE 100 RIVERSIDE, CALIFORNIA 92506 LIC.#2799 PH. (951) 781-1930 doug@rhala.com	 SEAL	COMPANY INFO 222 S. HARBOR BLVD 8th floor ANAHEIM, CA 92805 (714) 4490-5555 www.imegcorp.com	Prepared by: John M. Thompson	Date: 10/18/2023	 Home...in the center of it all	CITY OF BELL		DWG. NO. CP-1
NUMBER		DATE	INITIALS				APPROVED	City Approval:		Department of Public Works - Engineering Division		
1		02/14/2024	PLAN CHECK SUBMITTAL					Reviewed by: XXXX Public Works Director / City Engineer, RCE		PRITCHARD FIELD PARK		
2								Accepted by: XXXX Public Works Director / City Engineer, RCE		CONSTRUCTION PLAN		
3					Checked by: RG	Development Reference:				Project No.	Drawing No.	Sheet 2 of 42
4					Drawing File: XXXX							

N:\Projects\33p\33p128 Pritchard Field Park\AutoCAD\RI\H\CD\23128_CP.dwg - LAST PLOTTED ON Thu 02/15/24 - 10:29AM BY Erik

AGENDA ITEM 8

City of Bell Agenda Report

DATE: February 25, 2026

TO: Mayor and Members of the City Council

PREPARED BY: David Aleshire, City Attorney
Anne Nelson Lanphar, Assistant City Attorney
Michael L. Antwine II, City Manager

FROM: Michael L. Antwine II, City Manager

APPROVED: 
Michael L. Antwine II, City Manager

SUBJECT: Approval of a Purchase and Sale Agreement between the City of Bell and Chester D. Lomax and Rosa A. Lomax, Trustees of the Chet and Rosa Lomax Revocable Trust dated 6/16/05 for acquisition of the real properties located at 6411, 6425 and 6429 Woodward Avenue (APNs. 6326-001-014, 015, 017, 018 and 019)

RECOMMENDATION:

It is recommended that the City Council approve the Agreement for Purchase and Sale of Real Property under Threat of Condemnation and Joint Escrow Instructions by resolution as follows:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELL, CALIFORNIA, APPROVING A PURCHASE AND SALE AGREEMENT WITH CHESTER D. LOMAX AND ROSA A. LOMAX, TRUSTEES, FOR THE ACQUISITION OF THOSE CERTAIN RESIDENTIAL PROPERTIES LOCATED AT 6411, 6425 AND 6429 WOODWARD AVENUE IN THE CITY OF BELL

BACKGROUND:

Chester D. Lomax and Rosa A. Lomax, Trustees of the Chet and Rosa Lomax Revocable Trust dated 6/16/05 ("**Owner**") own those certain residential real properties located at 6411, 6425 and 6429 Woodward Avenue (APNs. 6326-001-014, 015, 017, 018 and 019 ("**Property**"). The Property is comprised of multiple buildings containing twelve (12) residential units all of which are currently occupied by tenants pursuant to executed leases.

City currently owns the real property parcels to the east, south and north of the Property including APNs 6326-001-900, 901, 902, & 903 ("**City Owned Properties**"). The City Owned Properties are approximately 2.2 acres and were formerly occupied by a Shoe City Store which was abandoned and then burned down, and before that was the site of the Sopp Chevrolet Auto Dealership (Sopp).

Sopp was for many years the economic engine of the City as the largest and most successful sales tax generator. However, trends changed in the auto industry and other cities developed Auto Centers, with larger spaces for auto storage, and downtown sites away from the freeway faded. Sopp closed over 20 years ago, and no other commercial uses came other than Shoe

City. Previously, a grocery store was proposed at some point, but the City Council recognized that for long term restoration of economic sustainability, it needed a significant development at this strategic center.

In 2017, the City acquired the City Owned Properties. The city went through several processes to explore the potential for development. The City worked on several different site plans but found that the potential for development was very limited if the Lomax Property was left out—it was the “hole in the donut”. However, the Owner had a well-maintained 12-unit property they had managed for decades with stable tenants.

For over the past 5 years staff have tried to initiate negotiations with the property owner and suggested they might not like a grocery store with a busy clientele—but they were not interested in a sale. In fact, over a year ago one of the developers we had talked to offered them over \$4M for the property, but the Owner turned them down.

With more passage of time, the Council directed that we again approach the Owner, and this time they showed real interest, if the City was willing to negotiate a higher price than they had been offered in 2024. Even though the purchase price is above our appraisal of fair market value, the Council has directed that we proceed for the following reasons:

- 1 We have spent 10 years trying to find the right use for the City’s future City Center—and learned without the addition of the Lomax Property, we cannot find the right use.
- 2 The Lomax Family Trust has finally decided to move forward, and we must grab this opportunity when available.
- 3 There is other property across Woodward available which may make for an even larger site—a unique opportunity now that we no longer have the powers of redevelopment.
- 4 In exchange for the higher price, the Owner has agreed to carry a significant part of the purchase price back with a low interest loan to allow the City to carry the transaction over two (2) budget years.

The Council knows that the community has been very frustrated by the long development cycle—with some of our most valuable land sitting empty. We’ve had to work over major obstacles to make this come together. With this purchase, we have overcome the most difficult obstacle and will now have an attractive site to offer the development community.

DISCUSSION:

City obtained an appraisal issued by R.P. Laurain & Associates Incorporated dated July 15, 2025 which established the value of the Property at \$3,725,000.

Owner was initially not interested in selling their Property. Aware that the acquisition of the Property by use of eminent domain would increase the costs of acquisition and also delay the acquisition, City Staff has negotiated an acquisition purchase price of \$5,500,000.

City Staff and Owner have negotiated the acquisition of the Property pursuant to the terms set forth in that certain Agreement for Purchase and Sale of Real Property under Threat of Condemnation and Joint Escrow Instructions (“**Purchase & Sale Agreement**”) which includes the following terms:

- City is to acquire the Property in AS-IS condition.

- City is to deposit into escrow the sum of \$250,000 ("**Deposit**"). Escrow is to release \$240,000 of the Deposit to Seller.
- The purchase price of \$5,500,000 will be paid as follows:
 - \$1,450,000 will be paid by a promissory note secured by a deed of trust on the Property bearing simple interest at 4% per annum with monthly payments equal to interest only. The note will be due and payable 2 years from the closing.
 - \$4,050,000 will be paid in cash at closing.
- City has the right to conduct due diligence with respect to the Property including environmental studies, soils reports, asbestos and lead paint studies, and other investigations as City may request. If City does not approve the due diligence information, it can refuse to acquire the Property but will forfeit the Deposit to Owner. City has previously conducted environmental investigations on the City Owned Properties adjacent to the Property.
- Owner makes standard representations and warranties to the best of Owner's knowledge.
- Owner has provided City with copies of all tenant agreements, a rent roll, contracts affecting the Property, maintenance and repair history for the last 5 years, and real estate tax bills for the last 3 years.
- At Closing, City will assume all existing tenant leases, and all security deposits will be transferred to City.
- Escrow is to close on or before July 31, 2026.
- Escrow and title insurance services are provided by Fidelity National Title Insurance Company.
- City is to pay all escrow and closing costs including title insurance, escrow, etc. which is consistent with acquisitions by the eminent domain process.

STRATEGIC PLAN 2023-25:

This agenda item aligns with the City of Bell 2023-25 Strategic Plan:

Target 1: Energizing Economic Potential

Goal 1: Implement Improvements to Atlantic Avenue and Gage Avenue

Goal 4: Sell Surplus Land

Target 2: Building Bridges Through Communication

Goal 4: Developing Branding and Image for the City of Bell

Target 3: Elevating Quality of Life

FISCAL IMPACT:

The acquisition cost for the property is \$5,500,000 as purchase price plus all closing costs with City's General Fund.

ATTACHMENTS:

1. Purchase and Sale Agreement
2. Resolution 2026-10

**AGREEMENT FOR PURCHASE AND SALE
OF REAL PROPERTY UNDER THREAT OF CONDEMNATION
AND JOINT ESCROW INSTRUCTIONS**

THIS AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY UNDER THREAT OF CONDEMNATION AND JOINT ESCROW INSTRUCTIONS ("**Agreement**") is made this ____ day of _____, 2026 ("**Agreement Date**") by and between CHESTER D. LOMAX AND ROSA A. LOMAX, TRUSTEES OF THE CHET AND ROSA LOMAX REVOCABLE TRUST dated 6/16/05 ("**Seller**") and the CITY OF BELL, a California charter city ("**Buyer**"), with FIDELITY NATIONAL TITLE INSURANCE COMPANY as escrow holder and title company ("**Escrow Holder**" and "**Title Company**").

RECITALS:

A. Seller owns that certain residential real properties commonly identified as 6411, 6425 & 6429 Woodward Avenue in the City of Bell, County of Los Angeles, State of California (APNs 6326-001-014, 015, 017, 018 & 019) as legally described in Exhibit A attached hereto which is improved with multiple buildings containing twelve (12) residential units ("**Real Property**"). The Real Property also has certain fixtures and improvements as well as personal property used for its leasing, maintenance and operation and window coverings in the units.

B. Seller desires to sell the Real Property together with its ownership interest in the personal property to Buyer and Buyer desires to purchase same on the terms and conditions set forth herein.

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

TERMS AND CONDITIONS:

1. PURCHASE AND SALE.

1.1 *Property.* Buyer hereby agrees to purchase from Seller and Seller agrees to sell to Buyer, the Real Property and Personal Property (as defined in Section 1.2) in AS-IS Condition subject to the terms and conditions of this Agreement.

1.2 *Additional Property Included in Sale.* In addition to the Real Property, Seller is also selling to Buyer all of Seller's interest in all furniture, personal property, machinery, apparatus and equipment owned by Seller and currently used in the leasing and operation of the Real Property ("**Personal Property**"), including the following:

(a) Seller's interest in all signs, logos, advertising trade names or styles relating to the Real Property, if any;

(b) Seller's interest in the Tenant Rental Agreements as defined in Section 7.1;

(c) Seller's interest in any transferable guaranties and warranties covering all or any part of the Real Property or Personal Property, if any;

(d) Seller's interest in the Approved Contracts as defined in Section 7.1;

(e) Seller's interest in any other property, tangible or intangible, owned or held by Seller in connection with the Real Property and/or Personal Property as defined in Section 7. Intangible interest shall include any and all rights which Seller may have against third parties for any contamination issues for the Real Property.

1.3 Threat of Condemnation; Waiver and Release. The parties acknowledge that the Buyer's acquisition of the Real Property pursuant to this Agreement is under threat of condemnation by Buyer as a governmental entity ("**City**"). The Purchase Price is all-inclusive of Seller's interest in the Real Property and all damages of every kind and nature suffered, or to be suffered as a result of City's acquisition of the Real Property for public purposes. By execution of this Agreement and consummation of the transfer of the Real Property, Seller and its successors and assigns shall be deemed to have knowingly and voluntarily waived, released and discharged City from liability and responsibility for or related to any right Seller has, has had or in the future may have to any claim for compensation or damages or liability of any kind, whether known, unknown, foreseen or unforeseen, relating in any way to or arising out of City's acquisition of the Real Property. In that regard, Seller and its successors and assigns knowingly and voluntarily waive and release City, its employees, agents and officers from liability as to the following: any rights or obligations which exist or may arise out of the acquisition of the Real Property for public purposes including, without limitation, Seller's fee interest in the land, severance damages, relocation expenses or damages, loss of business goodwill and/or lost profits, loss or impairment of any "bonus value" attributable to any lease; damage to or loss of improvements pertaining to realty, costs, interest, attorneys' fees, and any claim whatsoever of Seller which might arise out of or relate to any respect to the acquisition of the Real Property by City.

Seller's Initials: CL

2. EFFECTIVE DATE; OPENING OF ESCROW.

2.1 Effective Date. This Agreement shall be deemed effective upon execution of this Agreement by Buyer after its approval by the City Council ("**Effective Date**"). Prior to the City Council meeting where approval of this Agreement is on the agenda, Seller shall deliver three (3) executed copies of this Agreement to Buyer. If approved by the City Council, Buyer will promptly execute the documents and deliver one (1) executed copy to Seller and one (1) executed copy to Escrow pursuant to Section 3.2. If not approved by the City Council, the original documents shall be returned to Seller.

2.2 Opening of Escrow. Within five (5) days of the Effective Date, the parties shall open an escrow by causing an executed copy of this Agreement to be deposited with Fidelity National Title Insurance Company (National Commercial Division) at 4400 MacArthur Blvd, Ste 500, Newport Beach, CA 92660 (949) 788-2891 nancy.shenouda@fnf.com with Nancy Shenouda as escrow officer ("**Escrow Officer**") by causing an executed copy of this Agreement to be deposited with Escrow Holder together with the Deposit from Buyer (as defined in Section 3.2a. ("**Opening of Escrow**").

3. PURCHASE PRICE; DEPOSIT; PAYMENT OF PURCHASE PRICE.

3.1 Purchase Price. The purchase price for the Real Property is Five Million Five Hundred Dollars (\$5,500,000) ("**Purchase Price**").

3.2 Payment of Purchase Price.

- a. **Deposit.** Concurrently with Opening of Escrow, Buyer shall deposit with Escrow Holder the sum of Two Hundred Fifty Thousand Dollars (\$250,000) ("**Deposit**") to be applied against the Purchase Price at Closing (as defined in Section 5.1). Escrow shall promptly release the sum of Two Hundred Forty Thousand Dollars (\$240,000) to Seller. Release of the funds does not waive Buyer's conditions in Section 8.1.
- b. **Purchase Money Note.** A portion of the Purchase Price shall be paid by that certain Purchase Money Promissory Note in the amount of One Million Four Hundred Fifty Thousand Dollars (\$1,450,000) in the form attached hereto as Exhibit B ("**Purchase Money Note**") to be secured by a deed of trust in the form attached hereto as Exhibit C to be recorded at Closing in first lien position against the Real Property ("**Purchase Money Deed of Trust**").
- c. **Balance of Purchase Price.** Buyer shall deposit with Escrow Holder the Purchase Price less the Deposit and the Purchase Money Note in Good Funds (as defined below) at least one (1) business day prior to the Closing Date.

3.3 Good Funds. All funds deposited in Escrow shall be in "**Good Funds**" which means a wire transfer of funds, cashier's or certified check drawn on or issued by the offices of a financial institution located in the State of California.

4. CLOSING FUNDS AND DOCUMENTS REQUIRED FROM BUYER AND SELLER

4.1 Seller. Seller agrees that on or before 12:00 noon on the day preceding the Closing Date, Seller will deposit or cause to be deposited with Escrow Holder such funds and other items and instruments (executed and acknowledged, if appropriate) as may be necessary in order for the Escrow Holder to comply with this Agreement, including without limitation:

- (a) The Grant Deed in the form of Exhibit D executed and acknowledged by Seller ("**Grant Deed**").
- (b) A Bill of Sale in the form of Exhibit E ("**Bill of Sale**") executed by Seller in favor of Buyer for the Personal Property (in accordance with Section 7.1) for the Property.
- (c) Two (2) copies of the Assignments and Assumption of Rental Agreements in the form of Exhibit F ("**Rental Agreement Assignment**") executed by Seller for the Tenant Rental Agreements (in accordance with Section 7.1).
- (d) Two (2) copies of the General Contract Assignment and Assumption Agreement in the form of Exhibit G ("**General Assignment**") for the Approved Contracts (as defined in Section 7.1) executed by Seller.
- (e) An estoppel certificate executed by Seller in a form reasonably satisfactory to Buyer confirming the status of the Tenant Rental Agreements ("**Estoppel Certificate**").
- (f) A Non-Foreign Affidavit as required by federal law.

(g) Such other items and instruments as may be necessary in order for Escrow Holder to comply with this Agreement and the Title Company to issue the Owner's Title Policy.

4.2 Buyer. Buyer agrees that on or before 12:00 noon on the date preceding the Closing Date, Buyer will deposit with Escrow Holder all additional funds and/or documents (executed and acknowledged, if appropriate) which are necessary to comply with the terms of this Agreement, including without limitation:

(a) A Preliminary Change of Ownership Statement completed in the manner required in Los Angeles County.

(b) The Certificate of Acceptance in the form attached to the Grant Deed (which shall be attached to the Grant Deed prior to recordation).

(c) One (1) original copy of the Purchase Money Note.

(d) One (1) original copy of the Purchase Money Deed of Trust.

(e) Two (2) copies of the Rental Agreement Assignment for the Tenant Rental Agreements.

(f) Two (2) copies of the General Assignment for the Real Property.

(g) Such funds and other items and instruments as may be necessary in order for Escrow Holder to comply with this Agreement.

4.3 Recordation, Completion and Distribution of Documents. Escrow Holder shall confirm that any documents signed in counterpart are matching documents and shall combine the signature pages thereof so as to create fully executed documents. Escrow Holder will date all the documents (including, but not limited to, the Bill of Sale, Assignment of Rental Agreements, and General Assignment) with the date of Close of Escrow. Escrow Holder will cause the Grant Deed followed by the Purchase Money Deed of Trust to be recorded when it can issue the Owner's Title Policy and the Loan Title Policy in accordance with Section 6, and holds for the account of Buyer and Seller, respectively, the funds and items described above to be delivered to Buyer and Seller, respectively, through Escrow, less any costs, expenses and disbursements chargeable to Seller pursuant to the terms hereof. Promptly following Close of Escrow, Escrow Holder shall distribute Escrow Holder's closing statement and the documents deposited in Escrow as follows:

(a) To Buyer:

(i) One (1) certified conformed copy of the Grant Deed, the original to be mailed to Buyer following recordation thereof;

(ii) The Owner's Title Policy;

(iii) One (1) original each of the Bill of Sale, the Assignment of Rental Agreements and the General Assignment;

(iv) The original Estoppel Certificate; and

(v) One (1) certified copy, conformed if recorded, of any other document delivered to Escrow Holder by Buyer or Seller pursuant to the terms hereof.

(b) To Seller.

(i) One (1) certified conformed copy of the Grant Deed;

(ii) The original Purchase Money Note;

(iii) One (1) certified conformed copy of the Purchase Money Deed of Trust, the original to be mailed to Seller following recordation thereof;

(iv) The Loan Title Policy;

(v) One (1) original each of the Assignment of Rental Agreements, the General Assignment, and the Non-foreign Affidavit;

(vi) One (1) conformed copy of the Bill of Sale; and

(vii) One (1) certified copy, conformed if recorded, of any other document delivered to Escrow Holder by Buyer or Seller pursuant to the terms hereof.

5. CLOSING DATE; TIME IS OF ESSENCE.

5.1. Closing Date. Escrow shall close on or before July 31, 2026 (“**Closing Date**”). The terms “**Close of Escrow**” and/or “**Closing**” are used herein to mean the time the Grant Deed is filed for recording by the Escrow Holder in the Office of the County Recorder of Los Angeles County, California.

5.2. Possession. Upon the Close of Escrow, Seller shall deliver exclusive possession of the Property to Buyer subject to the respective tenants under the Tenant Rental Agreements. Within thirty (30) days after Closing, Seller shall remove from the Real Property all personal property owned by Seller which is not part of the Personal Property to be transferred to Buyer at Closing pursuant to this Agreement.

5.3. Time is of Essence. Buyer and Seller specifically agree that time is of the essence under this Agreement. The parties agree that the specified dates under this Agreement are specifically enforceable and shall not be subject to substantial compliance arguments.

5.4. City Manager Authority. By its execution of this Agreement, Buyer authorizes the City Manager or his/her designee (who has been designated by City Manager’s written notice delivered to Buyer and Escrow Holder) shall have the authority to execute all documents on behalf of Buyer including, but not limited to, issuing approvals, disapprovals and extensions. Any such approval, disapproval or extension executed by the City Manager or his/her designee shall be binding on Buyer.

6. TITLE POLICIES.

6.1. Approval of Title.

(a) Promptly following execution of this Agreement but in no event later than five (5) days following Opening of Escrow, a preliminary title report shall be issued by Fidelity National Title Insurance Company ("**Title Company**"), describing the state of title of the Real Property, together with legible copies of all exceptions specified therein and a map plotting all easements specified therein ("**Preliminary Title Report**"). Within ten (10) business days after Buyer's receipt of the Preliminary Title Report, Buyer shall notify Seller in writing ("**Buyer's Title Notice**") of Buyer's disapproval of any matters contained in the Preliminary Title Report ("**Disapproved Exceptions**").

(b) In the event Buyer delivers Buyer's Title Notice within said period, Seller shall have a period of ten (10) days after receipt of Buyer's Title Notice in which to notify Buyer of Seller's election to either (i) agree to attempt to remove the Disapproved Exceptions prior to the Close of Escrow; or (ii) decline to remove any such Disapproved Exceptions ("**Seller's Notice**"). If Seller notifies Buyer of its election to decline to remove the Disapproved Exceptions, or if Seller is unable to remove the Disapproved Exceptions (other than any obligations of Buyer under Section 7), Buyer may elect either to terminate this Agreement and the Escrow or to accept title to the Property subject to the Disapproved Exception(s). Buyer shall exercise such election by delivery of written notice to Seller and Escrow Holder within five (5) business days following the earlier of (i) the date of written advice from Seller that such Disapproved Exception(s) cannot be removed; or (ii) the date Seller declines to remove such Disapproved Exception(s).

(c) Upon the issuance of any amendment or supplement to the Preliminary Title Report which adds additional exceptions, the foregoing right of review and approval shall also apply to said amendment or supplement; provided, however, that Buyer's initial period of review and approval or disapproval of any such additional exceptions shall be limited to five (5) days following receipt of notice of such additional exceptions.

(d) Nothing to the contrary herein withstanding, Buyer shall be deemed to have automatically objected to all leases (other than Tenant Rental Agreements), deeds of trust, mortgages, judgment liens, federal and state income tax liens, delinquent general and special real property taxes and assessments and similar monetary encumbrances affecting the Property, and Seller shall discharge any such non-permitted title matter of record prior to or concurrently with the Close of Escrow except as otherwise specifically provided in this Agreement.

6.2. Owner's Title Policy. At the Close of Escrow, Escrow Holder shall furnish Buyer with an ALTA (non-extended) owner's Policy of Title Insurance ("**Owner's Title Policy**") insuring fee title to the Real Property vested in Buyer, containing only (i) non delinquent real property taxes and assessments; (ii) exceptions approved by Buyer in accordance with Section 6.1; (iii) the Tenant Rental Agreements; and (iv) exceptions caused solely by the acts of Buyer. The amount of the insurance coverage shall be in the amount of the Purchase Price. The Owner's Title Policy shall include any available title insurance, extended coverage or endorsements that Buyer may reasonably request. If Buyer desires an ALTA extended owner's title policy, Buyer shall be responsible to secure a survey at its own cost and expense.

6.3. Loan Title Policy. At the Close of Escrow, Escrow Holder shall furnish Seller with an ALTA loan policy of title insurance ("**Loan Title Policy**") insuring the Purchase Money Deed of Trust in first lien position against the Property with title to the Property vested in Buyer, containing the exceptions noted in Section 6.2 and any which may be caused by Seller. The amount of the insurance coverage shall be the amount of the Purchase Money Note secured by

the Purchase Money Deed of Trust.

7. DUE DILIGENCE; NHD REPORT.

7.1. Due Diligence. Prior to the Effective Date, Seller has delivered all of the following items ("**Due Diligence Items**") to Buyer.

(i) Complete copies of all tenant rental agreements ("**Tenant Rental Agreements**") together with rent rolls for the last five (5) years showing rental increases, verification of household sizes, summary of any defaults of delinquencies, security deposits, credit information and copies of rental applications, and names and contact information for each tenant.

(ii) A list of all Personal Property generally described in Section 1.2 ("**Personal Property**").

(iii) Copies of all contracts and agreements and all amendments and modifications to any such contracts and agreements, if any ("**Approved Contracts**").

(iv) Maintenance and repair history with respect to each rental unit and building.

(v) Copies of all books and records related to the operation of the Real Property for the previous five (5) years.

(vi) Real Property tax bills and property tax assessment notices for the previous three (3) years.

7.2. Right to Enter the Real Property. Commencing upon Opening of Escrow, Seller grants Buyer, its agents and employees a limited license to enter upon the Real Property for the purpose of conducting engineering surveys, soil tests, investigations or other studies reasonably necessary to evaluate the condition of the Real Property, which studies, surveys, reports, investigations and tests shall be done at Buyer's sole cost and expense. Prior to entry onto the Real Property, Buyer shall (i) notify Seller the date and purpose of each intended entry together with the names and affiliations of the persons entering the Real Property; (ii) conduct all studies in a diligent, expeditious and safe manner and not allow any dangerous or hazardous conditions to occur on the Real Property during or after such investigation; (iii) comply with all applicable laws and governmental regulations; (iv) allow an employee of Seller to be present at Seller's election; (v) not violate the Tenant Rental Agreements; (vi) keep the Real Property free and clear of all materialmen's liens, lis pendens and other liens arising out of the entry and work performed under this provision; (vii) maintain or assure maintenance of workers' compensation insurance (or state approved self-insurance) on all persons entering the Real Property in the amounts required by the State of California; (viii) provide to Seller prior to initial entry a certificate of insurance evidencing that Buyer has procured and paid premiums for an all-risk public liability insurance policy written on a per occurrence and not claims made basis in a combined single limit of not less than TWO MILLION DOLLARS (\$2,000,000) which insurance names Seller as additional insured; (vii) return the Real Property to substantially its original condition following Buyer's entry; (ix) provide Seller copies of all studies, surveys, reports, investigations and other tests derived from any with the right to use same ("**Reports**"); and (x) to take the Real Property at closing subject to any title exceptions caused by Buyer exercising this right to enter.

Buyer agrees to indemnify, and hold Seller free and harmless from and against any and all losses, damages (whether general, punitive or otherwise), liabilities, claims, causes of action (whether legal, equitable or administrative), judgments, court costs and legal or other expenses (including reasonable attorneys' fees) which Seller may suffer or incur as a consequence of Buyer's exercise of the license granted pursuant to this Section 7.2 or any act or omission by Buyer, any contractor, subcontractor or material supplier, engineer, architect or other person or entity acting by or under Buyer (except Seller and its agents) with respect to the Real Property, excepting any and all losses, damages (whether general, punitive or otherwise), liabilities, claims, causes of action (whether legal, equitable or administrative), judgments, court costs and legal or other expenses (including reasonable attorneys' fees) arising from the mere discovery by Buyer of any hazardous materials or conditions and excepting to the extent such claims arise out of the negligence or misconduct of Seller. Buyer's obligations under this Section shall survive termination of this Agreement for any reason.

7.3. NHD Report. Within five (5) days of Opening of Escrow, Escrow shall order and deliver to Buyer and Seller a Premium Commercial NHD Report for the Real Property issued by Disclosure Source ("**NHD Report**").

8. CONDITIONS PRECEDENT TO CLOSE OF ESCROW.

8.1. Conditions to Buyer's Obligations. The obligations of Buyer under this Agreement are subject to the satisfaction or written waiver, in whole or in part, by Buyer of each of the following conditions precedent ("**Buyer's Conditions Precedent**"):

- (a) Title Company will issue the Owner's Title Policy in accordance with Section 6.2.
- (b) Seller has executed and delivered to Escrow Holder the Bill of Sale (with the Personal Property listed on Exhibit 1), Assignment of Rental Agreements (with Tenant Rental Agreements listed on Exhibit 1) and General Assignment (with the Approved Contracts listed on Exhibit 1).
- (c) Escrow Holder holds and will deliver to Buyer the instruments and funds, if any, accruing to Buyer pursuant to this Agreement.
- (d) Seller is not in default of its obligations under this Agreement.

8.2 Conditions to Seller's Obligations. The obligations of Seller under this Agreement are subject to the satisfaction or written waiver, in whole or in part, by Seller of the following conditions precedent:

- (a) Buyer has executed Certificate of Acceptance to be attached to the Grant Deed prior to recordation.
- (b) Title Company will issue the Loan Title Policy in accordance with Section 6.3.
- (c) Buyer has executed and delivered to Escrow Holder two (2) copies of the Assignment of Rental Agreements and General Assignment.
- (d) Escrow Holder holds and will deliver to Seller the instruments and

funds accruing to Seller pursuant to this Agreement.

(e) Buyer is not in default of its obligations under this Agreement.

9. REPRESENTATIONS AND WARRANTIES.

9.1. Representations and Warranties of Seller. Seller hereby makes the following representations and warranties to Buyer, each of which is true in all respects as of the Opening of Escrow and shall be true in all respects on the date of Close of Escrow with respect to the Real Property:

(a) To the best of Seller's knowledge, Seller does not have surveys; engineering reports, soils studies, soils compaction reports, grading plans, environmental information, inspections or reports regarding structural, seismic, roof, HVAC, soil, paving, environmental and ADA compliance; as-built plans; permits and inspection reports regarding fire, building, health, zoning and use compliance.

(b) To the best of Seller's knowledge, there are no natural or environmental hazards located on the Real Property that would limit its marketability, merchantability, or suitability for development or impede its use in any way.

(c) To the best of Seller's knowledge¹, the Real Property is not in violation of any federal, state or local law, ordinance or regulation relating to industrial hygiene or to the environmental conditions on, under or about the Real Property including, but not limited to, soil and ground water conditions. Seller has not received any written notice from any third parties, prior owners of the Real Property, or any federal, state or local governmental agency indicating that any hazardous waste remedial or clean-up work will be required on the Real Property. There are no environmental, health or safety hazards on, under or about the Real Property, including but not limited to soil and groundwater conditions. To the best of Seller's knowledge, neither Seller, nor any third party (including but not limited to Seller's predecessors in title to the Real Property), has used or installed any underground tank, or used, generated, manufactured, treated, stored, placed, deposited or disposed of on, under or about the Real Property or transported to or from the Real Property any flammable explosives, radioactive materials, hazardous wastes, toxic substances or related materials other than in accordance with applicable law and disclosed to Buyer ("**Hazardous Materials**"), which for the purpose of this Agreement shall include, but shall not be limited to, substances defined as "hazardous substances, hazardous materials or toxic substances" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 USC Section 9601, et seq.; the Hazardous Materials Transportation Act, 49 USC Section 1801, et seq.; the Resource Conservation and Recovery Act, 42 USC Section 6901, et seq.; those substances defined as "hazardous wastes" in Section 25117 of the California Health & Safety Code or as "hazardous substances" in Section 25316 of the California Health & Safety Code; and those chemicals known to cause cancer or reproductive toxicity, as published pursuant to the Safe Drinking Water and Toxic Enforcement Act of 1986, Section 25249.5, et seq., of the California Health & Safety Code; and in the regulations adopted and publications promulgated pursuant to each of the aforesaid laws; provided, however, the term "**Hazardous Materials**" shall not include materials reasonably and

¹ Buyer previously provided Seller with a report regarding a former gas station site which is near the Property.

customarily used in the operation of the buildings.

(d) There are no contracts (other than Approved Contracts), leases (other than Tenant Rental Agreements), claims or rights affecting the Real Property and there are no agreements entered into by or under Seller which shall survive the Close of Escrow that would adversely affect Buyer's rights with respect to the Real Property except as set forth herein.

(e) Seller has received no written notice from any third parties, prior owners of the Real Property, or any federal, state or local governmental agency, indicating that any hazardous waste remedial or clean-up work will be required on the Real Property.

(f) Tenant Rental Agreements are in full force and effect and to the best of Seller's knowledge, none of the Tenants are in default under their respective rental agreement and Seller is not in default under any of the Tenant Rental Agreements.

(g) Seller has no knowledge of and has not received any notice relating to:

(i) Any uncured violation of any pollution, health, safety, fire, environmental, sewerage, zoning, or other federal, state or local law, code, ordinance, regulation, rule, requirement, order or permit, of any covenants, conditions or restrictions, affecting or relating to the Real Property, any portion thereof or the use, occupancy or operation thereof;

(ii) Any pending condemnation proceeding with regard to all or part of the Real Property or a threatened notice of any such proceeding or widening of streets abutting the Real Property;

(iii) The imposition of any special taxes or assessments, or payments in lieu thereof, against the Real Property or any portion thereof;

(iv) The need or advisability of special flood insurance; or

(v) Any existing insurance carriers indicated that the insurance rates for the Real Property or any portion thereof will be substantially increased or that alterations of the Real Property or any portion thereof are required.

(h) To the best of Seller's knowledge, the Real Property and the current uses are in compliance with all applicable contracts, covenants and agreements affecting the Real Property.

(i) To the best of Seller's knowledge, all structures on the Real Property are in good condition and repair except as otherwise disclosed in writing by Seller to Buyer.

(j) To the best of Seller's knowledge, there are no easements or encroachments onto the Real Property by buildings or improvements on any adjoining Real Property, nor do any buildings or improvements on the Real Property encroach on other properties.

(k) Seller is not a foreign person as defined in Internal Revenue Code Section

1445(f)(3).

(l) To the best of Seller's knowledge, all utilities, including gas, electricity, water, sewage, and telephone, are available at the Real Property, and all such items are in good working order.

(m) Seller has the unimpeded power to execute, deliver and perform Seller's obligations under this Agreement and the documents executed and delivered by Seller pursuant hereto.

(n) To the best of Seller's knowledge, there are no contingent liabilities arising out of the ownership or operation of, or affecting, the Real Property or any part thereof which would be binding upon Buyer or to which the Real Property would be subject after the Closing.

(o) To the best of Seller's knowledge, there are no pending actions, lawsuits, suits or claims against the Real Property.

(p) All copies of documents delivered by Seller to Buyer are, to the best of Seller's knowledge, true, genuine, complete and correct copies of the original executed documents which they purport to be.

Until the Closing, if Seller learns of any fact or condition which would cause any of the warranties and representations in this Section not to be true as of the Closing, Seller shall immediately give written notice of such fact or condition to Buyer.

9.2 Buyer's Representations and Warranties. Buyer represents and warrants to Seller that:

(a) Buyer is a public entity validly formed in the State of California. Upon execution of this Agreement by Buyer in accordance with California law, Buyer has the full right and authority to enter into this Agreement, this Agreement shall be a binding obligation of Buyer and Buyer shall have authority to consummate the transaction contemplated hereby, including execution and delivery of all applicable documents.

(b) There is no agreement to which Buyer is a party or, to Buyer's knowledge, binding on Buyer which is in conflict with this Agreement. To Buyer's knowledge, as of the Effective Date there is no action or proceeding pending or threatened against Buyer which challenges or impairs Buyer's ability to execute or perform its obligations under this Agreement.

9.3 Survival of Representations and Warranties. The representations and warranties set forth in this Section 9 shall not be deemed to be merged into or waived by the transaction documents, but shall survive the Closing.

10. ESCROW PROVISIONS.

10.1. Escrow Instructions. Sections 1 through 6, inclusive, 8, 10, 13 and 15 constitute the escrow instructions to Escrow Holder. If required by Escrow Holder, Buyer and Seller agree to execute Escrow Holder's standard escrow instructions, provided that the same are consistent with and do not conflict with the provisions of this Agreement. In the event of any such conflict,

the provisions of this Agreement shall prevail. The terms and conditions in sections of this Agreement not specifically referenced above are additional matters for information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions directly from Escrow Holder and will execute such provision upon Escrow Holder's request. To the extent that the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller agree to execute additional instructions, documents and forms provide by Escrow Holder that are reasonably necessary to close Escrow.

10.2. General Escrow Provisions. Escrow Holder shall deliver the Owner's Title Policy to Buyer and instruct the Los Angeles County Recorder after recordation to: (i) mail the Grant Deed to Buyer at the address set forth in Section 13; and (ii) mail the Purchase Money Deed of Trust to Seller at the address set forth in Section 13. All funds received in this Escrow shall be deposited in one or more general escrow accounts of the Escrow Holder with any bank doing business in Los Angeles County, California, and may be disbursed to any other general escrow account or accounts. All disbursements shall be according to that party's instructions.

10.3. Prorations; Utilities; Security Deposits; Replacement Reserves Account.

- (a) **Real Property Taxes.** All non-delinquent general and special real property taxes and assessments shall be prorated to the Close of Escrow on the basis of a thirty (30) day month and a three hundred sixty day (360) year. Any supplemental tax bills received after Close of Escrow shall be paid by Seller to the extent they relate to a period prior to Close of Escrow, and by Buyer, to the extent they relate to a period after Close of Escrow. If a supplemental tax bill (which may include possessory interest taxes) covers a period commencing before and continuing after Close of Escrow, the party named in the bill will pay the tax and the other party shall reimburse the first party its pro rata share within thirty (30) days after receipt of a copy of the tax bill and evidence of the second party's payment of same.
- (b) **Prorations.** Rents, utilities and other income or expenses (including under the Approved Contracts) which are payable by Seller for the operation and maintenance of the Real Property shall be prorated to the Close of Escrow on the basis of a thirty (30) day month and a three hundred sixty (360) day year. In the event final amounts with respect to said prorations are not available as of Close of Escrow, the proration shall be done on an estimated basis and the parties shall prepare a final proration within thirty (30) days following Close of Escrow. Any party who is obligated to pay net amounts based on said final proration shall reimburse the other party said amount within thirty (30) days after completion of the final proration.
- (c) **Utilities.** Buyer and Seller shall cause all utilities which are in the name of Seller (not a tenant) to be transferred to the name of Buyer as of the Close of Escrow or as soon thereafter as practicable. Upon Closing, Seller shall have the right to recover any refundable utility or governmental deposits made by Seller with respect to the Real Property.
- (d) **Security Deposits.** All security deposits under the Rental Agreements shall be credited to Buyer at Closing.

(e) **Survival.** The provisions of this Section 10.3 shall survive Close of Escrow.

10.4. Payment of Costs; Settlement Statement.

(a) **Allocation of Costs.** Buyer shall pay the costs for the Owner's Title Policy, the Loan Title Policy, the NHD Report, documentary transfer taxes, recording charges and escrow ("**Buyer's Charges**"). Seller shall pay any and all liens on the Real Property and any costs necessary to put title in the condition pursuant to Section 6 ("**Seller's Charges**"). All other costs of Escrow not otherwise specifically allocated by this Agreement shall be paid by Seller except for the release of any liens on the Property.

NOTE: Buyer is a public agency and is exempt from (i) documentary transfers taxes pursuant to R&T Code Section 11922; and (ii) recording charges pursuant to Gov. Code §6103.

(b) **Settlement Statement.** At least three (3) business days prior to the Closing Date, Escrow Holder shall furnish Buyer and Seller with a preliminary escrow settlement statement which shall include each party's respective shares of costs. The preliminary settlement statement shall be approved in writing by the parties. As soon as reasonably possible following the Close of Escrow, Escrow Holder shall deliver a copy of the final Escrow closing statement to the parties.

10.5 Termination and Cancellation of Escrow. If Escrow fails to close as provided above, either party may elect to cancel this Escrow upon written notice to the other party and Escrow Holder. Upon cancellation, Escrow Holder is instructed to return all funds and documents then in Escrow to the respective depositor of the same with Escrow Holder; provided Escrow Holder receives written instructions from both Buyer and Seller directing Escrow Holder to return such funds and documents. The parties shall promptly execute and deliver any documents reasonably required to effect the return of the funds and documents in accordance with this Agreement. Cancellation of Escrow, as provided herein, shall be without prejudice to whatever legal rights Buyer or Seller may have against each other arising from the Escrow or this Agreement.

10.6 Information Report. Escrow Holder shall file and Buyer and Seller agree to cooperate with Escrow Holder and with each other in completing any report ("**Information Report**") and/or other information required to be delivered to the Internal Revenue Service pursuant to Internal Revenue Code Section 6045(e) regarding the real estate sales transaction contemplated by this Agreement, including without limitation, Internal Revenue Service Form 1099-B as such may be hereinafter modified or amended by the Internal Revenue Service, or as may be required pursuant to any regulation now or hereinafter promulgated by the Treasury Department with respect thereto. Buyer and Seller also agree that Buyer and Seller, their respective employees and attorneys, and escrow Holder and its employees, may disclose to the Internal Revenue Service, whether pursuant to such Information Report or otherwise, any information regarding this Agreement or the transactions contemplated herein as such party reasonably deems to be required to be disclosed to the Internal Revenue Service by such party pursuant to Internal Revenue Code Section 6045(e), and further agree that neither Buyer nor Seller shall seek to hold any such party liable for the disclosure to the Internal Revenue Service of any such information.

10.7 No Withholding as Foreign Seller. Seller represents and warrants to Buyer that Seller is not, and as of the Close of Escrow will not be, a foreign person within the meaning of

Internal Revenue Code Section 1445 or an out-of-state seller under California Revenue and Tax Code Section 18805 and that it will deliver to Buyer on or before the Close of Escrow a non-foreign affidavit on Escrow Holder's standard form pursuant to Internal Revenue Code Section 1445(b)(2) and the Regulations promulgated thereunder and a California Form 590-RE.

10.8 Commissions. Buyer and Seller each represent and warrant to the other that it is not represented by a broker and that no third party is entitled to a broker's commission and/or finder's fee with respect to the transaction contemplated by this Agreement. Buyer and Seller each agree to indemnify and hold the other parties harmless from and against all liabilities, costs, damages and expenses, including, without limitation, attorneys' fees, resulting from any claims or fees or commissions, based upon agreements by it, if any, to pay a broker's commission and/or finder's fee.

11. RISK OF PHYSICAL LOSS. Risk of physical loss to the Real Property shall be borne by Seller prior to the Close of Escrow and by Buyer after Close of Escrow. In the event that the Real Property shall be damaged by fire, flood, earthquake or other casualty Buyer shall have the option to terminate this Agreement provided notice of such termination is delivered to Seller within twenty (20) days following the date Buyer learns of the occurrence of such casualty. If Buyer fails to terminate this Agreement pursuant to the foregoing sentence within said twenty (20) day period, Buyer shall complete the acquisition of the Real Property, in which case Seller shall assign to Buyer the interest of Seller in all insurance proceeds relating to such damage (subject to the rights of tenants under rental agreements of the Real Property). In the event Buyer does not terminate this Agreement as provided above, Seller shall consult with Buyer regarding any proposed settlement with the insurer and Buyer shall have the reasonable right of approval thereof. Seller shall hold such proceeds until the Close of Escrow.

12. DEFAULT. IF BUYER SHOULD DEFAULT UNDER THIS AGREEMENT, THEN BUYER AND SELLER AGREE THAT SELLER WILL INCUR DAMAGES BY REASON OF SUCH DEFAULT BY BUYER OR FAILURE OF ESCROW TO CLOSE ON OR BEFORE THE CLOSING DATE, WHICH DAMAGES SHALL BE IMPRACTICAL AND EXTREMELY DIFFICULT, IF NOT IMPOSSIBLE, TO ASCERTAIN. BUYER AND SELLER, IN A REASONABLE EFFORT TO ASCERTAIN WHAT SELLER'S DAMAGES WOULD BE IN THE EVENT OF SUCH DEFAULT BY BUYER HAVE AGREED BY PLACING THEIR INITIALS BELOW THAT THE DEPOSIT SHALL BE DEEMED TO CONSTITUTE A REASONABLE ESTIMATE OF SELLER'S DAMAGES UNDER THE PROVISIONS OF SECTION 1671 OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. IN THE EVENT OF AND FOR SUCH DEFAULT BY BUYER, THE DEPOSIT SHALL BE SELLER'S SOLE MONETARY REMEDY. NOTWITHSTANDING THE FOREGOING, THE FOREGOING LIMITATION OF DAMAGES SHALL NOT APPLY TO ANY DEFAULT OR OBLIGATION OF BUYER UNDER SECTION 7.2 AND SELLER SHALL HAVE ALL RIGHTS AND REMEDIES AT LAW OR IN EQUITY AGAINST BUYER FOR ANY DEFAULT OR FAILURE BY BUYER TO PERFORM ITS OBLIGATIONS UNDER SECTION 7.2.

CL
Seller's Initials

Buyer's Initials

13. NOTICES. All notices required or permitted under this Agreement shall be in writing and shall be served on the parties at the addresses set forth below. Any such notices shall, unless otherwise provided herein, be given or served (i) by depositing the same in the United States mail, postage paid, certified and addressed to the party to be notified, with return receipt requested, (ii) by overnight delivery using a nationally recognized overnight courier, or (iii) by personal delivery. Notice deposited in the mail in the manner hereinabove described shall be

effective upon receipt or rejection of such notice. Notice given in any other manner shall be effective only if and when received (or rejected) by the party to be notified between the hours of 8:00 a.m. and 5:00 p.m. California time of any business day with delivery made after such hours to be deemed received the following business day. A party's address may be changed by written notice to the other party; however, no notice of a change of address shall be effective until actual receipt of such notice. Copies of notices are for informational purposes only, and a failure to give or receive copies of any notice shall not be deemed a failure to give notice. Notices given by counsel to Buyer shall be deemed given by Buyer and notices given by counsel to Seller shall be deemed given by Seller.

To Seller: Chester Lomax & Rosa Lomax, Trustees
2519 East Norm Place
Anaheim, CA 92806
seelomax@yahoo.com

With a Copy to: PRENOVOST, NORMANDIN, DAWE & ROCHA
2122 N. Broadway, Suite 200
Santa Ana, CA 92706-2614
Thomas J. Prenovost, Jr., Esq.
TPrenovost@PNBD.com

To Buyer: CITY OF BELL
6330 Pine Ave.
Bell, California 90201
Attn: Michael L. Antwine, City Manager
mantwine@cityofbell.gov

With a Copy to: ALESHIRE & WYNDER, LLP
1 Park Plaza, Suite 1000
Irvine, CA 92614
Attention: David Aleshire, Esq.
daleshire@awattorneys.com
Anne Lanphar, Esq.
alanphar@awattorneys.com

To Escrow Holder: Fidelity National Title Insurance Company
National Commercial Division
4400 MacArthur Blvd, Ste 500
Newport Beach, CA 92660
Attn: Nancy Shenouda, Escrow Officer
nancy.shenouda@fnf.com

14. ADDITIONAL BUSINESS TERMS. As long as this Agreement is in effect, Seller agrees:

a. *Marketing of Real Property.* Not to market nor solicit "back up" offers only with respect to the Real Property or any portion thereof. However, if unsolicited offers are received by Seller, Seller may enter into a backup offer.

b. *Impairing of Title.* Not do anything which would impair Seller's title to the Real Property.

c. Maintenance. To maintain the Real Property in good condition and repair.

d. No New Tenant Rental Agreements. Not execute any new rental agreements nor amend any existing Tenant Rental Agreements without the written consent of Buyer.

After Closing, Buyer shall promptly provide written notices to the Tenants pursuant to Civil Code Section 1950.5.

15. GENERAL PROVISIONS.

15.1. Assignment. Neither party shall have the right to assign this Agreement or any interest or right hereunder or under the Escrow without the prior written consent of the other party. Subject to the foregoing, this Agreement shall be binding upon and shall inure to the benefit of Buyer and Seller and their respective heirs, personal representatives, successors and assigns.

15.2. Attorney's Fees. In any action between the parties hereto, seeking enforcement of any of the terms and provisions of this Agreement or the Escrow, or in connection with the Real Property, the prevailing party in such action shall be entitled, to have and to recover from the other party its reasonable attorneys' fees and other reasonable expenses in connection with such action or proceeding, in addition to its recoverable court costs.

15.3. Interpretation; Governing Law. This Agreement shall be construed according to its fair meaning and as if prepared by both parties hereto. This Agreement shall be construed in accordance with the laws of the State of California in effect at the time of the execution of this Agreement. Titles and captions are for convenience only and shall not constitute a portion of this Agreement. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others wherever and whenever the context so dictates.

15.4. No Waiver. No delay or omission by either party in exercising any right or power accruing upon the compliance or failure of performance by the other party under the provisions of this Agreement shall impair any such right or power or be construed to be a waiver thereof. A waiver by either party of a breach of any of the covenants, conditions or agreements hereof to be performed by the other party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions hereof.

15.5. Modifications. Any alteration, change or modification of or to this Agreement, in order to become effective, shall be made by written instrument or endorsement thereon and in each such instance executed on behalf of each party hereto.

15.6. Severability. If any term, provision, condition or covenant of this Agreement or the application thereof to any party or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this instrument, or the application of such term, provisions, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

15.7. Merger. This Agreement and other documents incorporated herein by reference contain the entire understanding between the parties relating to the transaction contemplated hereby and all prior to contemporaneous agreements, understandings, representations and statements (including letters of intent), oral or written, are merged herein and shall be of no further

force or effect.

15.8. Execution of Documents. The parties agree to execute such instructions to Title Company and such other instruments and to do such further acts as may be reasonably necessary to carry out the provisions of this Agreement.

15.9. Relationship of Parties. Notwithstanding anything to the contrary contained herein, this Agreement shall not be deemed or construed to make the parties hereto partners or joint venturers, or to render either party liable for any of the debts or obligations of the other, it being the intention of the parties to merely create the relationship of Seller and Buyer with respect to the Real Property to be conveyed as contemplated hereby.

15.10. Execution in Counterparts. This Agreement may be executed in several counterparts, and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all parties are not signatories to the original or the same counterpart.

15.11. Authority. The persons executing this Agreement on behalf of Seller have the authority to bind the trust which is legally bound under this Agreement.

15.12. No Third Party Beneficiary. This Agreement is only between the parties, and is not intended to be nor shall it be construed as being for the benefit of any third party.

15.13. Electronic Execution. This Agreement may be executed by the parties in compliance with UETA and ESIGN using qualified third party service providers such as DocuSign or AdobeSign.

15.14. Exhibits. The following exhibits attached hereto are incorporated herein by reference:

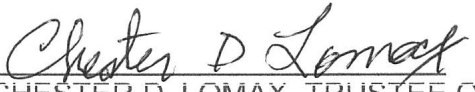
Exhibit A	Legal Description
Exhibit B	Purchase Money Note
Exhibit C	Purchase Money Deed of Trust
Exhibit D	Grant Deed
Exhibit E	Bill of Sale
Exhibit F	Rental Agreement Assignment
Exhibit G	General Assignment

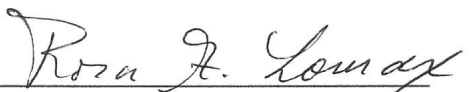
[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement for Purchase and Sale of Real Property under Threat of Condemnation and Joint Escrow Instructions as of the date set forth above.

Reminder: Sections 1.3 and 12 needs to be initialed as applicable.

SELLER:


CHESTER D. LOMAX, TRUSTEE OF THE
CHET AND ROSA LOMAX REVOCABLE
TRUST dated 6/16/05


ROSA A. LOMAX, TRUSTEE OF THE CHET
AND ROSA LOMAX REVOCABLE TRUST
dated 6/16/05

READ AND ACCEPTED:

ESCROW HOLDER:

FIDELITY NATIONAL TITLE INSURANCE
COMPANY

By: _____
Nancy Shenouda, Escrow Officer

BUYER:

CITY OF BELL, a California charter city

By: _____
Ali Saleh, Mayor

_____, 2025

ATTEST:

Angela Bustamante, City Clerk

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: _____
David Aleshire, City Attorney

EXHIBIT A
LEGAL DESCRIPTION OF THE REAL PROPERTY

THE REAL PROPERTY IS SITUATED THE CITY OF BELL, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

THE NORTH 44 FEET OF THE SOUTH 132 FEET OF LOTS 29 AND 30 OF THE CLUTTER AND LONG TRACT IN THE CITY OF BELL, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN [BOOK 12, PAGE 153](#), OF MAPS, RECORDS OF SAID COUNTY.

EXCEPT THE WEST 50 FEET OF THE NORTH 44 FEET OF THE SOUTH 132 FEET OF SAID LOT 29.

PARCEL 2:

THE NORTH 44 FEET OF THE SOUTH 88 FEET OF LOTS 29 AND 30 OF THE CLUTTER AND LONG TRACT IN THE CITY OF BELL, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN [BOOK 12, PAGE 153](#), OF MAPS, RECORDS OF SAID COUNTY.

PARCEL 3:

THE NORTH 88 FEET OF THE SOUTH 220 FEET OF LOT 29; THE SOUTH 10 FEET OF THE NORTH 150 FEET OF LOT 29; THE NORTH 44 FEET OF THE SOUTH 220 FEET OF THE WEST 75 FEET OF LOT 30 AND THE NORTH 44 FEET OF THE SOUTH 176 FEET OF THE WEST 75 FEET OF LOT 30, ALL IN THE CLUTTER AND LONG TRACT IN THE CITY OF BELL, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP [RECORDED IN BOOK 12, PAGE 153](#), OF MAPS, RECORDS OF SAID COUNTY.

EXHIBIT B

PURCHASE MONEY NOTE

PURCHASE MONEY NOTE SECURED BY DEED OF TRUST

\$ 1,450,000

_____, 20____
("Note Date")

FOR VALUE RECEIVED, the CITY OF BELL, a California charter city ("**Maker**") hereby promises to pay to CHESTER D. LOMAX AND ROSA A. LOMAX, TRUSTEES OF THE CHET AND ROSA LOMAX REVOCABLE TRUST dated 6/16/05, or order ("**Holder**"), at a place designated by Holder, the principal sum of ONE MILLION FOUR HUNDRED FIFTY THOUSAND DOLLARS (\$1,450,000) ("**Loan Amount**"), or such lesser amount which shall from time to time be owing hereunder pursuant to the terms hereof.

This Note is secured by that certain Deed of Trust with Assignment of Rents of even date herewith executed by Maker as trustor in favor of Holder as beneficiary ("**Deed of Trust**") recorded in the Official Records of Los Angeles County against that certain real property which was sold by Holder to Maker pursuant to that certain Agreement for Purchase and Sale of Real Property under Threat of Condemnation and Joint Escrow Instructions as legally described therein ("**Property**"). This Note shall be effective upon recordation of the Deed of Trust in the Official Records of Los Angeles County ("**Effective Date**").

1. **Interest.** The Loan Amount shall commence to bear interest from the Effective Date at the rate of Four Percent (4%) per annum until paid in full. Upon the occurrence of a default under this Note as declared in writing by Holder, interest shall thereafter accrue at ten percent (10%) per annum.
2. **Monthly Payments.** Commencing one (1) month from the Effective Date and on the same day of each following month, Maker shall make payments equal to interest only until the Loan Amount is paid in full.
3. **Maturity Date.** The entire principal shall be fully due and payable on the day two (2) years from the Effective Date ("**Maturity Date**").
4. **Right to Prepay.** This Note may be prepaid, in whole or in part, at any time without penalty, fee or charge.
5. **Default; Acceleration.** A default of this Note shall occur upon Maker's failure to timely perform the obligations under this Note or any default by Maker under the Deed of Trust. In the event Maker is deemed in default under this Note, Holder may, at its option, declare this Note and the entire obligations hereby evidenced immediately due and payable and collectible then or thereafter as Holder may elect, regardless of the date of maturity.
6. **Acceleration on Transfer or Encumbrance of Property.** The Deed of Trust contains the following provision: "It shall be a default hereunder if the Property, any part thereof, or interest therein is sold, assigned, conveyed, transferred, hypothecated, leased, licensed, or encumbered (voluntarily or involuntarily). Notwithstanding the foregoing, the following

transfers are permitted: residential leases, subleases, or occupancy agreements with occupants of the Property's residential units. If any such Transfer shall occur in violation of such requirements, all obligations secured by this Deed of Trust, irrespective of the maturity dates of such obligations, shall at the option of Beneficiary, upon written immediately become due and payable."

7. **Modifications.** No waiver or modification of any of the terms or provisions of this Note shall be valid or binding unless set forth in a writing signed by both Holder and Maker, and then only to the extent therein specifically set forth.
8. **No Waiver by Holder.** No waiver of any breach, default or failure of condition under the terms of this Note shall be implied from any failure of Holder to take action, or any delay be implied from any failure by Holder in taking action, with respect to such breach, default or failure from any prior waiver of any similar or unrelated breach, default or failure.
9. **Usury.** Notwithstanding any provision in this Note, the total liability for payment in the nature of interest shall not exceed the limit imposed by applicable laws of the State of California.
10. **Attorneys' Fees.** In any legal action or other proceeding is brought for the enforcement of this Note, the successful or prevailing party shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which such party may be entitled.
11. **Applicable Law.** This Note is to be governed and construed in accordance with the laws of the State of California.
12. **Partial Invalidity.** If any provision or any word, term, class or part of any provision of this Note is deemed to be invalid for any reason, the same shall be ineffective but the remainder of this Note and of the provisions shall not be affected and shall remain in full force and effect.
13. **Notices.** All notices, demands, requests, elections, approvals, disapprovals, consents or other communications given under this Note shall be in writing and shall be given by personal delivery, certified mail, return receipt requested, or overnight guaranteed delivery service and addressed as follows:

To Holder: Chester Lomax & Rosa Lomax, Trustees
2519 East Norm Place
Anaheim, CA 92806

With a Copy to: PRENOVOST, NORMANDIN, DAWE & ROCHA
2122 N. Broadway, Suite 200
Santa Ana, CA 92706-2614
Thomas J. Prenovost, Jr., Esq.

To Maker: CITY OF BELL
6330 Pine Ave.
Bell, California 90201
Attn: Michael L. Antwine, City Manager

With a Copy to: ALESHIRE & WYNDER, LLP

EXHIBIT C

PURCHASE MONEY DEED OF TRUST

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

Chester Lomax & Rosa Lomax, Trustees
2519 East Norm Place
Anaheim, CA 92806

APN 6326-001-014, 015, 017, 018 & 019

Exempt from payment of recording fees pursuant to Gov Code §6103.

DEED OF TRUST WITH ASSIGNMENT OF RENTS

THIS DEED OF TRUST WITH ASSIGNMENT OF RENTS ("**Deed of Trust**") is made as of the ___ day of _____, 202__, by and among CITY OF BELL, a California charter city whose address is 6330 Pine Ave., Bell, California 90201 ("**Trustor**"), FIDELITY NATIONAL TITLE INSURANCE COMPANY ("**Trustee**"), and CHESTER D. LOMAX AND ROSA A. LOMAX, TRUSTEES OF THE CHET AND ROSA LOMAX REVOCABLE TRUST dated 6/16/05 ("**Beneficiary**"), whose address is 2519 Norm Place, Anaheim, CA 92806.

GRANT

Trustor grants to Trustee in trust, with power of sale, the Property together with rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits for the purpose of securing (1) payment of that certain Promissory Note of even date herewith in the principal amount of ONE MILLION FOUR HUNDRED FIFTY THOUSAND DOLLARS (\$1,450,000), and extensions or renewals thereof; (2) the performance of each agreement of Trustor incorporated by reference or contained herein; and (3) payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or their successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.

To protect the security of this Deed of Trust, and with respect to the Property, Trustor expressly makes each and all of the agreements, and adopt and agree to perform and be bound by each and all of the terms and provisions set forth in subdivision A, and it is mutually agreed that each and all of the terms and provisions set forth in subdivision B of the fictitious deed of trust recorded in Orange County August 17, 1964, and in all other counties August 18, 1964, in the book and at the page of Official Records in the office of the county recorder of the county where said property is located, noted below opposite the name of such county, namely:

COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE
Alameda	1288	556	Kings	858	713	Placer	1028	379	Sierra	38	187
Alpine	3	130-31	Lake	437	110	Plumas	166	1307	Siskiyou	506	762
Amador	133	438	Lassen	192	367	Riverside	3778	347	Solano	1287	621
Butte	1330	513	Los Angeles	T-3878	874	Sacramento	5039	124	Sonoma	2067	427
Calaveras	185	338	Madera	911	136	San Benito	300	405	Stanislaus	1970	56
Colusa	323	391	Marin	1849	122	San Bernardino	6213	768	Sutter	655	585
Contra Costa	4684	1	Mariposa	90	453	San Francisco	A-804	596	Tehama	457	183
Del Norte	101	549	Mendocino	667	99	San Joaquin	2855	283	Trinity	108	595
El Dorado	704	635	Merced	1660	753	San Luis Obispo	1311	137	Tulare	2530	108
Fresno	5052	623	Modoc	191	93	San Mateo	4778	175	Tuolumne	177	160
Glenn	469	76	Mono	69	302	Santa Barbara	2065	881	Ventura	2607	237
Humboldt	801	83	Monterey	357	239	Santa Clara	6626	664	Yolo	769	16

Imperial	1189	701	Napa	704	742	Santa Cruz	1638	607	Yuba	398	693
Inyo	165	672	Nevada	363	94	Shasta	800	633			
Kern	3756	690	Orange	7182	18	San Diego	SERIES 5 Book 1964, Page 149774				

shall inure to and bind the parties hereto, with respect to the property above described. said agreements, terms and provisions contained in said subdivision A and B (identical in all counties, and printed on pages 3 and 4 hereof) are by the within reference thereto, incorporated herein and made a part of this Deed of Trust for all purposes as fully as if set forth at length herein, and Beneficiary may charge for a statement regarding the obligation secured hereby, provided the charge therefor does not exceed the maximum allowed by law.

It shall be a default hereunder if the Property, any part thereof, or interest therein is sold, assigned, conveyed, transferred, hypothecated, leased, licensed, or encumbered (voluntarily or involuntarily). Notwithstanding the foregoing, the following transfers are permitted: residential leases, subleases, or occupancy agreements with occupants of the Property's residential units. If any such Transfer shall occur in violation of such requirements, all obligations secured by this Deed of Trust, irrespective of the maturity dates of such obligations, shall at the option of Beneficiary, upon written demand, immediately become due and payable.

TRUSTOR:

CITY OF BELL, a California charter city

NOT TO BE EXECUTED

By: **UNTIL CLOSING**
 Ali Saleh, Mayor

_____, 2025

ATTEST:

 Angela Bustamante, City Clerk

APPROVED AS TO FORM:

Aleshire & Wynder, LLP

By: _____
 David Aleshire, City Attorney

DO NOT RECORD

The following is a copy of Subdivisions A and B of the fictitious Deed of Trust recorded in each county in California as stated in the foregoing Deed of Trust and incorporated by reference in said Deed of Trust as being a part thereof as if set forth at length therein.

A. To protect the security of this Deed of Trust, Trustor agrees:

1) To keep said property in good condition and repair, not to remove or demolish any building thereon; to complete or restore promptly and in a good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor, to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

2) To provide, maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at the option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed.

4) To pay: at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Trust.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

5) To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from the date of expenditure at the amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

B. It is mutually agreed:

1) That any award in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

2) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

3) That at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon, or join in any extension agreement or any agreement subordinating the lien or charge hereof.

4) That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The Grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

5) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in the performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or be a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collecting of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

6) That upon default by Trustor in payment of any indebtedness secured hereby or in the performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said

property, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed, said note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

7) Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.

8) That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the note secured hereby, whether or not named as Beneficiary herein. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

9) That Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

DO NOT RECORD

REQUEST FOR FULL RECONVEYANCE

TO FIRST AMERICAN TITLE INSURANCE COMPANY, TRUSTEE:

The undersigned is the legal owner and holder of the note or notes and of all indebtedness secured by the foregoing Deed of Trust. Said note or notes, together with all other indebtedness secured by said Deed of Trust, have been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said note or notes above mentioned, and all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you under the same.

Dated _____

Please mail Deed of Trust,
Note and Reconveyance to _____

Do not lose or destroy this Deed of Trust OR THE NOTE which it secures. Both must be delivered to the Trustee for cancellation before reconveyance will be made.

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

All that certain property located in the City of Bell, State of California, County of Los Angeles, legally described as follows:

PARCEL 1:

THE NORTH 44 FEET OF THE SOUTH 132 FEET OF LOTS 29 AND 30 OF THE CLUTTER AND LONG TRACT IN THE CITY OF BELL, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN [BOOK 12, PAGE 153](#), OF MAPS, RECORDS OF SAID COUNTY.

EXCEPT THE WEST 50 FEET OF THE NORTH 44 FEET OF THE SOUTH 132 FEET OF SAID LOT 29.

PARCEL 2:

THE NORTH 44 FEET OF THE SOUTH 88 FEET OF LOTS 29 AND 30 OF THE CLUTTER AND LONG TRACT IN THE CITY OF BELL, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN [BOOK 12, PAGE 153](#), OF MAPS, RECORDS OF SAID COUNTY.

PARCEL 3:

THE NORTH 88 FEET OF THE SOUTH 220 FEET OF LOT 29; THE SOUTH 10 FEET OF THE NORTH 150 FEET OF LOT 29; THE NORTH 44 FEET OF THE SOUTH 220 FEET OF THE WEST 75 FEET OF LOT 30 AND THE NORTH 44 FEET OF THE SOUTH 176 FEET OF THE WEST 75 FEET OF LOT 30, ALL IN THE CLUTTER AND LONG TRACT IN THE CITY OF BELL, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP [RECORDED IN BOOK 12, PAGE 153](#), OF MAPS, RECORDS OF SAID COUNTY.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, 202__ before me, _____, a
notary public, personally appeared _____
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s)
is/are subscribed to the within instrument and acknowledged to me that he/she/they executed
the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the
instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the
instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

SEAL:

EXHIBIT D

GRANT DEED

FREE RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Bell
6330 Pine Ave.
Bell, California 90201
Attn: City Clerk

APNs. 6326-001-014, 015, 017, 018 & 019
THE UNDERSIGNED GRANTOR DECLARES that the
documentary transfer tax is \$0 due to exemption under
R&T Code Section 11922

(Space Above This Line for Recorder's Office Use Only)
(Exempt from Recording Fee per Gov. Code §6103)

GRANT DEED

FOR A VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, CHESTER D. LOMAX AND ROSA A. LOMAX, TRUSTEES OF THE CHET AND ROSA LOMAX REVOCABLE TRUST dated 6/16/05 ("**Grantor**"), hereby grants all right, title and interest to the CITY OF BELL, a California charter city ("**Grantee**"), that certain real property in the City of Bell, County of Los Angeles, State of California, commonly described as 6411, 6425 & 6429 Woodward Avenue and legally described as set forth on Exhibit A attached hereto and incorporated herein by reference ("**Real Property**").

IN WITNESS WHEREOF, Grantor has caused this instrument to be executed on its behalf by its respective officers or agents hereunto as of the date first above written.

GRANTOR

**NOT TO BE EXECUTED
UNTIL CLOSING**

CHESTER D. LOMAX, TRUSTEE OF THE
CHET AND ROSA LOMAX REVOCABLE
TRUST dated 6/16/05

ROSA A. LOMAX, TRUSTEE OF THE CHET
AND ROSA LOMAX REVOCABLE TRUST
dated 6/16/05

**EXHIBIT "A" TO GRANT DEED
LEGAL DESCRIPTION OF THE REAL PROPERTY**

THE PROPERTY IS SITUATED IN THE CITY OF BELL, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

THE NORTH 44 FEET OF THE SOUTH 132 FEET OF LOTS 29 AND 30 OF THE CLUTTER AND LONG TRACT IN THE CITY OF BELL, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN [BOOK 12, PAGE 153](#), OF MAPS, RECORDS OF SAID COUNTY.

EXCEPT THE WEST 50 FEET OF THE NORTH 44 FEET OF THE SOUTH 132 FEET OF SAID LOT 29.

PARCEL 2:

THE NORTH 44 FEET OF THE SOUTH 88 FEET OF LOTS 29 AND 30 OF THE CLUTTER AND LONG TRACT IN THE CITY OF BELL, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN [BOOK 12, PAGE 153](#), OF MAPS, RECORDS OF SAID COUNTY.

PARCEL 3:

THE NORTH 88 FEET OF THE SOUTH 220 FEET OF LOT 29; THE SOUTH 10 FEET OF THE NORTH 150 FEET OF LOT 29; THE NORTH 44 FEET OF THE SOUTH 220 FEET OF THE WEST 75 FEET OF LOT 30 AND THE NORTH 44 FEET OF THE SOUTH 176 FEET OF THE WEST 75 FEET OF LOT 30, ALL IN THE CLUTTER AND LONG TRACT IN THE CITY OF BELL, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP [RECORDED IN BOOK 12, PAGE 153](#), OF MAPS, RECORDS OF SAID COUNTY.

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by CHESTER D. LOMAX AND ROSA A. LOMAX, TRUSTEES OF THE CHET AND ROSA LOMAX REVOCABLE TRUST dated 6/16/05 ("**Grantor**"), by that certain Grant Deed dated _____, 202__ ("**Grant Deed**") to the CITY OF BELL ("**Grantee**"), is hereby accepted by the undersigned officer and agent of the CITY OF BELL which consents to the recording of the Grant Deed.

Signed and dated at Bell, California on _____, 202__.

GRANTEE:

CITY OF BELL, a California charter city

**NOT TO BE EXECUTED
UNTIL CLOSING**

By: _____
Micheal L. Antwine, II
City Manager

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, 202__, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary in and for the State of California

[SEAL]

EXHIBIT D

BILL OF SALE

This Bill of Sale is provided by CHESTER D. LOMAX AND ROSA A. LOMAX, TRUSTEES OF THE CHET AND ROSA LOMAX REVOCABLE TRUST dated 6/16/05 ("**Seller**") in favor of the CITY OF BELL, a California charter city ("**Buyer**"), with respect to the sale and transfer of all right, title and interest in and to the Personal Property as defined in that certain Purchase and Sale Agreement For Real Property under Threat of Condemnation and Joint Escrow Instructions dated _____, 202__ ("**PSA**"), between Seller and Buyer all of which are set forth on Exhibit 1 attached hereto (collectively, the "**Assets**").

NOW, THEREFORE, this Bill of Sale is issued by Seller in favor of Buyer in accordance with the following:

1. Seller represents, warrants and covenants to Buyer that it is the lawful owner of the Assets and that it has the right to sell, transfer, and convey the same to Buyer.
2. Seller hereby sells, assigns, transfers and conveys to Buyer all of Seller's right, title and interest in and to the Assets as part of the consideration under that certain PSA related to that certain real property located at 6411, 6425 & 6429 Woodward Avenue in the City of Bell, County of Los Angeles, California (APNs #6326-001-014, 015, 017, 018 & 019) ("**Property**").
3. The Assets are located at the Property.
4. The provisions of this Bill of Sale shall bind and benefit the legal representatives, successors and assigns of Buyer and Seller.
5. This Bill of Sale shall be governed by and construed in accordance with the laws of the State of California. This Bill of Sale may be executed in counterparts, each of which, when taken together, shall constitute fully executed originals.

IN WITNESS WHEREOF, Seller has executed this Bill of Sale as of _____, 202__.

SELLER:

**NOT TO BE EXECUTED
UNTIL CLOSING**

CHESTER D. LOMAX, TRUSTEE OF THE
CHET AND ROSA LOMAX REVOCABLE
TRUST dated 6/16/05

ROSA A. LOMAX, TRUSTEE OF THE CHET
AND ROSA LOMAX REVOCABLE TRUST
dated 6/16/05

EXHIBIT 1

PERSONAL PROPERTY

All Personal Property as defined in the PSA including all tangible and intangible property including any and all rights Seller may have against third parties with respect to contamination which may affect the Real Property.

- Coin operated washer and dryer
- 12 door clickers
- ____ window air conditions

TO BE COMPLETED PRIOR TO EXECUTION

EXHIBIT F

RENTAL AGREEMENT ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS RENTAL AGREEMENT ASSIGNMENT AND ASSUMPTION AGREEMENT ("**Assignment Agreement**") is dated as of _____, 202__ ("**Assignment Date**"), by and between CHESTER D. LOMAX AND ROSA A. LOMAX, TRUSTEES OF THE CHET AND ROSA LOMAX REVOCABLE TRUST dated 6/16/05 ("**Assignor**"), and the CITY OF BELL, a California charter city ("**Assignee**").

RECITALS

A. Assignor is the owner of that certain real property located at 6411, 6425 & 6429 Woodward Avenue in the City of Bell, County of Los Angeles, California (APNs #6326-001-014, 015, 017, 018 & 019) together with all improvements thereon (collectively, "**Real Property**").

B. On _____, 202__, Assignor and Assignee entered into an Agreement for Purchase and Sale of Real Property under Threat of Condemnation and Joint Escrow Instructions pursuant to which Assignee agreed to purchase the Property from Assignor ("**Purchase Agreement**").

C. The Real Property is subject to that rental agreements identified on Exhibit 1 attached hereto and incorporated herein by reference ("**Tenant Rental Agreement**").

D. Assignee wishes to acquire, and Assignor is willing to transfer, Assignor's interest in the Rental Agreements concurrent with the Assignee's acquisition of the Real Property from Assignor. Accordingly, this Assignment Agreement shall only be effective upon the close of escrow conveying the Real Property from Assignor to Assignee pursuant to the Purchase Agreement which date is set forth above as the Assignment Date.

NOW, THEREFORE, in consideration of the mutual promises of the parties, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. Recitals. All of the foregoing recitals are true and correct and are incorporated herein by reference.

2. Assignment. Assignor hereby assigns, sells, conveys, and otherwise transfers to Assignee all of Assignor's interests, rights, and obligations under the Tenant Rental Agreements. This assignment shall be effective as of the Assignment Date. Assignee's execution hereof confirms that Assignor shall no longer be liable for the performance of any obligations, terms, covenants, or conditions under the Tenant Rental Agreements arising after the Assignment Date and that Assignee hereby agrees to forever release Assignor from the performance of any such obligations, terms, covenants, and conditions under the Tenant Rental Agreements.

3. Assumption of Obligations and Rights. Assignee hereby accepts all of Assignor's interests, rights, and obligations under the Tenant Rental Agreements arising after the Assignment Date and assumes and agrees to perform all of Assignor's corresponding obligations, terms, covenants, and conditions under the Tenant Rental Agreements accruing from, and after the Closing Date.

4. Representations, Warranties and Covenants. All Assignor's and Assignee's representations, warranties and covenants set forth in the Purchase Agreement shall survive the

Closing and are incorporated into this Assignment Agreement.

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

6. Effect on Assigned Tenant Rental Agreements. Except for the assignment of Assignor's interests to Assignee in accordance with the provisions of this Assignment Agreement, the parties further agree that nothing in this Assignment Agreement shall be deemed as modifying or otherwise affecting any of the provisions of the Tenant Rental Agreements.

7. Indemnification. Assignor agrees to indemnify, defend, and hold harmless Assignee and all persons and entities affiliated with Assignee including their respective officers, agents and employees from and against any and all claims, liabilities, and losses (collectively, "**Claims**") arising out of the Tenant Rental Agreements arising before the Assignment Date, including any Claims arising as a result of any inaccuracies in Assignor's representations and warranties set forth in the Purchase Agreement and in this Assignment Agreement. Assignee shall indemnify, defend, and hold harmless Assignor and all persons and entities affiliated with Assignor including their respective officers, agents and employees from and against any and all Claims arising out of the Tenant Rental Agreements arising after the Assignment Date, including any Claims arising as a result of any inaccuracies in Assignee's representations and warranties set forth in the Purchase Agreement and in this Assignment Agreement.

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

ASSIGNOR:

**NOT TO BE EXECUTED
UNTIL CLOSING**

CHESTER D. LOMAX, TRUSTEE OF THE
CHET AND ROSA LOMAX REVOCABLE
TRUST dated 6/16/05

ROSA A. LOMAX, TRUSTEE OF THE CHET
AND ROSA LOMAX REVOCABLE TRUST
dated 6/16/05

ASSIGNEE:

CITY OF BELL, a California charter city

**NOT TO BE EXECUTED
UNTIL CLOSING**

By: _____
Ali Saleh, Mayor

_____, 2025

ATTEST:

Angela Bustamante, City Clerk

APPROVED AS TO FORM:

Aleshire & Wynder, LLP

By: _____
David Aleshire, City Attorney

EXHIBIT 1

SUMMARY OF TENANT RENTAL AGREEMENTS

6411 - 6417 - 6425 - 6429 WOODWARD AVE, BELL, CA, 90201

December 1, 2025

All apartments are Month to Month Leases

Unit #	Tenant Name(s)	Move-in Date	No. of Tenants	Monthly Rent (\$)	Tenant	Housing Authority	Deposit Held (\$)	Complete Address	Tenant owns	Gas and Electricity
6411	Vidal Fuente & Jannett Pallares	11/22/2025	2	\$ 2,000.00			\$ 2,000.00	6411 Woodward Ave., Bell, CA 90201. 2 bedrooms - 1 bathroom	Stove and refrigerator	Tenant
6411-A	Adam Saab	2/1/2010	1	\$ 1,000.00			\$ 775.00	6411-A Woodward Ave., Bell, CA 90201. 1 bedroom - 1 bathroom	Stove and refrigerator	Tenant
6411-B	Marisela Herrera	6/1/1999	1	\$ 825.00			\$ 200.00	6411-B Woodward Ave., Bell, CA 90201. 1 bedroom - 1 bathroom	Stove and refrigerator	Tenant
6411-C	Ernesto Osuna, Marisela Arroyo-Csuna, and Lucas Osuna	10/1/2001	3	\$ 940.00			\$ 500.00	6411-C Woodward Ave., Bell, CA 90201. 1 bedroom - 1 bathroom	Stove and refrigerator	Tenant
6411-D	Francisco Herrera	3/1/2014	1	\$ 1,600.00	\$ 341.00	\$ 1,259.00	\$ 500.00	6411-D Woodward Ave., Bell, CA 90201. 1 bedroom - 1 bathroom	Stove and refrigerator	Tenant
6417	Rosie Morlett and Tyrone Garcia	3/15/1997	2	\$ 1,140.00			\$ 500.00	6417 Woodward Ave., Bell, CA 90201. 2 bedrooms - 1 bathroom	Stove and refrigerator	Tenant
6417-A	Patricia Ochoa	3/15/2020	1	\$ 1,782.00	\$ 248.00	\$ 1,534.00	\$ 1,000.00	6417-A Woodward Ave., Bell, CA 90201. 2 bedrooms - 1 bathroom	Stove and refrigerator	Tenant
6417-B	Irma Lopez and Cesar Pallares	2/1/2021	2	\$ 915.00			\$ 800.00	6417-B Woodward Ave., Bell, CA 90201. Studio Apartment	Stove and refrigerator	Tenant
6425	Tomas Padilla and Virginia Padilla	12/27/2013	2	\$ 1,325.00			\$ 1,000.00	6425 Woodward Ave., Bell, CA 90201. 2 bedrooms - 1.5 bathrooms	Stove and refrigerator	Tenant
6429	Maria Hernandez and Albert Estrada	8/1/2025	2	\$ 1,700.00			\$ 1,700.00	6429 Woodward Ave., Bell, CA 90201. 1 bedroom - 1 bathroom	Stove and refrigerator	Tenant
6429-A	Aracely Chavac	12/17/2015	1	\$ 1,658.00	\$ 235.00	\$ 1,423.00	\$ 600.00	6429-A Woodward Ave., Bell, CA 90201. 1 bedroom - 1 bathroom	Stove and refrigerator	Tenant
6429-B	Irene Long	9/1/2024	1	\$ 2,090.00	\$ 352.00	\$ 1,738.00	\$ 1,000.00	6429-B Woodward Ave., Bell, CA 90201. 2 bedrooms - 1 bathroom	Stove and refrigerator	Tenant
TOTAL				\$ 16,975.00	\$ 1,176.00	\$ 5,954.00	\$ 10,575.00			

EXHIBIT E

GENERAL CONTRACT ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS GENERAL CONTRACT ASSIGNMENT AND ASSUMPTION AGREEMENT ("**Assignment Agreement**") is dated as of _____, 202__ ("**Assignment Date**"), by and between CHESTER D. LOMAX AND ROSA A. LOMAX, TRUSTEES OF THE CHET AND ROSA LOMAX REVOCABLE TRUST dated 6/16/05 ("**Assignor**"), and the CITY OF BELL, a California charter city ("**Assignee**").

RECITALS

A. Assignor is the owner of that certain real property located at 6411, 6425 & 6429 Woodward Avenue in the City of Bell, County of Los Angeles, California (APNs #6326-001-014, 015, 017, 018 & 019) ("**Real Property**").

B. On _____, 202__, Assignor and Assignee entered into an Agreement for Purchase and Sale of Real Property under Threat of Condemnation and Joint Escrow Instructions pursuant to which Assignee agreed to purchase the Property from Assignor ("**Purchase Agreement**").

C. The Real Property is subject to certain service, maintenance and other contracts identified on Exhibit 1 attached hereto and incorporated herein by reference ("**Contracts**").

D. Assignee wishes to acquire, and Assignor is willing to transfer, Assignor's interest in the Contracts concurrent with the Assignee's acquisition of the Real Property from Assignor. Accordingly, this Assignment Agreement shall only be effective upon the close of escrow conveying the Real Property from Assignor to Assignee pursuant to the Purchase Agreement which date is set forth above as the Assignment Date.

NOW, THEREFORE, in consideration of the mutual promises of the parties, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. **Recitals.** All of the foregoing recitals are true and correct and are incorporated herein by reference.

2. **Assignment.** Assignor hereby assigns, sells, conveys, and otherwise transfers to Assignee all of Assignor's interests, rights, and obligations under the Contracts. This assignment shall be effective as of the Assignment Date. Assignee's execution hereof confirms that Assignor shall no longer remain liable for the performance of any obligations, terms, covenants, or conditions under the Contracts arising after the Assignment Date and that Assignee hereby agrees to forever release Assignor from the performance of any such obligations, terms, covenants, and conditions under the Contracts.

3. **Assumption of Obligations and Rights.** Assignee hereby accepts all of Assignor's interests, rights, and obligations under the Contracts arising after the Assignment Date and assumes and agrees to perform all of Assignor's corresponding obligations, terms, covenants, and conditions under the Contracts accruing from, and after the Closing Date.

4. **Representations, Warranties and Covenants.** All Assignor's and Assignee's representations, warranties and covenants set forth in the Purchase Agreement shall survive the Closing and are incorporated into this Assignment Agreement.

5. **Due Execution.** The person(s) executing this Assignment Agreement on behalf

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

6. Effect on Assigned Contract. Except for the assignment of Assignor's interests to Assignee in accordance with the provisions of this Assignment Agreement, the parties further agree that nothing in this Assignment Agreement shall be deemed as modifying or otherwise affecting any of the provisions of the Contracts.

7. Indemnification. Assignor agrees to indemnify, defend, and hold harmless Assignee and all persons and entities affiliated with Assignee including their respective officers, agents and employees from and against any and all claims, liabilities, and losses (collectively, "Claims") arising out of the Contracts arising before the Assignment Date, including any Claims arising as a result of any inaccuracies in Assignor's representations and warranties set forth in the Purchase Agreement and in this Assignment Agreement. Assignee shall indemnify, defend, and hold harmless Assignor and all persons and entities affiliated with Assignor including their respective officers, agents and employees from and against any and all Claims arising out of the Contracts arising after the Assignment Date, including any Claims arising as a result of any inaccuracies in Assignee's representations and warranties set forth in the Purchase Agreement and in this Assignment Agreement.

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

ASSIGNOR:

**NOT TO BE EXECUTED
UNTIL CLOSING**

CHESTER D. LOMAX, TRUSTEE OF THE
CHET AND ROSA LOMAX REVOCABLE
TRUST dated 6/16/05

ROSA A. LOMAX, TRUSTEE OF THE CHET
AND ROSA LOMAX REVOCABLE TRUST
dated 6/16/05

ASSIGNEE:

CITY OF BELL, a California charter city

**NOT TO BE EXECUTED
UNTIL CLOSING**

By: _____
Ali Saleh, Mayor

_____, 2025

ATTEST:

Angela Bustamante, City Clerk

APPROVED AS TO FORM:

Aleshire & Wynder, LLP

By: _____
David Aleshire, City Attorney

EXHIBIT 1
IDENTIFICATION OF CONTRACTS

Republic Services dated January 19, 2026 account no. 9020234410

RESOLUTION NO. 2026-10

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELL, CALIFORNIA, APPROVING A PURCHASE AND SALE AGREEMENT WITH CHESTER D. LOMAX AND ROSA A. LOMAX, TRUSTEES, FOR THE ACQUISITION OF THOSE CERTAIN RESIDENTIAL PROPERTIES LOCATED AT 6411, 6425 AND 6429 WOODWARD AVENUE IN THE CITY OF BELL

WHEREAS, the Chester D. Lomax and Rosa A. Lomax, Trustees of the Chet and Rosa Lomax Revocable Trust dated 6/16/05 ("**Owners**") own those certain residential real properties located at 6411, 6425 and 6429 Woodward Avenue (APNs. 6326-001-014, 015, 017, 018 and 019) ("**Property**"); and

WHEREAS, the Property is comprised of multiple buildings containing twelve (12) residential units all of which are currently leased to tenants;

WHEREAS, the appraisal for the Property issued by R.P. Laurain & Associates Incorporated dated July 15, 2025, established the value of the Property at \$3,725,000; and

WHEREAS, City already owns the real properties adjacent to the Property and needs to acquire the Property to assemble parcels in anticipation of a coordinated development project for the benefit of the City; and

WHEREAS, for the City to acquire the Property by eminent domain would increase the cost of acquisition including attorney fees, additional appraisals and other costs and also delay the time for acquisition; and

WHEREAS, Owner and City have negotiated an acquisition price for the Property at \$5,500,000 pursuant to the terms of the Agreement for Purchase and Sale of Real Property under Threat of Condemnation and Joint Escrow Instructions; and

WHEREAS, \$1,450,000 will be paid by a promissory note secured by a deed of trust on the Property bearing simple interest at 4% per annum with monthly payments equal to interest only. The note will be due and payable 2 years from the closing and \$4,050,000 will be paid in cash at closing.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BELL that:

SECTION 1. The foregoing recitals are hereby incorporated and adopted as the findings of the City Council.

SECTION 2. That the City Council approves the acquisition of the real property located at 6411, 6425 and 6429 Woodward Avenue from Chester D. Lomax and Rosa A. Lomax, Trustees in the amount of \$5,500,000 pursuant to the Agreement for Purchase and Sale of Real Property under Threat of Condemnation and Joint Escrow Instructions ("**PSA**").

SECTION 3. The City Manager and City Attorney are authorized to finalize the terms and conditions of the PSA and execute all documents required.

Ali Saleh, Mayor

APPROVED AS TO FORM:

Danny Aleshire, City Attorney

CERTIFICATE OF ATTESTATION AND ORIGINALITY

I, Angela Bustamante, City Clerk of the City of Bell, hereby attest to and certify that the foregoing resolution is the original resolution adopted by the Bell City Council at its regular meeting held on the 25th day of February, 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Angela Bustamante, City Clerk

AGENDA ITEM 9

City of Bell Agenda Report

DATE: February 25, 2026

TO: Mayor and Members of the City Council

FROM: Michael L. Antwine II, City Manager

APPROVED BY: Michael L. Antwine II (e-signature)

BY: Michael L. Antwine II, City Manager

SUBJECT: Proposed Resolutions and Ordinance for the submittal to voters of a Measure adopting a Supplemental General Local Transaction and Use Tax (Sales Tax) for the June 2, 2026, Ballot for the purpose of maintaining Local Control of Revenues generated in the City of Bell to directly benefit the Bell Community.

RECOMMENDATION:

It is recommended that the City Council read by title only, waive further reading and adopt the following:

- (1) Resolution 2026-11 titled: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELL, CALIFORNIA CALLING FOR THE PLACEMENT OF A GENERAL TAX MEASURE ON THE BALLOT FOR THE CONSOLIDATED GENERAL MUNICIPAL ELECTION TO BE HELD ON JUNE 2, 2026 FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF AN ORDINANCE TO ENACT A SUPPLEMENTAL GENERAL TRANSACTIONS AND USE TAX AT A RATE OF ONE PERCENT (1%); AND, REQUESTING THE COUNTY OF LOS ANGELES TO CONSOLIDATE THE SUBMISSION OF THE MEASURE AT THE GENERAL MUNICIPAL ELECTION TO BE HELD ON JUNE 2, 2026, WITH THE STATEWIDE ELECTION TO BE HELD ON THAT DATE PURSUANT TO SECTION 10403 OF THE ELECTIONS CODE.
- (2) Resolution 2026-12 titled: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELL, CALIFORNIA, AUTHORIZING THE DRAFTING OF DIRECT ARGUMENTS, SETTING PRIORITIES FOR FILING WRITTEN ARGUMENT(S) AND DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS REGARDING A CITY MEASURE TO BE SUBMITTED AT THE JUNE 2, 2026 GENERAL MUNICIPAL ELECTION.
- (3) Conduct a First Reading and Introduction of Ordinance 1297: "AN ORDINANCE OF THE PEOPLE OF THE CITY OF BELL, CALIFORNIA, ADDING A NEW CHAPTER 3.21 TO THE BELL MUNICIPAL CODE TO ENACT A ONE PERCENT (1%) SUPPLEMENTAL GENERAL TRANSACTIONS AND USE TAX, WHICH SHALL BE ADMINISTERED BY THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION
- (4) Authorize staff to make changes to the proposed Ordinance and Resolutions, as necessary, to ensure compliance with various requirements from the County of Los Angeles Registrar of Voters and the California Department of Tax and Fee Administration.

BACKGROUND:

A. City's Financial Condition

The City's current and future financial condition is of significant concern. The City's economic condition has not improved significantly over the past 15 years. While there have been tremendous strides and gains in the areas of Financial Reporting and Transparency, Independent External Audits, Restructuring of Long-Term Debt and creating General Fund Reserves. (cc)

1. Revenue vs. Expense Imbalance. Two thirds (2/3) of the City's revenue come from three (3) revenue sources: Property tax, Sales tax, and Utility tax. Since 2020, while property and sales taxes have risen modestly, the decline in utility taxes has eliminated this gain. Meanwhile, like many other California and Los Angeles County cities, the City of Bell's costs have risen approximately 20% over that same period.

In recent years, California cities—including Bell-- have all been affected by national and regional economic factors that have created a flat (limited) revenue growth, while costs have continued to increase, which is a formula that creates lack of fiscal sustainability for local government budgets. If there were any national recession or regional economic decline that would significantly impact the city's fiscal solvency.

A table below illustrates the problem:

	FY 20/21 Actual	FY 21/22 Actual	FY 22/23 Actual	FY 23/24 Actual	FY 24/25 Projected	FY 25/26 Budgeted
Property Tax	5,282,719	5,338,704	5,546,229	5,519,843	6,310,079	6,522,465
Sales Tax	3,185,706	3,862,511	3,785,474	3,805,590	3,724,999	3,879,878
Utility Tax	3,100,663	3,548,686	4,061,071	3,663,152	3,772,500	4,133,265
Total	11,569,088	12,749,901	13,392,774	12,988,585	13,807,578	14,535,608
	73%	74%	72%	75%	75%	71%
Other Rev.	4,308,388	4,389,919	5,137,787	4,427,960	4,680,795	6,800,683
Total Revenue*	15,877,476	17,139,820	18,530,561	17,416,545	18,490,398	20,484,746
Expenses	(15,270,033)	(16,899,074)	(17,985,186)	(17,686,144)	(19,491,893)	(21,801,127)
Diff Rev/Exp	607,443	240,746	545,375	(269,599)	(1,001,495)	(1,316,381)

*Excluding Transfers In

Notes:

1) FY20/21, FY21/22 and FY22-23 Surplus was a result of vacant positions

2) Expenses:

Springbrook Upgrade	\$281,000.00
Info. Tech./Ent. Mgmt Systems	\$500,000.00
Website Redesign	\$140,000.00
Vehicle Replacement	\$200,000.00
Building Improvements	\$500,000.00
Police Overtime	\$200,000.00
Sub Total	\$1,821,000.00

3) Reductions (FY24/25)

Programs	\$143,062.79
Vacant Positions	\$564,154.18
City Wide Reduction	\$222,413.17
Sub Total	\$929,630.14
Total	\$2,750,630.14

2. **Unavoidable Costs.** The city has faced significant staff turnover at all levels of the organization, including personnel providing direct services to the community. This high rate of turnover is due largely in part to the City's inability to recruit and retain experienced staff providing core community services. (Approximately 70 % of the City's general fund revenue goes to maintain the City's Public Safety and Community Services Department.) In addition, among other operations, General Fund pays for maintaining 911, preventing crime, protecting firefighter/paramedic services, keeping public spaces and parks safe and clean, and other programs the community relies on.

B. Locally-controlled Sales Tax Revenue

Considering the foregoing fiscal concerns discussed during the FY 2024-2025 Budget process and concerns over Los Angeles County's continued efforts to seize remaining available sales tax funding, staff is recommending the City Council consider the submission of a transactions and use tax (commonly known as a "sales tax") to the City's voters.

California law effectively "caps" the City's sales tax at a maximum rate of 10.25%. Prior to November 2019, the total sales tax rate for the City of Bell was 8.75%, the lowest among its neighboring cities. This 8.75% includes taxes such as the City's traditional 1% sales tax under Chapter 3.20 of the Bell Municipal Code but also includes County sales taxes and State sales taxes (discussed further below).

The following table shows sales taxes for other cities:

City Sales Tax	
South Gate	10.75%
Commerce	10.50%
Pico Rivera	10.75%
Cudahy	10.50%
Downey	10.50%
Compton	10.75%
Bell	9.75%

In November 2016 and 2017, voters approved two County sales taxes: respectively, Measure M (Los Angeles County Traffic Improvement Plan) and Measure H (Los Angeles County Homeless Services Tax). These two measures increased the City of Bell's sales tax rate to 9.50% without providing any additional revenue to the City of Bell.

In November of 2024, Los Angeles County voters passed Measure A, a 0.5% sales tax (Homelessness Services and Affordable Housing Ordinance) and repealed Measure H, the 2017 0.25% sales tax. As part of Measure A, the County received a unique carve out for their own 0.50% sales tax from the State, which freed up 0.25% which is available for cities or other local eligible jurisdictions.

Thus, the current sales tax rate of 9.75% leaves only 1% remaining available to the City of Bell

or another eligible jurisdiction to increase its sales tax revenue from sales generated within the City's boundaries.

The State share of sales tax is almost four times the City's 1% share. The County also receives 1% in unincorporated territory, but the County has other entities relating to public safety, transportation, traffic improvement, mental health and other functions which total another 4.5%. The authority of the City to impose the additional 1% transactions and use taxes (commonly referred to as a "sales tax") under any provision of law is subject to the rate limitation specified in Rev. & Tax Code Section 7251.1. It should be noted that other public entities can also take advantage of the additional 1% (e.g., other initiatives similar to Measure H). A number of other entities are considering increases to make use of these funds.

Unless the City acts, the County of Los Angeles or another eligible public entity could potentially seize the remaining sales tax funding options currently available to the City.

C. Community Input

In December and January, the City commissioned an independent Budget Priorities community survey to get input from residents on these issues and gauge interest, if any in another locally controlled revenue measure. The highlights of the survey, which interviewed several hundred respondents in Bell, are as follows.

Community Priorities

The community identified the following priorities:

- Securing the City of Bell's financial stability
- Maintaining 911 services
- Preventing crime/thefts
- Protecting firefighter/paramedic services
- Keeping public spaces and parks safe and clean

Seventy-four percent of the respondents indicated their support for a simple majority requirement local one cent sales tax to address these priorities and core general services.

DISCUSSION:

D. Proposed Sales Tax Ordinance

The City's traditional 1% sales tax is found in Chapter 3.20 of the Bell Municipal Code. The Charter in Section 1107 allows the City to raise taxes in accordance with State law. This new sales tax ordinance adds Chapter 3.22 to Title 3 of the Bell Municipal Code. This accomplishes two things. It adds provisions to the Bell Municipal Code in relation to the administration of the sales tax. Further, and more importantly, it establishes an additional sales tax at a rate of one cent per dollar (1%). This measure must be approved by a majority of voters in the City to take effect.

E. Procedures

A two-thirds (i.e., 4 Councilmembers) vote of all members of the City Council (Gov. Code Section 53724(b); Rev. & Taxation Code Section 7285.9) will be required to pass the resolution to order the submission of the proposed sales tax ordinance to the voters. Revenue & Taxation Code Section 7285.9 also requires that the City Council approve the sales tax ordinance. The ordinance

will allow the Council to adopt the rate by resolution if the measure passes.

The ordinance adopted by the voters may provide authority to levy the full 1 cent increase or leave it open to the Council to subsequently set the amount. If the Council elects less than the 1 cent increase, the difference may be taken by other government entities.

Passage of the sales tax measure will require approval by a majority of the voters. (The proposed taxes will generate revenue, deposited in the general fund, available for any general governmental purpose. Thus, the taxes are considered "general taxes." Under Proposition 218, the levy of a new general tax must be approved by a majority of voters. (Cal. Const. art. 13C, § 2(b).) Such a measure, if presented at a general election at which Councilmembers are up, only requires a majority vote, but if presented at a special selection it requires a 2/3 vote.

As previously discussed, the City's current Sales Tax is General Fund revenue that is not restricted to any special purpose, and the same would be true of this additional sales tax. The City's largest General Fund expenses are in the Bell Police Department and Community Services Department (Youth and Seniors Programs and Services).

F. State Administration

Staff previously researched and identified that the State has a different current regulatory structure and will charge significant fees for the administration up to \$175,000. City staff are in the process of determining if the State has created a specific schedule at this point; however, city staff previous research indicates that with an increase of tax in .25% increments, the State may adjust their administrative expense fees based on the Sales Tax increase.

FISCAL IMPACT:

The 2024-2025 Budget estimates that the sales and use tax (pursuant to Chapter 3.20 of Title 3 of the Bell Municipal Code) will generate \$3.5 million for the year.

A 1% increase would generate approximately \$3.5 million per year into the City's General Fund.

ATTACHMENTS:

1. Resolution No. 2026-11
2. Resolution No. 2026-12
3. Ordinance No. 1297

RESOLUTION 2026-11

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELL, CALIFORNIA CALLING FOR THE PLACEMENT OF A GENERAL TAX MEASURE ON THE BALLOT FOR THE CONSOLIDATED GENERAL MUNICIPAL ELECTION TO BE HELD ON JUNE 2, 2026 FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF AN ORDINANCE TO ENACT A SUPPLEMENTAL GENERAL TRANSACTIONS AND USE TAX AT A RATE OF ONE PERCENT (1%); AND, REQUESTING THE COUNTY OF LOS ANGELES TO CONSOLIDATE THE SUBMISSION OF THE MEASURE AT THE GENERAL MUNICIPAL ELECTION TO BE HELD ON JUNE 2, 2026, WITH THE STATEWIDE ELECTION TO BE HELD ON THAT DATE PURSUANT TO SECTION 10403 OF THE ELECTIONS CODE

THE CITY COUNCIL City of Bell, California

WHEREAS, a General Municipal Election on June 2, 2026, has been called by the City of Bell ("City") pursuant to Resolution CC 2026-03, adopted by the City Council on January 14, 2026 for the purpose of electing council members as provided therein; and in connection therewith, the City Council adopted Resolution CC 2026-04 on January 14, 2026 in order to consolidate the General Municipal Election with the statewide election to be held on June 2, 2026 and directing the County of Los Angeles County Clerk to administer the City's General Municipal Election; and

WHEREAS, the Bell City Council desires to submit to the voters at the General Municipal Election a question relating to a sales tax measure as provided in this Resolution and the City Council further desires that the question relating to the sales tax measure be submitted to the voters as such consolidated election; and

WHEREAS, the City is authorized to levy a Transactions and Use Tax ("TUT" / "Sales Tax") for general purposes pursuant to California Revenue and Taxation Code section 7285.9, subject to approval by a majority vote of the electorate pursuant to Article XIIC, section 2 of the California Constitution ("Proposition 218"); and

WHEREAS, pursuant to California Elections Code section 9222, the City Council has authority to place local measures on the ballot to be considered at a municipal election; and

WHEREAS, the City Council is authorized and directed by statute to submit to the voters the foregoing ballot measure ("Measure"), and the City Council therefore wishes to have the voters consider the same at the General Municipal Election to be held on June 2, 2026; and

WHEREAS, pursuant to Proposition 218 (California Constitution, Article XIIC, section 2(b)), the general rule is that any local election for the approval of an increase to a general tax must be consolidated with a regularly scheduled general election for members of the governing body of the local government; and

WHEREAS, the sales tax Measure proposed by this Resolution is intended to ensure that the City retains local control over local taxpayer dollars to be spent on City services, programs, and for the City to be self-reliant in the case of an emergency; and

WHEREAS, the funds generated by the proposed Measure would enhance existing City services for the benefit of the Bell residents, including public safety, efforts to address homelessness, the provision of youth and senior recreation programs, and quality of life issues;

and

WHEREAS, the Measure would commence upon the first day of the first calendar quarter that occurs more than 110 days after the General Municipal Election, which would establish a supplemental, locally-controlled general Sales Tax of one percent (1%) on the sale and/or use of all tangible personal property sold at retail in the City until it is repealed by voters, as more specifically set forth in the attached proposed Ordinance; and

WHEREAS, the one percent (1%) Sales Tax would constitute a general tax, the revenue of which will be placed in the City's general fund and will be used to pay for general City services, including, but not limited to, public safety services, youth and senior programs, City facility maintenance, and homeless programs and services; and

WHEREAS, pursuant to Revenue and Taxation Code section 7285.9, a two-thirds (2/3) vote of all members of the City Council is required to place the Measure on the June 2, 2026 ballot, and the vote requirement for the Measure to pass is a majority (50%+1) of the qualified voters of the City at the General Municipal Election to be held on June 2, 2026; and

WHEREAS, the ordinance to be considered by the qualified voters and the terms of approval, collection, and use of the general Sales Tax are described and provided for in the Ordinance attached hereto as Exhibit "A" which is incorporated herein by this reference.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BELL:

SECTION 1. The foregoing recitals are true and correct and are hereby incorporated and made an operative part of this Resolution.

SECTION 2. Pursuant to California Elections Code section 9222, Revenue and Taxation Code section 7285.9 and any other applicable requirements of the laws of the State of California relating to the City, the City Council, by a two-thirds (2/3) vote of all members, hereby orders the Measure to be submitted to the voters of the City at the General Municipal Election to be held on June 2, 2026.

SECTION 3. The City Council, pursuant to California Elections Code section 9222, hereby orders that the ballot question for the Measure shall be presented and printed upon the ballot submitted to the qualified voters in the manner and form set forth in this Section 3. On the ballot to be submitted to the qualified voters at the General Municipal Election to be held on June 2, 2026, in addition to any other matters required by law, there shall be printed substantially the following ballot question:

City of Bell Public Safety/City Services Measure: To help secure the City of Bell's financial stability and maintain municipal services, including fire, paramedic, 911, police services; prevent crime/thefts; keep public areas and parks safe/clean; maintain streets, youth/after school and anti-gang programs; address homelessness; shall the measure establishing a 1¢ sales tax, generating approximately \$3,500,000 annually until ended by voters; requiring independent audits/community oversight committee, public spending disclosure, with all funds locally controlled, be adopted?	YES
	NO

SECTION 4. The text of the proposed Measure is attached as Exhibit “A” to this Resolution, and the City Council hereby approves the Measure and the form thereof, and will adopt it in the normal manner for the adoption of ordinances. The City Clerk is hereby authorized and directed to make any changes to the text of the Measure or this Resolution as required to conform to any requirements of law.

SECTION 5. The City Clerk is authorized, instructed, and directed to procure and furnish any and all official ballots, printed matter and all supplies, equipment and paraphernalia that may be necessary in order to properly and lawfully conduct the election. In all particulars not recited in this Resolution, the election shall be held and conducted as provided by law for holding municipal elections.

SECTION 6. Notice of the election is hereby given and the City Clerk is authorized, instructed and directed to give further or additional notice of the election, in time, form and manner as required by law.

SECTION 7. Pursuant to Sections 10402 and 10403 of the Elections Code, the Los Angeles County Board of Supervisors is hereby requested to consent and agree to the consolidation of the submission of the Measure at the General Municipal Election with the election conducted by Los Angeles County to be held on Tuesday, June 2, 2026.

SECTION 8. The full text of the Measure shall not be printed in the voter information guide. A statement shall be printed on the ballot pursuant to Elections Code section 9223 advising voters that they may obtain a copy of this Resolution and the Measure, at no cost, upon request made to the City Clerk.

SECTION 9. The City Clerk shall, not later than the 88th day prior to the General Municipal Election to be held on June 2, 2026, file with the Board of Supervisors and the Registrar of Voters of the County of Los Angeles, State of California, a certified copy of this Resolution.

SECTION 11. Pursuant to Elections Code section 9295, the Measure will be available for public examination for no fewer than ten (10) calendar days prior to being submitted for printing in the voter information guide. The City Clerk shall post notice in the Clerk’s office of the specific dates that the examination period will run.

SECTION 12. The City Council hereby finds and determines that the Measure is not a “project” subject to the requirements of the California Environmental Quality Act (“CEQA”) (Public Resources Code Section §§ 21000 *et seq.*) as it relates to organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

SECTION 13. The provisions of this Resolution are severable and if any provision of this Resolution is held invalid, that provision shall be severed from the Resolution and the remainder of this Resolution shall continue in full force and effect, and not be affected by such invalidity.

SECTION 14. In the event of any conflict between the Sales Tax proposed by the Measure proposed herein, and any other sales tax measure proposed for adoption by any governmental agency within Los Angeles County, the City Measure proposed herein shall take precedence over any later-enacted sales tax measure, notwithstanding the fact that the Measure may become operative at some point after the June 2, 2026 General Municipal Election; the date of adoption by the voters of the Measure shall control.

SECTION 15. The City Clerk shall certify to the passage and adoption of this Resolution

and enter it into the book of original Resolutions. This Resolution shall be effective immediately upon passage and adoption.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Bell this 25th day of February, 2026.

BY: _____
ALI SALEH
Mayor

APPROVED AS TO FORM:
Aleshire & Wynder, LLP

DANNY ALESHIRE
City Attorney

CERTIFICATION

I, do hereby certify that the foregoing Resolution was duly adopted by the City Council of the City of Bell at a regular meeting held on the 25th day of February, 2026, by the following vote:

AYES:	MEMBERS:
NOES:	MEMBERS:
ABSENT:	MEMBERS:
ABSTAIN:	MEMBERS:

Dated:

ANGELA BUSTAMANTE
City Clerk

Exhibit "A"

**Supplemental General
Transactions and Use Tax Ordinance**

[Attached]

ORDINANCE NO. 1297

AN ORDINANCE OF THE PEOPLE OF THE CITY OF BELL, CALIFORNIA, ADDING A NEW CHAPTER 3.21 TO THE BELL MUNICIPAL CODE TO ENACT A ONE PERCENT (1%) SUPPLEMENTAL GENERAL TRANSACTIONS AND USE TAX, WHICH SHALL BE ADMINISTERED BY THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION

**THE CITY COUNCIL
City of Bell, California**

WHEREAS, pursuant to California Revenue and Taxation Code section 7285.9, the City of Bell ("City"), is authorized, subject to approval by a majority vote of the qualified voters of the City voting in an election on the issue, to levy a transactions and use tax for general purposes pursuant to the Transaction and Use Tax Law (Revenue and Taxation Code §§ 7251–7279.6); and

WHEREAS, pursuant to Article XIII C, section 2 of the California Constitution and Elections Code section 10201, the City Council has determined to submit this Ordinance establishing a transactions and use tax to the voters; and

WHEREAS, pursuant to California Elections Code section 9222, the City Council has authority to place measures on the ballot to be considered at a General Municipal Election; and

WHEREAS, this Ordinance proposing a supplemental general transactions and use tax was approved by the City Council of the City on February 25, 2026 for placement on the ballot, and requires approval by a majority of the voters casting votes at the General Municipal Election held on June 2, 2026; and

WHEREAS, an additional source of local, voter-controlled funding is essential to maintaining Bell residents' quality of life; and

WHEREAS, all funds generated by this Ordinance are legally required to be spent in the City of Bell, which will help ensure local control of revenue and provide a guaranteed source of funding for City services that cannot be taken away by Los Angeles County, Sacramento, or Washington D.C.; and

WHEREAS, the State of California continues to impose greater financial responsibility and bureaucratic regulations upon local governments including the City of Bell; such unfunded mandates have left the City with insufficient funds to provide the services and programs that local residents need; and

WHEREAS, without additional funds the City may be forced to make cuts to the total number of police officers, drug prevention and anti-gang programs, youth and senior recreation programs, street maintenance, and efforts to address homelessness; and

WHEREAS, this Ordinance would help provide a steady source of funding to ensure that after-school programs at City parks, recreation centers, and the library are sufficiently funded and improved, in order to enhance the outcomes of children and teens and ensure their safety; studies show that during the hours after school ends and before parents typically return home from work children and teens need comprehensive after-school programs; otherwise, they are three times more likely to get into trouble; and

WHEREAS, this Ordinance will provide funding to protect firefighter and paramedic

services, keep public areas such as parks/open spaces, commercial areas, and community centers safe and clean; maintain and improve 911 services; and prevent crime and thefts while helping secure the City of Bell's financial stability; and

WHEREAS, this Ordinance includes strict accountability requirements, such as independent residents' oversight committee, disclosure of all spending and annual independent financial audits, that ensure funds are used effectively and as promised, and only for programs and services that benefit City of Bell residents; and

WHEREAS, the People of the City desire to add a new Chapter 3.21 to the Bell Municipal Code establishing a Supplemental General Transactions and Use Tax ("TUT" or "Sales Tax") on the sale and/or use of all tangible personal property sold at retail in the City, at a rate of one percent (1%).

NOW, THEREFORE, THE PEOPLE OF THE CITY OF BELL AT THE JUNE 2, 2026 ELECTION DO HEREBY RESOLVE, DECLARE, AND ORDAIN AS FOLLOWS:

Section 1. Title and Text. This Ordinance shall be known as the "City of Bell Public Safety/City Services Measure", the full text of which is set forth in Exhibit "A", attached hereto and incorporated herein by reference. The Recitals set forth above, are hereby incorporated herein by this reference.

Section 2. Approval by the City Council. Pursuant to California Government Code section 53724 and Revenue and Taxation Code section 7285.9, this Ordinance was duly approved for placement on the ballot by a minimum two-thirds (2/3) supermajority of all members of the City Council on February 25, 2026.

Section 3. Approval by the Voters. Pursuant to California Elections Code section 9217, this Ordinance shall be deemed adopted and take effect only if approved by a majority of the eligible voters of the City of Bell voting at the General Municipal Election on June 2, 2026. It shall be deemed adopted when the City Council has certified the results of that election by resolution and shall take effect ten (10) days thereafter.

Section 4. Operative Date. The "Operative Date" for the TUT contained in this Ordinance shall commence on the first day of the first calendar quarter beginning more than 110 days after the adoption of this Ordinance.

Section 5. Use of Tax Proceeds. All proceeds of the tax levied and imposed hereunder shall be accounted for and paid into the City's General Fund, and may be used for any lawful purpose as designated by the City Council.

Section 6. Severability. If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held to be invalid or unenforceable by a court of competent jurisdiction, the remaining portions of this Ordinance shall nonetheless remain in full force and effect. The people of the City of Bell hereby declare that they would have adopted each section, subsection, sentence, clause, phrase, or portion of this Ordinance, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions of this Ordinance be declared invalid or unenforceable.

Section 7. Appropriations Limit. Pursuant to Article XIII B of the California Constitution, the appropriations limit for the City of Bell is increased to the maximum extent over the maximum period of time allowed by law consistent with the revenues generated by the TUT contained in this Ordinance.

Section 8. Council Authority to Amend. This is a City Council-sponsored initiative Ordinance which otherwise would only be subject to amendment by the voters of the City. However, pursuant to Elections Code Section 9217, the City Council shall have and retain the right and authority to amend this Ordinance to further its purposes and intent (including but not limited to amendment for more efficient administration as determined by the City Council) in any manner that does not increase a tax rate, or otherwise constitute a tax increase for which voter approval is required by Article XIII C of the California Constitution.

Section 9. Execution. If a majority of the voters of the City of Bell voting at the General Municipal Election held on June 2, 2026, vote in favor of this Ordinance, then the Mayor shall sign this Ordinance.

Section 10. Certification. The City Clerk of the City shall certify that this Ordinance was passed, approved and adopted by the People of the City of Bell, California, voting on the 2nd day of June, 2026, and upon its adoption, the City Clerk is hereby authorized and directed to codify this Ordinance in the Bell Municipal Code.

PASSED, APPROVED, AND ADOPTED by the People of the City of Bell at an election held on June 2, 2026.

BY: _____
ALI SALEH
Mayor

APPROVED AS TO FORM:
Aleshire & Wynder, LLP

DANNY ALESHIRE
City Attorney

CERTIFICATION

I, Angela Bustamante, City Clerk of the City of Bell, do hereby certify that the foregoing Ordinance was introduced for first reading on the _____ day of _____, 2026. Thereafter, said Ordinance was duly approved and adopted at a regular meeting of the City Council on the _____ day of _____, 2026, by the following roll call vote:

AYES:	MEMBERS:
NOES:	MEMBERS:
ABSENT:	MEMBERS:
ABSTAIN:	MEMBERS:

I further certify that said Ordinance was published as required by law in a newspaper of general circulation in the City of Bell, California on the _____.

Dated:

ANGELA BUSTAMANTE
City Clerk

EXHIBIT "A"

A new Chapter 3.21 is hereby added to the Bell Municipal Code to read as follows:

"Chapter 3.21 CITY OF BELL PUBLIC SAFETY/CITY SERVICES MEASURE

3.21.010 Title.

This ordinance shall be known as the "City of Bell Public Safety/City Services Measure." The City of Bell hereinafter shall be called "city." This ordinance shall be applicable in the incorporated territory of the city.

3.21.020 Operative date.

The "operative date" of the City of Bell Public Safety/City Services Measure shall be the date that is the first day of the first calendar quarter commencing more than 110 days after the adoption of this ordinance.

3.21.030 Purpose.

This ordinance is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted in order to accomplish those purposes:

A. To impose a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 7285.9 of Part 1.7 of Division 2 which authorizes the city to adopt this ordinance.

B. To adopt a retail transactions and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.

C. To adopt a retail transactions and use tax ordinance that imposes a tax and provides a measure therefore that can be administered and collected by the California Department of Tax and Fee Administration in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the California Department of Tax and Fee Administration in administering and collecting the California State Sales and Use Taxes.

D. To adopt a retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this chapter.

E. To provide funding and support for the following city services: fire, paramedic, police services, prevention of crime and thefts crime/thefts, maintenance and improvements to city facilities, public areas, streets, and parks,

youth and senior recreation programs, and afterschool programs, drug prevention and anti-gang programs, and efforts to address homelessness.

3.21.040 Contract with state.

Prior to the operative date, the city shall contract with the California Department of Tax and Fee Administration to perform all functions incident to the administration and operation of this transactions and use tax ordinance; provided, that if the city shall not have contracted with the California Department of Tax and Fee Administration prior to the operative date, it shall nevertheless so contract and in such a case the operative date shall be the first day of the first calendar quarter following the execution of such a contract.

3.21.050 Transactions tax rate.

For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated territory of the city at the rate of one (1) cent per dollar of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the operative date of this ordinance.

3.21.060 Place of sale.

For the purposes of this chapter, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the state or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the California Department of Tax and Fee Administration.

3.21.070 Use tax rate.

An excise tax is hereby imposed on the storage, use or other consumption in the city of tangible personal property purchased from any retailer on and after the operative date of this ordinance for storage, use or other consumption in said territory at the rate of one (1) cent per dollar of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made.

3.21.080 Adoption of provisions of state law.

Except as otherwise provided in this chapter and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this chapter as though fully set forth herein.

3.21.090 Limitations on adoption of state law and collection of use taxes.

In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

A. Wherever the State of California is named or referred to as the taxing agency, the name of this city shall be substituted therefor. However, the substitution shall not be made when:

1. The word "state" is used as a part of the title of the State Controller, State Treasurer, State Treasury, or the Constitution of the State of California;
2. The result of that substitution would require action to be taken by or against this city or any agency, officer, or employee thereof rather than by or against the California Department of Tax and Fee Administration, in performing the functions incident to the administration or operation of this ordinance.
3. In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:
 - a. Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the state under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or;
 - b. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the state under the said provision of that code.
4. In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.

B. The word "city" shall be substituted for the word "state" in the phrase "retailer engaged in business in this state" in Section 6203 and in the definition of that phrase in Section 6203.

1. The words "A retailer engaged in business in the city" shall also include any retailer that, in the preceding calendar year or the current calendar year, has total combined sales of tangible personal property in this state or for delivery in the state by the retailer and all persons related to the retailer that exceeds five hundred thousand dollars (\$500,000). For purposes of this section, a person is related to another person if both persons are related to each other pursuant to Section 267(b) of Title 26 of the United States Code and the regulations thereunder.

3.21.100 Permit not required.

If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this ordinance.

3.21.110 Exemptions and exclusions.

A. There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.

B. There are exempted from the computation of the amount of transactions tax the gross receipts from:

1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.
2. Sales of property to be used outside the city which is shipped to a point outside the city, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the city shall be satisfied:
 - a. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-city address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and
 - b. With respect to commercial vehicles, by registration to a place of business out-of-city and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.
3. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.
4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the operative date of this ordinance.
5. For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

C. There are exempted from the use tax imposed by this ordinance, the storage, use or other consumption in this city of tangible personal property:

1. The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.
2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.
3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.
4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of this ordinance.
5. For the purposes of subparagraphs (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.
6. Except as provided in subparagraph (7), a retailer engaged in business in the city shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the city or participates within the city in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the city or through any representative, agent, canvasser, solicitor, subsidiary, or person in the city under the authority of the retailer.
7. "A retailer engaged in business in the city" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the city.

D. Any person subject to use tax under this ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

3.21.120 Amendments.

All amendments subsequent to the effective date of this ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this ordinance, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this ordinance.

3.21.130 Enjoining collection forbidden.

No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the state or the city, or against any officer of the state or the city, to prevent or enjoin the collection under this ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

3.21.140 Severability.

If any provision of this chapter or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

3.21.150 Council Authority to Amend.

Pursuant to Elections Code Section 9217, the City Council shall have and retain the right and authority to amend this ordinance to further its purposes and intent (including but not limited to amendment for more efficient administration as determined by the City Council) in any manner that does not increase a tax rate, or otherwise constitute a tax increase for which voter approval is required by Article XIII C of the California Constitution.

3.21.160 Effective date.

This chapter shall be effective ten (10) days after the date on which the City Council has declared that the voters of the City of Bell have approved this ordinance by a vote of no less than a majority of the votes cast by the electors voting on the tax measure set forth in this chapter at the general municipal election to be held on June 2, 2026.

3.21.170 Accountability.

The following accountability requirements shall apply to the tax set forth under this ordinance:

A. The city shall conduct an annual, independent performance audit to ensure that the tax funds are expended pursuant to the purposes specified herein.

B. The city shall appoint a community oversight committee to ensure that the tax is expended only for the purposes described herein. The committee shall meet as needed but a minimum of twice per year. The committee shall contain five (5) members appointed by the City Council, consisting of one member representing

community or faith based organizations, one member representing small business owners, one member representing business entities, and two members at large. Members appointed to the oversight committee shall receive educational training about taxes and fiscal oversight.

3.21.180 Termination date.

The authority to levy the tax imposed by this ordinance shall not expire unless terminated by lawful vote of the electorate or as required or authorized by law.

RESOLUTION 2026-12

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELL, CALIFORNIA, AUTHORIZING THE DRAFTING OF DIRECT ARGUMENTS, SETTING PRIORITIES FOR FILING WRITTEN ARGUMENT(S) AND DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS REGARDING A CITY MEASURE TO BE SUBMITTED AT THE JUNE 2, 2026 GENERAL MUNICIPAL ELECTION

THE CITY COUNCIL City of Bell, California

WHEREAS, a General Municipal Election is to be held in the City of Bell, California on June 2, 2026, at which there will be submitted to the voters the following ballot question, which will be submitted to the voters of the City of Bell in connection with the consideration of a proposed ordinance which would establish an additional supplemental general transactions and use tax at the rate of one percent (1%) ("Sales Tax Measure"):

City of Bell Public Safety/City Services Measure: To help secure the City of Bell's financial stability and maintain municipal services, including fire, paramedic, 911, police services; prevent crime/thefts; keep public areas and parks safe/clean; maintain streets, youth/after school and anti-gang programs; address homelessness; shall the measure establishing a 1¢ sales tax, generating approximately \$3,500,000 annually until ended by voters; requiring independent audits/Citizens' Oversight committee, public spending disclosure, with all funds locally controlled, be adopted?	YES
	NO

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BELL, CALIFORNIA, DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Primary Arguments. That the City Council authorizes (i) the City Council or any member(s) of the City Council, (ii) any individual voter eligible to vote on the Sales Tax Measure, (iii) a bona fide association of such citizens, or (iv) any combination of voters and associations, to file a written argument in favor of or against the Measure, accompanied by the printed name(s) and signature(s) of the author(s) submitting it, in accordance with Article 4, Chapter 3, Division 9 of the Elections Code of the State of California, and to change the argument until and including the date fixed below by the City Clerk, after which no arguments for or against the Sales Tax Measure may be submitted to the City Clerk.

The deadline to submit arguments for or against the Sales Tax Measure pursuant to this Resolution is declared by the City Clerk to be _____, 2026, at 5:00 p.m. Each argument shall not exceed 300 words and shall be filed with the City Clerk, signed, and include the printed name(s) and signature(s) of the author(s) submitting it, or if submitted on behalf of an organization, the name of the organization, and the printed name and signature of at least one of its principal officers who is the author of the argument.

Section 2. Rebuttal Arguments. Pursuant to Section 9285 of the Elections Code of the State of California, when the City Clerk has selected the primary arguments for and against the Sales Tax Measure which will be printed and distributed to the voters, the City Clerk shall

send copies of the primary argument in favor of the Sales Tax Measure to the authors of the primary argument against, and copies of the primary argument against to the authors of the primary argument in favor. The authors or persons designated by them may prepare and submit rebuttal arguments not exceeding 250 words. The rebuttal arguments shall be filed with the City Clerk not later than _____, 2026, at 5:00 p.m. Rebuttal arguments shall be printed in the same manner as the primary arguments. Each rebuttal argument shall immediately follow the primary argument which it seeks to rebut.

Section 3. Multiple Arguments. In the event that more than one argument for or against the Sales Tax Measure is timely submitted, the City Council's duly appointed elections official shall give preference and priority first, to arguments submitted by a member of the City Council, as authorized by this Resolution, and second, to individual voters, bona fide associations, or a combination thereof, in the order set forth at California Elections Code section 9287.

Section 4. Impartial Analysis. The City Council hereby directs the City's designated elections official to transmit a copy of the Sales Tax Measure to the City Attorney. In accordance with California Elections Code § 9280, the City Attorney is hereby directed to prepare an impartial analysis of the Sales Tax Measure, not to exceed five hundred (500) words in length, showing the effect of the Sales Tax Measure on the existing law and the operation of the measure. The analysis shall include a statement indicating whether the Sales Tax Measure was placed on the ballot by a petition signed by the requisite number of voters or by the governing body of the City. In the event the entire text of the Sales Tax Measure is not printed on the ballot, nor in the voter information portion of the sample ballot, there shall be printed immediately below the impartial analysis, in no less than 10-point bold type, a legend substantially as follows: "The above statement is an impartial analysis of Ordinance No. ____ / or Measure _____. If you desire a copy of the ordinance or measure, please call the elections official's office at _____ and a copy will be mailed at no cost to you." The impartial analysis shall be filed by the date set by the City's designated elections official for the filing of primary arguments.

Section 5. Distribution of Impartial Analysis and Arguments. The City's designated elections official shall cause the City Attorney's Impartial Analysis, and duly selected arguments, to be printed and distributed to voters in accordance with State law regarding same.

Section 6. Certification. The City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Bell on this 25th day of February, 2026.

BY: _____

ALI SALEH
Mayor

APPROVED AS TO FORM:
Aleshire & Wynder, LLP

DANNY ALESHIRE
City Attorney

CERTIFICATION

I _____, do hereby certify that the foregoing Resolution was duly adopted by the City Council of the City of Bell at the Council Meeting held on the 25th day of February, 2026, by the following vote:

AYES:	MEMBERS:
NOES:	MEMBERS:
ABSENT:	MEMBERS:
ABSTAIN:	MEMBERS:

Dated:

ANGELA BUSTAMANTE
City Clerk

ORDINANCE NO. 1297

AN ORDINANCE OF THE PEOPLE OF THE CITY OF BELL, CALIFORNIA, ADDING A NEW CHAPTER 3.21 TO THE BELL MUNICIPAL CODE TO ENACT A ONE PERCENT (1%) SUPPLEMENTAL GENERAL TRANSACTIONS AND USE TAX, WHICH SHALL BE ADMINISTERED BY THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION

**THE CITY COUNCIL
City of Bell, California**

WHEREAS, pursuant to California Revenue and Taxation Code section 7285.9, the City of Bell ("City"), is authorized, subject to approval by a majority vote of the qualified voters of the City voting in an election on the issue, to levy a transactions and use tax for general purposes pursuant to the Transaction and Use Tax Law (Revenue and Taxation Code §§ 7251–7279.6); and

WHEREAS, pursuant to Article XIII C, section 2 of the California Constitution and Elections Code section 10201, the City Council has determined to submit this Ordinance establishing a transactions and use tax to the voters; and

WHEREAS, pursuant to California Elections Code section 9222, the City Council has authority to place measures on the ballot to be considered at a General Municipal Election; and

WHEREAS, this Ordinance proposing a supplemental general transactions and use tax was approved by the City Council of the City on February 25, 2026 for placement on the ballot, and requires approval by a majority of the voters casting votes at the General Municipal Election held on June 2, 2026; and

WHEREAS, an additional source of local, voter-controlled funding is essential to maintaining Bell residents' quality of life; and

WHEREAS, all funds generated by this Ordinance are legally required to be spent in the City of Bell, which will help ensure local control of revenue and provide a guaranteed source of funding for City services that cannot be taken away by Los Angeles County, Sacramento, or Washington D.C.; and

WHEREAS, the State of California continues to impose greater financial responsibility and bureaucratic regulations upon local governments including the City of Bell; such unfunded mandates have left the City with insufficient funds to provide the services and programs that local residents need; and

WHEREAS, without additional funds the City may be forced to make cuts to the total number of police officers, drug prevention and anti-gang programs, youth and senior recreation programs, street maintenance, and efforts to address homelessness; and

WHEREAS, this Ordinance would help provide a steady source of funding to ensure that after-school programs at City parks, recreation centers, and the library are sufficiently funded and improved, in order to enhance the outcomes of children and teens and ensure their safety; studies show that during the hours after school ends and before parents typically return home from work

children and teens need comprehensive after-school programs; otherwise, they are three times more likely to get into trouble; and

WHEREAS, this Ordinance will provide funding to protect firefighter and paramedic services, keep public areas such as parks/open spaces, commercial areas, and community centers safe and clean; maintain and improve 911 services; and prevent crime and thefts while helping secure the City of Bell's financial stability; and

WHEREAS, this Ordinance includes strict accountability requirements, such as independent residents' oversight committee, disclosure of all spending and annual independent financial audits, that ensure funds are used effectively and as promised, and only for programs and services that benefit City of Bell residents; and

WHEREAS, the People of the City desire to add a new Chapter 3.21 to the Bell Municipal Code establishing a Supplemental General Transactions and Use Tax ("TUT" or "Sales Tax") on the sale and/or use of all tangible personal property sold at retail in the City, at a rate of one percent (1%).

NOW, THEREFORE, THE PEOPLE OF THE CITY OF BELL AT THE JUNE 2, 2026 ELECTION DO HEREBY RESOLVE, DECLARE, AND ORDAIN AS FOLLOWS:

Section 1. Title and Text. This Ordinance shall be known as the "City of Bell Public Safety/City Services Measure", the full text of which is set forth in Exhibit "A", attached hereto and incorporated herein by reference. The Recitals set forth above, are hereby incorporated herein by this reference.

Section 2. Approval by the City Council. Pursuant to California Government Code section 53724 and Revenue and Taxation Code section 7285.9, this Ordinance was duly approved for placement on the ballot by a minimum two-thirds (2/3) supermajority of all members of the City Council on February 25, 2026.

Section 3. Approval by the Voters. Pursuant to California Elections Code section 9217, this Ordinance shall be deemed adopted and take effect only if approved by a majority of the eligible voters of the City of Bell voting at the General Municipal Election on June 2, 2026. It shall be deemed adopted when the City Council has certified the results of that election by resolution and shall take effect ten (10) days thereafter.

Section 4. Operative Date. The "Operative Date" for the TUT contained in this Ordinance shall commence on the first day of the first calendar quarter beginning more than 110 days after the adoption of this Ordinance.

Section 5. Use of Tax Proceeds. All proceeds of the tax levied and imposed hereunder shall be accounted for and paid into the City's General Fund, and may be used for any lawful purpose as designated by the City Council.

Section 6. Severability. If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held to be invalid or unenforceable by a court of competent jurisdiction, the remaining portions of this Ordinance shall nonetheless remain in full force and effect. The people of the City of Bell hereby declare that they would have adopted each section, subsection, sentence, clause, phrase, or portion of this Ordinance, irrespective of the fact

that any one or more sections, subsections, sentences, clauses, phrases, or portions of this Ordinance be declared invalid or unenforceable.

Section 7. Appropriations Limit. Pursuant to Article XIII B of the California Constitution, the appropriations limit for the City of Bell is increased to the maximum extent over the maximum period of time allowed by law consistent with the revenues generated by the TUT contained in this Ordinance.

Section 8. Council Authority to Amend. This is a City Council-sponsored initiative Ordinance which otherwise would only be subject to amendment by the voters of the City. However, pursuant to Elections Code Section 9217, the City Council shall have and retain the right and authority to amend this Ordinance to further its purposes and intent (including but not limited to amendment for more efficient administration as determined by the City Council) in any manner that does not increase a tax rate, or otherwise constitute a tax increase for which voter approval is required by Article XIII C of the California Constitution.

Section 9. Execution. If a majority of the voters of the City of Bell voting at the General Municipal Election held on June 2, 2026, vote in favor of this Ordinance, then the Mayor shall sign this Ordinance.

Section 10. Certification. The City Clerk of the City shall certify that this Ordinance was passed, approved and adopted by the People of the City of Bell, California, voting on the 2nd day of June, 2026, and upon its adoption, the City Clerk is hereby authorized and directed to codify this Ordinance in the Bell Municipal Code.

PASSED, APPROVED, AND ADOPTED by the People of the City of Bell at an election held on June 2, 2026.

BY: _____
ALI SALEH
Mayor

APPROVED AS TO FORM:
Aleshire & Wynder, LLP

DANNY ALESHIRE
City Attorney

CERTIFICATION

I, Angela Bustamante, City Clerk of the City of Bell, do hereby certify that the foregoing Ordinance was introduced for first reading on the _____ day of _____, 2026. Thereafter, said Ordinance was duly approved and adopted at a regular meeting of the City Council on the _____ day of _____, 2026, by the following roll call vote:

AYES:	MEMBERS:
NOES:	MEMBERS:
ABSENT:	MEMBERS:

ABSTAIN: MEMBERS:

I further certify that said Ordinance was published as required by law in a newspaper of general circulation in the City of Bell, California on the _____.

Dated:

ANGELA BUSTAMANTE
City Clerk

EXHIBIT "A"

A new Chapter 3.21 is hereby added to the Bell Municipal Code to read as follows:

"Chapter 3.21 CITY OF BELL PUBLIC SAFETY/CITY SERVICES MEASURE

3.21.010 Title.

This ordinance shall be known as the "City of Bell Public Safety/City Services Measure." The City of Bell hereinafter shall be called "city." This ordinance shall be applicable in the incorporated territory of the city.

3.21.020 Operative date.

The "operative date" of the City of Bell Public Safety/City Services Measure shall be the date that is the first day of the first calendar quarter commencing more than 110 days after the adoption of this ordinance.

3.21.030 Purpose.

This ordinance is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted in order to accomplish those purposes:

A. To impose a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 7285.9 of Part 1.7 of Division 2 which authorizes the city to adopt this ordinance.

B. To adopt a retail transactions and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.

C. To adopt a retail transactions and use tax ordinance that imposes a tax and provides a measure therefore that can be administered and collected by the California Department of Tax and Fee Administration in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the California Department of Tax and Fee Administration in administering and collecting the California State Sales and Use Taxes.

D. To adopt a retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this chapter.

E. To provide funding and support for the following city services: fire, paramedic, police services, prevention of crime and thefts crime/thefts, maintenance and improvements to city facilities, public areas, streets, and parks, youth and senior recreation programs, and afterschool programs, drug prevention and anti-gang programs, and efforts to address homelessness.

3.21.040 Contract with state.

Prior to the operative date, the city shall contract with the California Department of Tax and Fee Administration to perform all functions incident to the administration and operation of this transactions and use tax ordinance; provided, that if the city shall not have contracted with the California Department of Tax and Fee Administration prior to the operative date, it shall nevertheless so contract and in such a case the operative date shall be the first day of the first calendar quarter following the execution of such a contract.

3.21.050 Transactions tax rate.

For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated territory of the city at the rate of one (1) cent per dollar of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the operative date of this ordinance.

3.21.060 Place of sale.

For the purposes of this chapter, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the state or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the California Department of Tax and Fee Administration.

3.21.070 Use tax rate.

An excise tax is hereby imposed on the storage, use or other consumption in the city of tangible personal property purchased from any retailer on and after the operative date of this ordinance for storage, use or other consumption in said territory at the rate of one (1) cent per dollar of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made.

3.21.080 Adoption of provisions of state law.

Except as otherwise provided in this chapter and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of

Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this chapter as though fully set forth herein.

3.21.090 Limitations on adoption of state law and collection of use taxes.

In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

A. Wherever the State of California is named or referred to as the taxing agency, the name of this city shall be substituted therefor. However, the substitution shall not be made when:

1. The word "state" is used as a part of the title of the State Controller, State Treasurer, State Treasury, or the Constitution of the State of California;
2. The result of that substitution would require action to be taken by or against this city or any agency, officer, or employee thereof rather than by or against the California Department of Tax and Fee Administration, in performing the functions incident to the administration or operation of this ordinance.
3. In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:
 - a. Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the state under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or;
 - b. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the state under the said provision of that code.
4. In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.

B. The word "city" shall be substituted for the word "state" in the phrase "retailer engaged in business in this state" in Section 6203 and in the definition of that phrase in Section 6203.

1. The words "A retailer engaged in business in the city" shall also include any retailer that, in the preceding calendar year or the current calendar year, has total combined sales of tangible personal property in this state or for delivery in the state by the retailer and all persons related to the retailer that exceeds five hundred thousand dollars (\$500,000). For purposes of this section, a person is related to another person if both persons are related to each other pursuant to Section 267(b) of Title 26 of the United States Code and the regulations thereunder.

3.21.100 Permit not required.

If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this ordinance.

3.21.110 Exemptions and exclusions.

A. There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.

B. There are exempted from the computation of the amount of transactions tax the gross receipts from:

1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.
2. Sales of property to be used outside the city which is shipped to a point outside the city, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the city shall be satisfied:
 - a. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-city address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and
 - b. With respect to commercial vehicles, by registration to a place of business out-of-city and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.
3. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.
4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the

property for an amount fixed by the lease prior to the operative date of this ordinance.

5. For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

C. There are exempted from the use tax imposed by this ordinance, the storage, use or other consumption in this city of tangible personal property:

1. The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.
2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.
3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.
4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of this ordinance.
5. For the purposes of subparagraphs (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.
6. Except as provided in subparagraph (7), a retailer engaged in business in the city shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the city or participates within the city in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the city or through any representative, agent, canvasser, solicitor, subsidiary, or person in the city under the authority of the retailer.

7. "A retailer engaged in business in the city" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the city.

D. Any person subject to use tax under this ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

3.21.120 Amendments.

All amendments subsequent to the effective date of this ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this ordinance, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this ordinance.

3.21.130 Enjoining collection forbidden.

No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the state or the city, or against any officer of the state or the city, to prevent or enjoin the collection under this ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

3.21.140 Severability.

If any provision of this chapter or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

3.21.150 Council Authority to Amend.

Pursuant to Elections Code Section 9217, the City Council shall have and retain the right and authority to amend this ordinance to further its purposes and intent (including but not limited to amendment for more efficient administration as determined by the City Council) in any manner that does not increase a tax rate, or otherwise constitute a tax increase for which voter approval is required by Article XIII C of the California Constitution.

3.21.160 Effective date.

This chapter shall be effective ten (10) days after the date on which the City Council has declared that the voters of the City of Bell have approved this ordinance by a vote of no less than a majority of the votes cast by the electors voting on the tax measure set forth in this chapter at the general municipal election to be held on June 2, 2026.

3.21.170 Accountability.

The following accountability requirements shall apply to the tax set forth under this ordinance:

A. The city shall conduct an annual, independent performance audit to ensure that the tax funds are expended pursuant to the purposes specified herein.

B. The city shall appoint a community oversight committee to ensure that the tax is expended only for the purposes described herein. The committee shall meet as needed but a minimum of twice per year. The committee shall contain five (5) members appointed by the City Council, consisting of one member representing community or faith based organizations, one member representing small business owners, one member representing business entities, and two members at large. Members appointed to the oversight committee shall receive educational training about taxes and fiscal oversight.

3.21.180 Termination date.

The authority to levy the tax imposed by this ordinance shall not expire unless terminated by lawful vote of the electorate or as required or authorized by law.